In the National Electricity Market of Singapore (NEMS), the monthly average forecasted demand crossed the 5,400MW level in both March and April. Strong supply availability, however, kept the monthly average Uniform Singapore Energy Price (USEP) below $155/MWh. More details of the NEMS’ performance can be found in the Market Update article.

EMC conducted its annual Rules Change Panel (RCP) work plan prioritisation exercise in the first two months of the year. The rigorous process involves getting feedback from key stakeholders of the NEMS to identify and prioritise issues that the RCP should work on in the coming year. The Panel approved the FY2014/2015 work plan in March. The list of issues in the updated work plan can be found on EMC’s website as well as in the article RCP Work Plan Prioritisation Exercise 2014.

In April, a team from EMC headed to Kuala Lumpur to conduct the EMC industrial training programme. In the same month, we hosted a delegation from the Sultanate of Oman who visited Singapore to learn more about our competitive electricity market. Read more about these events in EMC’s Industrial Training Course in KL and EMC Welcomes Visitors from Oman.

On the charity front, an industry-wide event was held in March which saw good participation from EMC and several NEMS MPs including Senoko Energy, Tuas Power Generation and YTL PowerSeraya. Volunteers from these organisations took children from Child at Street 11 – NEMS’ adopted charity – to the Gardens by the Bay for a day of fun. I am happy to see this annual event, which is in its eighth year now, continue to receive strong support from our MPs (see NEMS Charity Initiative article).

Finally, the NEMS Market Report 2013 and the Market Surveillance and Compliance Panel Annual Report 2013 are now available. Soft copies of both reports can be found on EMC’s website at www.emcsg.com.

Dave Carlson  
Chief Executive Officer

EMC WELCOMES VISITORS FROM OMAN

Four delegates from the Oman Power and Water Procurement Company (OPWP) visited EMC on 22 April. The OPWP delegation, led by its Chief Executive Officer Mr Ahmed Al Jahdhami, wanted to learn more about the National Electricity Market of Singapore (NEMS) and EMC’s role as the wholesale market operator.

The Sultanate of Oman is reportedly a pioneer in electricity market reform in the Middle East. The OPWP is the single buyer of power and water for all independent power projects and independent water and power projects (IPP/IWPP) within the Sultanate. It is responsible for ensuring that there is sufficient electricity and water production capacity available at the lowest cost to meet the growing demands in the Sultanate.

We appreciate the opportunity to exchange ideas and learn about the developments in Oman’s power sector. We also look forward to more opportunities to collaborate with our new friends from the Sultanate.
In January this year, EMC consulted stakeholders of the National Electricity Market of Singapore (NEMS), including market participants (MPs), Singapore Power (SP) Services, SP PowerGrid and the Power System Operator, for the annual Rules Change Panel (RCP) work plan prioritisation exercise.

**Issue identification**
The first stage of the prioritisation exercise involved seeking inputs for new issues which stakeholders wished to address. The following 14 new issues were raised for inclusion in the updated work plan:

1. Proposed Amendment to Sample Bankers’ Guarantee Format (Proposed by: Association of Banks in Singapore)
2. Payment for Injection at Weighted Market Network Node (MNN) Price to Ameliorate Effects of Price Separation (Proposed by: Sembcorp Cogen)
4. Enhancement to Handling of Fictional Busbars in Dispatch Network Simplification (Proposed by: EMC, Market Operations)
5. Increase in Transparency of Hourly and Monthly Energy Uplift Charges (Proposed by: Senoko Energy)
7. Demand Forecast Reconciliation (Proposed by: Senoko Energy)
8. Establishment of a New Class of Reserve to Cater for Intermittent Generation (Proposed by: Diamond Energy)
9. Allocation of Reserve Costs to Small Generators Based on the Established Modified Runway Methodology (Proposed by: Diamond Energy)
11. Enhancements to the Abnormal Condition Advisory (Proposed by: Diamond Energy)
12. Introduction of a Penalty Cap (Proposed by: Diamond Energy Supply)

**Meeting with stakeholders**
In the second stage of the prioritisation exercise, EMC met stakeholders individually to clarify and refine the scope of both existing and new issues. Stakeholders also ranked each issue according to its importance and urgency, or voted for issues to be removed.

**Updated RCP Work Plan for FY2014/2015**
After incorporating feedback from the stakeholders, EMC presented the proposed update to the two-year work plan to the RCP for consideration at its 72nd meeting in March.

The RCP agreed to work on the following issues within the next 12 months. Issues prioritised within the next 13 to 24 months, including a detailed description of all issues, can be found on EMC’s website at https://www.emcsg.com/marketrules/ruleschangepanel/workplan

1. Demand-Side Bidding in the Energy Market
2. Remodelling of Multi-unit Facilities
3. Introduction of Regulation Effectiveness Factor
4. Increase in Transparency of Hourly and Monthly Energy Uplift Charges
5. Review of Compensation Mechanism under Section 3.11 of Chapter 3 of the Market Rules
6. Demand Forecast Reconciliation
7. Enhancement to Handling of Fictional Busbars in Dispatch Network Simplification
8. Increase in Market Information on the Price Impact of Transmission Congestion
9. Extension of Step-wise Approach to other Constraint Violation Penalties (CVP)
10. Eligibility of Energy and Reserve Offers
11. Provision of Regulation by Storage Batteries*  
12. Differentiation in Probability of Failure Computation for Multi-shaft Plants and Single-shaft Plants*  

*Note: EMC shall seek the RCP’s agreement before proceeding with these issues.

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**EMC TRAINING PROGRAMME**
EMC will be holding the next run of its two-day course Understanding Electricity Markets on 14 and 15 August. Our staff will be conducting six sessions covering the following topics:

- Understanding Electricity
- Why Reform and Regulation is Essential in the Electricity Industry
- The National Electricity Market of Singapore and its Unique Features
- Pricing Mechanism and Economic Dispatch

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**NEMS CHARITY INITIATIVE - OUTING WITH CHILD AT STREET 11**

On 14 March, close to 30 volunteers from EMC, Senoko Energy, Tuas Power Generation and YTL PowerSeraya took 26 children from Child at Street 11 to the Far East Organization Children’s Garden located at Gardens by the Bay. 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 children, aged four to six, thoroughly enjoyed themselves at the Children’s Garden which features a toddler play zone and a water play area. The older children spent most of their time at the water play area which detects movement through sensors to create a sequence of water effects. They enjoyed splashing around and getting themselves, their friends and all the volunteers drenched. The younger children, under the watchful eyes of the volunteers, headed straight to the toddler play zone.

The outing ended with a sumptuous meal at Supertree Dining of Gardens by the Bay.

This annual outing was not only good fun but also provided a wonderful opportunity for the volunteers and children to interact. We would like to thank all market participants for their continuous support of the NEMS charity initiative and look forward to our next event.

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**MARKET UPDATE**

*Monthly USEP below Balance Vesting Price for almost 10 months*

The monthly average forecasted demand rose above the 5,400MW level in the last two months, reaching 5,436MW and 5,548MW in March and April respectively.

The firm demand is in line with the Ministry of Trade and Industry’s (MTI)\(^1\) advance GDP estimates. According to the Ministry, the Singapore economy grew 5.1 percent and the manufacturing sector grew 8.0 percent on a year-on-year basis in the first quarter (Q1) of 2014.

The Uniform Singapore Energy Price (USEP), however, remained on the low side due to strong supply levels – the monthly average supply exceeded 7,700MW in both March and April. Some volatility was also observed in the USEP towards the end of April, which brought April’s monthly average USEP to the highest level in 2014 at $151/MWh.

The USEP has been trading below the Balance Vesting Price for close to 10 months since August 2013.

\(^1\)MTI’s press release *Singapore’s GDP Grew by 5.1 Per Cent in the First Quarter of 2014* issued on 14 April 2014.

**New Interruptible Load (IL) Facility in the NEMS**

In early March, Diamond Energy Supply registered a new 2.2MW IL facility. This is the third IL facility in the National Electricity Market of Singapore (NEMS) and the first new IL facility to be added since 2006. This brings the total registered IL capacity to 23.2MW.

The IL scheme was introduced in the NEMS in 2004. It enables a contestable consumer (“load”) to voluntarily choose to have its electricity supply interrupted in the event of a system disturbance, in exchange for reserve payment.
The 74th session of the MISF was held on 13 March. At the session, Tan Choon Kiat, Assistant Manager from the Market Operations team, presented the key highlights of the National Electricity Market of Singapore’s (NEMS) performance in January and February, and led discussions on notable observations following the lifting of a security constraint in late 2013.

Cherie Chen, Senior Market Analyst from the Market Operations team presented at the MISF held on 15 May. More details on her presentation will be covered in the next issue of the Bulletin.

Market participants who are interested in presenting at future MISFs are encouraged to come forward.

The bi-monthly MSUG forum was held on 17 April. EMC IT updated attendees on the NEMS systems-related issues that occurred in February and March, and provided a progress update on on-going system enhancements. The following topics were covered in detail during the forum:

• Overview of NEMS systems availability for FY13/14;
• IT incidents that occurred in February and March, and actions taken to resolve them;
• Two-hour planned downtime in May for NEMS systems maintenance;
• Status updates on key on-going IT Infrastructure and Application projects:
  » Forward Sales Contract Scheme;
  » NEMS Information Services; and
  » Sunset plan for Market Participant-Application Programming Interface (MP-API) in September 2014.

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

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