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## CEO's Message

With 2008 already in full swing, I hope everyone had a great start and a happy Lunar New Year. We look forward to another successful year for the NEMS and a productive year working together with you.

The final month of 2007 saw the monthly average Uniform Singapore Energy Price (USEP) climb to \$140/MWh reaching its highest level for 2007. This upward price trend continued in the first month of 2008, with January showing a further increase of about 13% to \$158/MWh. The article on page 3 provides further details on the USEP performance for these two months.

We had a busy start of the year finalising our plans and budget for the financial year commencing 1 April 2008. I am pleased to report that our business plan received the Rules Change Panel's (RCP) endorsement at its meeting in January.

Over the past few weeks, the EMC Market Administration team has consulted NEMS stakeholders on their priorities for the RCP work plan. This is an important annual exercise to assess urgent, ongoing and other issues that will contribute to the long-term evolution of the market. It is also essential that this stream of work is prioritised in accordance with the needs of the industry and market as a whole. The updated work plan will be presented to the RCP in its next meeting.

This year marks the first that the NEMS Market Report and the Annual Report of the Market Surveillance and Compliance Panel (MSCP) will be published at the same time. Both reports are currently being finalized and our release target on the EMC website is late March. The reports will give a comprehensive overview of market performance and the evolution of the NEMS over the past five years. In addition, the

MSCP report will provide an assessment of competitiveness and compliance within the NEMS. Printed copies of both reports will be available and will be mailed to market participants and interested parties who have registered on our mailing list.

Finally, I would like to announce that EMC will start moving to new offices on 4 April 2008. We will send more details closer to the actual moving date. We hope to welcome and host many of you at our new office and look forward to the continuing exchange of ideas about our evolving market place.

Dave Carlson  
Chief Executive Officer

## EMC is moving to a new office

EMC will move from its current office at Republic Plaza to its new office at Novena Square. The new office address starting Monday, 7 April 2008 will be:

**Energy Market Company**  
238A Thomson Road, #11-01 Novena Square Tower A  
Singapore 307684  
phone +65 6779 3000 fax +65 6779 3030

*Our main phone and fax numbers will remain unchanged and all EMC staff will have direct lines in the new office.*

## EMC Charity Initiatives

EMC supported several charity events in 2007 as part of our commitment to our Corporate Social Responsibility (CSR) programme.

We kick-started our year's charity events supporting a NEMS Initiative on 14 July 2007: A Very Special Walk 2007. Participants from Diamond Energy, PowerSeraya, Senoko and EMC walked in Bishan Park in support of Pathlight and raised over \$25,000. (See EMC Bulletin 39 for full details.)

EMC's own charity events started with the Chao Yang Sports Day on 6 July 2007 at the Yio Chu Kang Stadium. Chao Yang School, under the auspices of the Association for Persons with Special Needs (ASPN), caters to the needs of people with learning disabilities. This is the second year that EMC has sponsored the school's sports day, providing tee-shirts for the entire school as well as trophies. More than 300 students and teachers participated together with parents and volunteers from EMC. It was a fun-filled and exciting day for all.

Our next event was our 14 September 2007 outing to Sentosa's Underwater World with the clients from the Movement for the Intellectually Disabled of Singapore (MINDS) at Ang Mo Kio. Volunteers from EMC enjoyed the aquarium with 24 clients and their teachers.



**Chao Yang Sports Day – parent-teachers-children team races**

The touch pool and the stingray pool were the main attractions, as we all enjoyed the fish at close proximity.

On 25 January, we celebrated Chinese New Year with the clients from MINDS Ang Mo Kio. Prior to the celebration, ang pows with the clients' wish lists were put up for grabs by EMC staff. Our staff donated nearly 50 gifts. In addition, staff and EMC contributed cash donations of \$4,200 to the centre's fee subsidy fund for transportation and training.

EMC also purchased some basic necessities, such as towels and toothbrushes, to support the centre's daily operating needs. Over the past five years, we have seen how the clients have benefited from the centre and the training it offers. We have also witnessed the importance of our support to the school, and we are committed to continuing our support for MINDS.

Another NEMS initiative will round out our charity events for this financial year. We plan a delightful day on 14 March 2008 at the Sentosa Butterfly Park and Insect Kingdom with the children from Child @ Street 11. Participants from Diamond Energy, PowerSeraya, Senoko and EMC will join this outing.



**MINDS CNY Celebration – clients perform a dance**



**MINDS Sentosa Underwater World Outing – clients enjoying the touchpool**

## Market Update

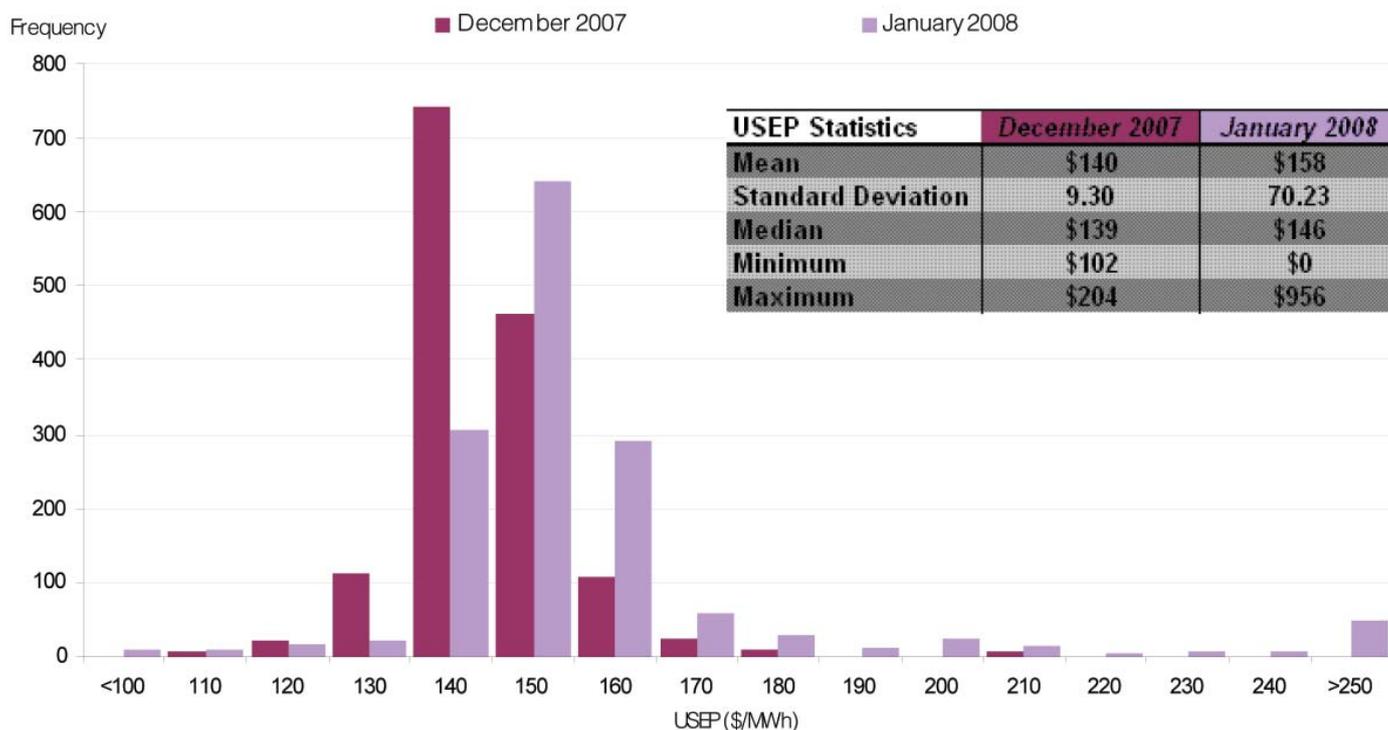
### USEP volatility

In December 2007 the Uniform Singapore Energy Price (USEP) edged up slightly against the preceding month, reaching its highest monthly average level for 2007 at \$140/MWh. In January 2008, the USEP became more

volatile, as the standard deviation increased to 70.2 from 9.3 in December 2007. The USEP in January also saw a much wider price range, from \$0/MWh to \$956/MWh as compared to \$102 to \$204 in December 2007. The changes

in the USEP translate into a shift towards the right side of the histogram, shown in the chart below. On the whole, the USEP advanced to \$158/MWh in January 2008.

### Histogram of the USEP for December 2007 and January 2008



### Changes to the Rule Change Panel

EMC announced in late December 2007 that both Mr Koh Kah Aik and Mr Francis Gomez have stepped down as the Retail Electricity Licensee representatives on the Rules Change Panel (RCP). The EMC Board has thereafter appointed Ms Annie Tan and Mr Ng Meng Poh to the RCP, effective 5 February 2008.

EMC would like to join the industry in thanking both Mr Koh and Mr Gomez for their contributions to the evolution of the wholesale electricity market as members of the RCP. We also welcome both Ms Tan and Mr Ng and look forward to working with them.

### Change to the Market Surveillance and Compliance Panel Chair

On 1 January 2008, Mr L P Thean took over the helm from Mr Joseph Grimberg as the Market Surveillance and Compliance Panel (MSCP) Chair. Mr Thean was appointed to the MSCP by the EMC Board with effect from 1 August 2007. (See Bulletin 40 for full details.) With Mr Thean's many years of experience as a highly regarded member of the Singapore judiciary and legal profession, EMC is honoured to have secured Mr Thean's services as MSCP Chair for the NEMS. Mr Thean is a consultant in the law firm of KhattarWong. He also holds the appointments of Chairman of the Securities Industry Council, Chairman of the Competition Appeal Board, member of the Accounting and Corporate Regulatory Authority, Chairman of the Public Accountants Oversight Committee and Director of Singapore Deposit Insurance Corporation Ltd.

EMC would like to express its warmest appreciation to Mr Grimberg for the invaluable service he has provided to the NEMS. He took on the challenge of chairing the MSCP at a time when the function was new and no processes were in place. Over the last five years, Mr Grimberg has ably steered the MSCP towards becoming a credible market surveillance governance body for the NEMS.



## User Forum

### Market Information Sharing Forum (MISF)

EMC hosted a lunch buffet for participants of the MISF to usher in 2008. Lunch was followed by the briefing. Over 30 industry players attended, and were given market updates for the last two months as well as a summary of the overall market performance for 2007. The summary covered key 2007 events, price statistics for the last five years and market product trades in the National Electricity Market of Singapore (NEMS). Attendees also received an update on the revised primary reserve parameters and on the period-based regulation requirements, which were put in place in accordance with the latest revision of the System Operation Manual. The meeting noted that the USEP ended December at its highest level for 2007. The commencement of commercial operation of Keppel Merlimau Cogen's two units in Q2 2007 has stimulated keen market competition, with the average yearly USEP dipping by 5.4% against the previous year despite a surge of 18.7% in oil prices compared to 2006.

The next MISF has been scheduled for Wednesday, 19 March 2008.

### Market System User Group (MSUG)

On 14 February, market participants met for a get-together lunch followed by the regular MSUG meeting. Market participants, both traders and IT personnel, were briefed on updates pertaining to the upcoming National Electricity Market of Singapore (NEMS) Offer Management System and Web Services Applications. Attendees were given an overview of the features of the new application and a demonstration of the interfaces via a prototype. EMC also gave an update on the regular system performance and on system incidents over the past two months.

The next MSUG is scheduled for Thursday, 17 April 2008 at the new EMC office.

## 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 any questions either via e-mail to [info@emcsg.com](mailto:info@emcsg.com) or via fax to +65 6779 3030.

Thank you in advance for your time and effort.

## EMC Training Programme – Next Course on 15 and 16 May

EMC will be holding its two-day training course *Understanding Electricity Markets* on 15 and 16 May. Our staff will be conducting six sessions covering the following topics:

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

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](http://www.emcsg.com). For enquiries, please e-mail [trainingprogramme@emcsg.com](mailto:trainingprogramme@emcsg.com) or contact Jan Lee at +65 6779 3000.