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CEO's Message

I would like to begin with a reminder to anyone who has not yet registered for the Singapore Electricity Roundtable on 20 and 21 November at the Grand Hyatt to please do so. I am looking forward to this high profile event that will bring together not only key players in our market but also players from around the globe. This event will offer something for everyone, inspire us with ideas for the years to come and provide us with plenty of food for thought.

I mentioned in the last EMC Bulletin that July saw the strongest annual change in demand for this year so far, and overall the third quarter of 2006 has proven to be the strongest since market start. Testament to our robust market, the National Electricity Market of Singapore (NEMS) is coping well and you can find more details in the article on page 3.

While you are reading this Bulletin, I will most likely be presenting an update on the NEMS at APEX, the annual conference for power exchanges across the globe. This is another opportunity for EMC to showcase Singapore as the region's leading electricity market, share our experiences of market evolution and build closer relationships with other markets.

EMC was recently asked to present in Beijing to more than 100 managers from Beijing Electric Power Corporation; the article on page 2 provides details of Lu Feiyu's presentation. Sharing our experiences with other markets is important as we also always learn a lot about them, including their unique challenges and opportunities. Each time, we bring something back that may be of importance to the

evolution of the NEMS and for EMC's services to our customers.

As this year will soon be coming to a close, I would like to take this opportunity to thank everyone again for their support through many months of change at the beginning of 2006. I can assure our market participants that our recent business planning for the next financial year paid special attention to initiatives to further strengthen our customer support and ensure a successful operation of the market, both essential ingredients for the NEMS to

maintain its leading position in Asia and as one of the leading markets in the world.

The Roundtable will be the highlight for November and I hope to meet with you there, for what promises to be an invigorating session of international ideas and local debate.

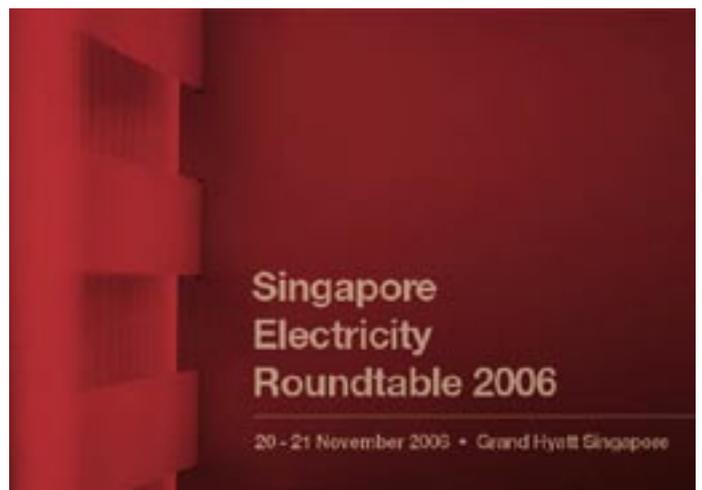
Dave Carlson Chief Executive Officer

Last Chance to Register for the Singapore Electricity Roundtable 2006

Monday, 20 November 2006 • Tuesday, 21 November 2006

We have secured a great line-up of speakers and panellists from Europe, the US, Asia and Singapore for the Singapore Electricity Roundtable on 20 and 21 November at the Grand Hyatt. Into its second year, the Roundtable connects influencers, decision makers, potential investors and experts in the electricity and related industries.

Join us to gain insights and perspectives from various market players in the electricity industry, including potential investors, brokers and market participants.



(continued on page 3)



Bringing Singapore's Success in Electricity Market Liberalisation to Beijing



EMC presenting an overview of the NEMS to Beijing Electric Power Corporation

EMC presented an overview of the NEMS in Beijing on 1 September to Beijing Electric Power Corporation (BEPC) as part of a series of talks organised by Hyelectric, a major training company, which arranged a month-long programme for BEPC that involved various speakers from China and across Asia.

Since BEPC became independent from the Chinese government in 2003, the company has played a leading role in the generation, transmission and distribution of electricity in Beijing. BEPC has almost 10,000 employees

working in its 306 transmission substations (35kV and above) and 16 distribution companies in Beijing.

Speaking to an audience of over 100 people, mostly managers from the various BEPC branches, EMC's Senior Market Analyst Lu Feiyu gave an overview of the NEMS with a focus on the experiences and challenges of Singapore's market reform process, the current NEMS market structure and how pricing is determined. With Singapore's successful operation of the NEMS, which is

recognised as the leading market in Asia, EMC is well placed to introduce ideas that have been tried and tested against the challenges of a new market.

Since the Chinese government separated and granted independence to power generation from other parts of its electricity industry a few years ago, it has been considering further forms of liberalisation. Due to the impact that a reform to the electricity market would have, BEPC is seeking ideas that are firmly rooted in best industrial practice and the NEMS offers a rich resource.

The audience was attentive and well-informed, clearly comprehending the presentation that Feiyu delivered in Mandarin. They showed an extensive knowledge of electricity markets during the lively Q&A session, with a keen interest in how pricing can be derived and the NEMS approach of nodal pricing. Feiyu also gained more insights into the Chinese electricity market through a high level of engagement with the audience.

The audience felt that the talk was educational and insightful, with one attendee commenting, "The valuable knowledge and experiences sharpened our skills and gave us a bigger view of the world market."

Looking forward, BEPC is eager to explore further learning opportunities about the NEMS, and the EMC training programme is one possible option to develop long-term ties.



An attentive audience listening to the presentation



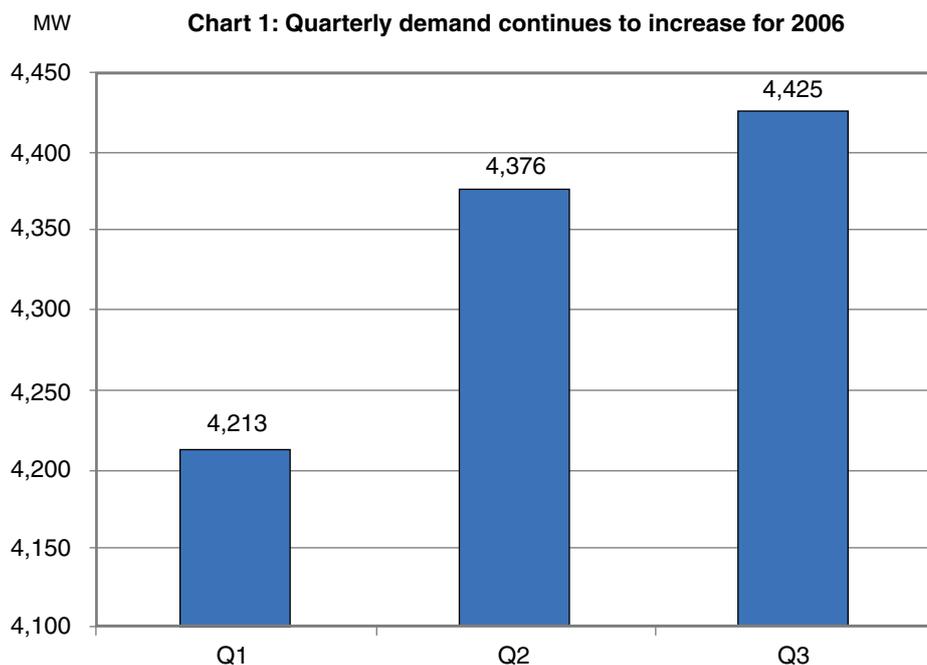
EMC's Lu Feiyu answering queries from managers of BEPC

Demand Continues to Grow Despite Drop in September

Following August's all-time high average monthly electricity price of \$167/MWh, September saw a decline of 22%, averaging \$130/MWh.

At the same time, September recorded the lowest monthly average demand level for the third quarter at 4,390MW, compared to 4,458MW in July and 4,427MW in August. Despite the drop in September's demand, the third quarter demand continued to grow and was the highest for the year so far, as shown in Chart 1.

However, demand in October (up to 18 October) increased substantially, and Tuesday, 17 October registered the highest average daily demand ever of 4,764MW. A higher than average temperature and the hazy conditions affecting Singapore both contributed to the record. The average October monthly electricity price stood at \$161/MWh, slightly higher than the fourth quarter vesting contract price of \$150/MWh.



(continued from page 1)

Last Chance to Register for the Singapore Electricity Roundtable 2006

Leading practitioners in the electricity industry will debate and discuss topics ranging from local, regional and global developments to European and North American integrated gas and electricity markets.

Our distinguished speakers include:

- Bill Schjelderup, Managing Director, Bergen Energi AS, will provide insights on how end-users utilise energy markets and energy exchanges in Europe.
- Michael Nikkel, Chief Executive Officer, OneEnergy Limited, will give an overview of the market and regulatory developments in Southeast Asia and Taiwan.
- Becky Kilbourne, Marketing and Business Development, North American Energy Credit and Clearing Corp., will cover restructured US energy markets.
- Lasse Holopainen, President, Philippine Electricity Market Corporation, will provide an update on the developments in the Philippines.

- Winston Koh will discuss if Singapore should focus on its own energy market or on a greater SEA marketplace.
- Bruce Turner, SVP Trading and Portfolio Management for Suez Energy International, will provide an asset owner's perspective of risk and portfolio management in an integrated gas and electricity market.

Don't miss the panel discussion with some of Singapore's leading electricity experts and market players, debating on **Five years down the road – How will the Singapore market have changed?**

Unfortunately, we have received notice that Mr Khoo Chin Hean, Chief Executive, Energy Market Authority, will be unable to participate in the panel discussion, as he has to accompany the Minister of State on an overseas trip.

Our panellists are:

- Neil McGregor, Managing Director, PowerSeraya Ltd

- Roy Adair, President & CEO, Senoko Power Ltd
- Lim Kong Puay, President & CEO, Tuas Power Ltd
- David Wong, Market Surveillance and Compliance Panel member (MD and Chief Executive, ABN AMRO Bank NV)
- Winston Koh, Associate Dean & Associate Professor of Economics, Singapore Management University

The workshop on day two, conducted by EMC's VP Pricing & Information, Henry Gan, is already fully booked, but we are accepting names for a wait list.

Seats for the Singapore Electricity Roundtable 2006 are limited, so register immediately so that you don't miss the highlight of the electricity industry's calendar. The brochure and registration form are available on our website www.emcsg.com.



User Forums

Market Information Sharing Forum (MISF)

The bi-monthly MISF forum held on 13 September was well attended by market participants. Attendees received updates on regular topics, such as price, demand and supply performance data and generation and retail market share. The forum also covered the outlook for demand and supply in September and October and updated attendees with EMC's progress on market enhancement.

Market participants were briefed on the results of the survey on the daily, weekly and monthly market trading reports, which was conducted in August. Various statistics were presented ranging from the frequency of use of the reports to the most important and least important reports. As the survey also gathered feedback from market participants on possible ways to improve these market trading reports, feedback and comments were both collated and shared during the meeting. In addition, EMC shared its response to the suggestions.

The next MISF is scheduled for Wednesday, 15 November 2006.

Market System User Group Forum (MSUG)

The MSUG took place on 12 October. EMC shared the NEMS system availability data and provided updates on the status of ongoing projects, namely the server re-platform, data delivery phase-1 and NEMS infrastructure upgrade, i.e., MCE server, networks.

The next MSUG is scheduled for Thursday, 14 December 2006.

EMC Training Programme – Next Course on 22 and 23 November

EMC will be holding its regular two-day training course Understanding Electricity Markets on 22 and 23 November in conjunction with the Singapore Electricity Roundtable on 20 and 21 November (see details on pages 1 and 3). 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

Further courses are scheduled for:

8–9 February 2007

17–18 May 2007

16–17 August 2007

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 Ong Pui Sze at +65 6779 3000.

2006 and 2007 Conferences with EMC Participation

• The 16th Conference of the Electricity Power Supply Industry (CEPSI 2006)

6–10 November, Mumbai, India

EMC's Senior Economist, Poa Tiong Siaw will present 'Electricity Market Deregulation in Singapore – Challenges & Achievements'.

For more information, visit www.cepsi2006.org.

• Singapore Electricity Roundtable 2006

20–21 November, Grand Hyatt Singapore

Organised by EMC, the Roundtable draws leading practitioners and thinkers from the electricity industry in Asia Pacific and globally.

For more information, see the article on pages 1 and 3 and visit www.emcsg.com.

• 10th Asia Power & Energy Congress

20–23 March 2007, Grand Hyatt Singapore

EMC's CEO, Dave Carlson or Paul Poh, SVP Market Administration will present 'Electricity Market Deregulation in Singapore – Continual Evolution to Achieve Benefits'.

For more information, visit www.terrapinn.com/2007/asiapower.

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 or via fax to +65 6779 3030.

Thank you in advance for your time and effort.