CEOs Message

In the National Electricity Market of Singapore (NEMS), the Uniform Singapore Energy Price (USEP) rose to $179/MWh in April following an increase in forecasted demand. This narrowed the gap between the USEP and the Vesting Contract Hedge Price (VCHP) which increased to $198.73/MWh for the second quarter of 2013. More details of the NEMS performance in April can be found on page 3.

EMC conducted the Rules Change Panel (RCP) work plan prioritisation exercise in the first two months of the year. In this annual exercise, EMC consults stakeholders of the NEMS to identify and prioritise issues that the RCP should focus on for the coming year. This process is critical for the evolution of the wholesale electricity market. Read about the new issues identified this year and the final RCP work plan for FY2013/2014 below.

In March, more than 40 volunteers from EMC, Diamond Energy, Senoko Energy, Tuas Power Generation and YTL PowerSeraya spent an afternoon at the Mint Museum of Toys with children from Child at Street 11, which is the NEMS adopted charity. Now into its seventh year, this outing is one of the highlights in our charity calendar each year. The article on the outing can be found on page 2.


Dave Carlson
Chief Executive Officer

Rules Change Panel Work Plan Prioritisation Exercise 2013

In January and February this year, EMC conducted its annual Rules Change Panel (RCP) work plan prioritisation exercise.

Issue identification

In the first stage of the prioritisation exercise, stakeholders of the National Electricity Market of Singapore (NEMS), namely market participants (MPs), Singapore Power (SP) Services, SP PowerGrid and the Power System Operator (PSO), were invited to identify new market issues to be included in the updated work plan. In addition to the top 10 issues that were carried over from the previous two-year work plan, the following 12 new issues were raised by stakeholders:

2. Composition of Rules Change Panel to represent diversity of the Wholesale Trader Class of market participants (Proposed by: Diamond Energy)
3. Enhancement to minimum non-zero reserve offer capacity offer process (Proposed by: Diamond Energy)
4. Representation of all EMA limits in Market Rules for greater transparency (Proposed by: Diamond Energy)
5. Obligation for Intertie to be offered in the market and be centrally dispatched (Proposed by: Diamond Energy)
6. Extension of Step-wise Approach to other Constraint Violation Penalties (CVPs) (Proposed by: EMC, Market Administration)
7. Introduction of Regulation Effectiveness Factor (Proposed by: EMC, Market Administration)
12. Removal of the first-approach of CVP rerun (Proposed by: EMC, Market Operations)

(continued on page 2)
Meeting with stakeholders

The second stage of the prioritisation exercise involved EMC meeting with stakeholders individually to clarify and refine the issues. Stakeholders were asked to rate each issue according to its importance and urgency, and could vote to remove issues from the list.

Updated RCP Work Plan 2013

After incorporating feedback from the stakeholders, EMC presented a proposed update of the two-year work plan at the 66th RCP meeting on 5 March for the Panel’s consideration.

The updated work plan agreed on by the RCP for commencement within the next 12 months is presented in the list below. Issues prioritised within the next 13 to 24 months, including a detailed description of all issues in the next two years, can be found on EMC’s website at www.emcsg.com/MarketRules/RulesChangePanel/WorkPlan.

Updated RCP work plan for FY2013/2014

1. Demand side bidding in the Energy Market
2. Review of CVPs and price bounds
3. Publication of total offer capacity for Reserve and Regulation in the Dispatch Run; Publication of total offer capacity for Energy, Reserve and Regulation in the Look Ahead Run
4. Differentiation in probability of failure computation for multi-shaft plants and single-shaft plants
5. Market Rules Chapter 6 – Multi-unit Facility Remodelling
7. Market Rules Chapter 6 – New Constraint for Handling Non-Physical Loss
8. Remodelling of Mixed Integer Programming for Regulation
9. Block dispatch for generation facilities
10. Eligibility of energy and reserve offers
11. Introduction of Regulation Effectiveness Factor
12. Extension of Step-wise Approach to other CVPs

NEMS Charity Outing with Child at Street 11

On 1 March, over 40 volunteers from EMC, Diamond Energy, Senoko Energy, Tuas Power Generation and YTL PowerSeraya took 30 children aged four to 10 from Child at Street 11 to the Mint Museum of Toys. Child at Street 11, a childcare and after-school centre for underprivileged children, is the National Electricity Market of Singapore’s (NEMS) adopted charity.

The visit to the toy museum was a first for the children and for many of the volunteers. The children explored the extensive collection of vintage toys, including many unique and rare pieces. The visit was an eye-opener and educational as we learnt about various toys and the culture and era they originated from.

The toy museum excursion was not only enjoyable but also provided a wonderful opportunity for the volunteers and children to interact. We would like to thank all market participants for their continued support of the NEMS charity initiative and look forward to the next event.

EMC Training Programme – Next Course on 15 and 16 August 2013

EMC will be holding the next run of its two-day training course, Understanding Electricity Markets, on 15 and 16 August 2013. Our staff will be conducting six sessions covering the following topics:

- Understanding Electricity
- Overview of the Electricity Sector
- The National Electricity Market of Singapore and its Unique Features
- Pricing in Detail
- Settlement
- The Demand Side

The course dates for 2013 are as follows:
15 – 16 August 2013
14 – 15 November 2013

We advise you to book early to secure your place in the course of your choice and benefit from our early-bird discount.

Further details on the programme and on how to register are on our website, www.emcsg.com. For enquiries, please e-mail trainingprogramme@emcsg.com or contact Jan Lee at +65 6779 3000.
Market Update

Higher demand narrows the gap between USEP and VCHP

The declining trend in the Uniform Singapore Energy Price (USEP) since the start of the year came to an end in April, as forecasted demand grew stronger. April's forecasted demand averaged 5,375MW, the highest level since the start of the market.

In line with increasing demand, April's USEP rose to $179/MWh from March's low of $166/MWh. This movement narrowed the gap between the USEP and the Vesting Contract Hedge Price (VCHP). Of the 54 half-hourly trading periods in the first four months of 2013 when the USEP crossed the $500/MWh mark, 31 of them were in April alone.

The VCHP for the second quarter of 2013 increased slightly to $198.73/MWh, from the first quarter price of $194.44/MWh.
User Forum

Market Information Sharing Forum (MISF)

Bai Jie, Senior Market Analyst from the Market Operations team, presented the 68th session of MISF on 14 March. She touched on the key market performance indicators and notable market events that took place in the National Electricity Market of Singapore (NEMS) in January and February, as well as the latest updates on the NEMS system enhancements.

Dr Bai also shared in detail the workings of the tie-breaking of offers arising from a Market Rule change which was being implemented on 18 April. Aside from this feature topic, Widyawati Bte Abdul Rahim, Senior Market Executive from the Market Operations team, highlighted the system changes for the Liquified Natural Gas (LNG) Vesting Contracts Scheme.

The next MISF will also be presented by Dr Bai on Thursday, 16 May at 2pm. She will cover the market performance for the NEMS in March and April, provide a progress update on the current system enhancements, and discuss feature topics. All MISF representatives are encouraged to register online.

EMC would also like to invite market participants (MPs) who are interested to come forward to present at future MISF sessions, as this is an effective platform for sharing market information within the industry.

Market Systems User Group (MSUG)

The bi-monthly MSUG forum was held on 18 April. EMC’s IT team shared with MPs that we have achieved 99.99 percent for the ‘system availability’ category of the annual Performance Incentive Management System (PIMS) survey, exceeding the target of 99.90 percent for FY2012/2013.

The team took the opportunity to share the key milestones, challenges and lessons learnt for the Server Replacement Project, which was completed and implemented on 21 March. It also touched on the Disaster Recovery Exercise that will be taking place in May. The key objectives of this exercise are to test the business continuity processes of the IT systems, as well as to roll out the Managed Security Services Project.

Finally, the team reviewed recent market incidents and the actions taken to address them, and provided a progress update on the following projects and ongoing system enhancements:

• Managed Security Services Project;
• Network Upgrade Project;
• New web services reports;
• Risk Adjustment Factor display-related changes in the Single Electronic Window portal;
• Widening of facility display field on the Offer Management System user interface; and
• Settlement enhancement for the LNG Vesting Contract.

The next MSUG forum is tentatively scheduled for Thursday, 20 June.

Send us Comments, Feedback or Questions

The EMC Bulletin is written by EMC for you and we are always striving to improve our service. We are interested in any feedback you might have about specific articles and topics covered or comments and suggestions about other areas you would like to see included.

Please send your comments, feedback or any questions either via e-mail to info@emcsg.com or via fax to +65 6779 3030.

Thank you in advance for your time and effort.