CEO’s Message

A highlight for EMC in the third quarter of each year is the Singapore Electricity Roundtable. This year, the Roundtable was held on 29 October.

The event was once again a resounding success, thanks largely to the continued support of market participants of the National Electricity Market of Singapore (NEMS). I would also like to convey my appreciation to the other Roundtable participants from the local and regional energy sectors, government agencies as well as supporting organisations.

We were privileged to have both local and foreign industry veterans speak at the Roundtable. I would like to thank them for their participation and engaging presentations. I thoroughly enjoyed the exchanges during the question-and-answer sessions as well as the sharing during the networking breaks. Read more about the Roundtable in the article below.

In early October, volunteers from EMC spent the day with the children from Chao Yang School at the River Safari as part of the school’s Children’s Day celebrations. I am very pleased that our partnership with Chao Yang School, which started eight years ago, is still going strong and provides us with the opportunity to contribute back to our wider community. The article on the River Safari outing is on page 4.

In the NEMS, the Uniform Singapore Energy Price (USEP) for October reached a new monthly low for the year, corresponding with an increase in available supply. More details on the wholesale electricity market’s performance in September and October can be found on page 5.

Still on the NEMS, a rule change was approved by the Energy Market Authority in October to introduce a stepwise constraint violation penalty for reserve and regulation deficits. Find out more about this rule change on page 3.

I look forward to two more months of successful trading on the NEMS before we bid goodbye to 2013.

Dave Carlson
Chief Executive Officer

Singapore Electricity Roundtable 2013

The ninth Singapore Electricity Roundtable, held on 29 October at the Sands Expo and Convention Center, once again saw a fantastic response.

The majority of the participants were representatives from the National Electricity Market of Singapore (NEMS) and the local and regional energy sectors. The event also attracted participants from government agencies as well as supporting organisations including consultancies, service providers and suppliers. Foreign participants this year came from different parts of the world, including Australia, Brunei, Hong Kong, Indonesia, Malaysia, New Zealand and Thailand.

Wong Kim Yin, Singapore Power speaking at the Roundtable

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This is the sixth year that EMC has partnered with the Energy Market Authority (EMA) in hosting the Roundtable as part of the Singapore International Energy Week (SIEW). We also had the honour of hosting the Brunei Minister of Energy in the Prime Minister’s Office, the Honourable Pehin Dato Dr Mohammad Yasmin Umar, the Permanent Secretary (Downstream & Power), Dato Paduka Awang Haji Jamain Bin Haji Julaihi as well as his accompanying delegation at the Roundtable.

The event opened with a welcome address by EMC Director and Audit Committee Chairman, David Wong. He noted the significance of the Roundtable this year as we celebrate the tenth anniversary of the National Electricity Market of Singapore (NEMS), and outlined the substantial changes that the Singapore electricity industry has undergone over the past ten years.

All three of the local speakers this year were involved in the early days of the NEMS, although in different capacities. One of them was Wong Kim Yin, Group Chief Executive Officer of Singapore Power. Mr Wong was previously the Senior Managing Director of Investment at Temasek International, where he oversaw the successful divestment of Temasek’s power generation assets to private investors. He talked about market liberalisation as an impetus for foreign direct investments in Singapore. His candid presentation left a lasting impression among Roundtable attendees.

The other two local speakers were Soh Sai Bor, Director, Market Development & Surveillance, EMA, and Paul Poh, Senior Vice President, Market Administration, EMC, who spoke on the evolution journey of NEMS over the past 10 years with a look ahead into upcoming developments.

The Roundtable also discussed several upcoming developments in Singapore’s electricity sector – namely full retail competition, an electricity futures market as well as the development of our gas market. We were privileged to have experts as well as industry veterans from more mature markets share their perspectives and experiences.

Michael Fuge, the Chief Operating Officer of Genesis Energy, New Zealand’s largest electricity retailer, shared how he stays ahead in the competitive retail market by focusing on customers rather than consumers. Cameron Fisher, the Manager for Energy Trading and Market Operations at Snowy Hydro in Australia, discussed the evolution of his company’s business and the importance of electricity futures in their overall strategy today.
The Roundtable ended with a networking cocktail and dinner at Tamarind Hill at Labrador Villa Road. Guests were treated to an evening of contemporary Siamese cuisine in a historic colonial bungalow, located within the lush greenery of the Labrador Nature Reserve.

We would like to thank all participants for their continued support of the Roundtable. The strong interest shown by both returning and new participants serves as a motivation to us each year. More photos of the Roundtable are available at www.emcsg.com/roundtable2013highlights.

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Rule Change Updates – Review of Constraint Violation Penalties

The market clearing engine (MCE) seeks to achieve the most economic scheduling outcome while simultaneously satisfying many constraints. Where the MCE is unable to meet all of these constraints, some violations are allowed to ensure that a feasible scheduling solution is still possible. However, when a violation is incurred, there is a corresponding cost to the overall net benefit known as the constraint violation penalty (CVP). The CVP varies according to the severity of the violation.

During a contingency event on 15 August 2011, the MCE channelled generation resources to meet reserve requirements rather than firstly to serve energy needs. To resolve this, the Rules Change Panel supported the proposal to introduce stepwise CVP for reserve and regulation deficits, where the increasing extent of violation will incur a higher CVP per unit of violation. By doing so, during tight system conditions, the MCE will seek to minimise the level of energy deficits while still procuring some core amount of reserve and regulation to mitigate the possibility of cascading power failure.
New Rules Change Panel (RCP) Member Frances Chang

In June, Low Cheong Kee relinquished his position on the RCP as the Representative of Consumers of Electricity in Singapore. The EMC Board appointed Frances Chang Yoke Ping to take his place on the RCP, effective from 7 October 2013 to 31 December 2014. EMC thanks Mr Low for his invaluable contributions to the RCP, and welcomes Ms Chang on board.

Chao Yang School Outing to the River Safari

On 3 October, 62 children and six teachers from Chao Yang School together with seven EMC volunteers visited the River Safari. This is the fourth consecutive year that EMC has organised a Children's Day outing for the children from the school. Chao Yang School, which is under the auspices of the Association for Persons with Special Needs (ASPN), caters to the needs of children with learning disabilities. EMC has supported the school in various activities for the last eight years.

The children had a free-and-easy tour of the River Safari with their teachers and EMC volunteers, who guided them through the park with interesting narrations and interactive quizzes. Everyone was delighted to meet the adorable pandas in the Giant Panda Forest. The children and teachers were also enchanted by the aquatic wildlife at the Amazon Flooded Forest.

During the tea break, the children were thrilled with their snack - the signature panda pau from the Mama Panda Kitchen. They left the park with souvenir panda cups and wonderful memories of their enjoyable day.

It is always a pleasure to organise outings for the children from Chao Yang School. The EMC volunteers thoroughly enjoyed spending the day with the children and look forward to their next activity with them.
Market Update

The Uniform Singapore Energy Price (USEP) moved down in September and October, and reached a new monthly low for the year at $159/MWh in October. This was in tandem with an increase in available supply, which correspondingly climbed to a high for the year in October.

The Balance Vesting Price (BVP)* has been consistently higher than the USEP for most of this year. The largest deviation between the two was seen in October, when the BVP was $36/MWh higher than the USEP.

The LNG Vesting Price (LVP)* was introduced in July. It stayed close to the BVP at $190.61/MWh until September. In October, the LVP was higher than the BVP and at $201.73/MWh, it recorded a deviation of $42/MWh against the USEP.

*With the introduction of liquefied natural gas (LNG) into the generation mix in July 2013, a certain percentage of the total vesting quantity is now allocated for generation using LNG i.e. Total Vesting Quantity = LNG Vesting Quantity (amount of generation using LNG) + Balance Vesting Quantity (remaining generation using piped gas).

Correspondingly, the LNG Vesting Price (LVP) is the price for the LNG Vesting Quantity allocated, while the Balance Vesting Price (BVP) is the price for the Balance Vesting Quantity allocated.

Send us Comments, Feedback or Questions

The EMC Bulletin is written by EMC for you and we are always striving to improve our service. Therefore 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 questions via e-mail to info@emcsg.com or via fax to +65 6779 3030.

Thank you in advance for your time and effort.
User Forum

Market Information Sharing Forum (MISF)

Tan Choon Kiat from EMC’s Market Operations team presented the 71st session of the MISF on 12 September. He touched on the wholesale electricity market's performance and outlook, and provided a progress update on current system enhancements for July and August. The market incidents that occurred in these two months were also covered as feature topics and discussed in great detail during the forum.

The next MISF will be presented by Debbie Tse, Senior Market Analyst from the Market Operations team, on Thursday, 14 November at 2.30 pm. All MISF representatives are encouraged to register online for the forum.

Market Systems User Group (MSUG)

The bi-monthly MSUG forum was held on 17 October. EMC IT updated the attendees on the following topics:

• IT incidents that occurred in September and October, and actions taken to resolve them;
• Status updates on key on-going IT Infrastructure and Application projects:
  » Network Upgrade Project (NUP);
  » Revenue regime changes to EMC Admin Fee;
  » Tender Vesting Contract; and
  » Sunset plan for MP-API (Market Participant-Application Programming Interface) in September 2014.

On the NUP, the network upgrades at Novena Square and Labrador data centres were successfully completed in August and September respectively. The network upgrade for the Ayer Rajah data centre is scheduled to be completed by December.

In addition to the above, EMC IT held its second knowledge sharing session at the forum, providing the attendees with insights into the Single Electronic Window’s Architecture (Oracle Identification Management Integration and Single Sign-On Setup).

The following topics will be covered at upcoming knowledge sharing sessions:

• Settlement systems architecture; and
• Shareplex and Oracle Database tools used in the business continuity architecture.

The next MSUG forum is tentatively scheduled for Thursday, 19 December.

EMC Training Programme – Next Course on 20 and 21 February 2014

EMC will be holding the next run of its two-day course Understanding Electricity Markets on 20 and 21 February 2014. 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

We advise you to book early to secure your place in the course dates 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.