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## CEO'S MESSAGE

At this time every year, in the interests of market transparency, we make it a point to share EMC's performance results for the last financial year which ends in March. We continue to track our performance in key

areas to ensure that we maintain our high service level to stakeholders of the National Electricity Market of Singapore (NEMS) and continue to seek customer feedback through an annual survey.

I am pleased to share that we have maintained our high ratings for the quantitative measures of system availability, pricing accuracy and settlement accuracy. I am even more delighted to see that we have surpassed our previous year's score for the qualitative measure of customer responsiveness, as the number of market participants (MPs) in the NEMS grows.

I thank our MPs for their continued understanding and support, and my EMC colleagues for their dedication and hard work.

Work aside, I am happy that our colleagues took time from their busy schedules to help out at the annual Chao Yang School Sports Day in May. This is the eighth year

that EMC is supporting the event. I am glad to see continued enthusiasm among our colleagues with a good number of volunteers coming forward this year.

Looking at the NEMS, the Uniform Singapore Energy Price (USEP) continued to trade below \$150/MWh in the months of May and June. The monthly average USEP has not crossed the \$160/MWh mark and has been trading below the Balance Vesting Price since the last quarter of 2013.

As we move into the second half of the year, I look forward to our annual networking event – the EMC Golf Day – in August which provides for a more relaxed interaction with all our market stakeholders. This exclusive event for the electricity industry in Singapore sees good participation and support from our MPs every year, and I am confident that it will be the same this year.

**Dave Carlson**  
Chief Executive Officer

## EMC SUPPORTS CHAO YANG SCHOOL'S SPORTS DAY



*EMC volunteers at the Chao Yang School Sports Day*



*Cheque presentation by Henry Gan, Vice President, Market Operations to Chao Yang School Principal, Aslinah Bte Ahmad*

The annual Chao Yang School Sports Day was held at Yio Chu Kang Stadium on 23 May. Volunteers from EMC and Presbyterian High School (PHS) joined the school's 250 students and teachers at this year's sports affair.

Chao Yang School, under the auspices of the Association for Persons with Special Needs (APSN), caters to the needs of children with mild intellectual disability.

EMC volunteers helped students get ready for their races and handled time-keeping for the various events. They also helped the teachers to distribute trophies and medals at the prize award ceremony. Although it rained heavily towards the end of the Sports Day, the school managed to complete 30 out of the 34 planned events.

The Sports Day was meaningful and time well-spent for EMC volunteers. It was a joy watching the children put in their best and knowing that EMC's support has contributed to the event's success. We look forward to more sports and fun with Chao Yang School in 2015.

# EMC'S PERFORMANCE IN FY13/14

## Overview of Financial Performance

	FY12/13	FY13/14
	Actual \$m	Actual \$m
Administration Fees	26.50	25.16
PIMS Bonus	0.42	-
<b>Revenue from Rendering Services</b>	<b>26.92</b>	<b>25.16</b>
Other Revenue	0.18	0.26
<b>Total Revenue</b>	<b>27.10</b>	<b>25.42</b>
Manpower Costs	8.31	8.38
Amortisation and Depreciation	4.34	3.32
Market Operator License	2.44	2.61
IT Services	3.01	3.20
Operating Leases & Utilities	1.67	1.73
Audit, Legal and Professional Fees	0.75	0.94
Others	1.53	1.52
<b>Total Costs</b>	<b>22.05</b>	<b>21.70</b>
Profit before Tax	<b>5.05</b>	<b>3.72</b>
Net EMC fees (\$ per MWh)	<b>0.303<sup>1</sup></b>	<b>0.2848<sup>2</sup></b>

<sup>1,2</sup> Based on actual quantities of 44,371GWh for FY12/13 and 44,134GWh for FY13/14.

EMC's operational expenses for the period 1 April 2013 to 31 March 2014 (FY13/14) decreased by \$0.35 million against FY12/13, mainly due to a decrease in depreciation and amortisation. The decrease in depreciation was primarily due to a lower-than-budgeted number of capital projects.

EMC will continue to look for more efficient and cost effective ways of delivering high service standards and world-class market operations to our stakeholders.

## Revenue Adjustments

The audited financial results for FY13/14 include revenue adjustments (refund to market) totalling \$5,700 to the administrative fee charges. The revenue adjustments, which have been approved by the Energy Market Authority, will be spread equally from September 2014 to March 2015. They comprise the following:

FY13/14 Audited Refund/(Recovery)	S\$
Depreciation Adjustment	\$ 227,971
Exogenous Items	\$ (243,339)
NEMS Accounts Interest	\$ 21,068
	<b>\$ 5,700</b>

## Other Key Performance Indicators

From April 2013, EMC no longer operates under the regulatory Performance Incentive Management System (PIMS).

Nevertheless, we continue to track the same quantitative and qualitative PIMS measures to ensure that we maintain our high levels of service to stakeholders of the National Electricity Market of Singapore (NEMS).

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# EMC'S PERFORMANCE IN FY13/14

(Continued from page 2)

## Quantitative Measures

For the quantitative measures, EMC continued to achieve either perfect or near-perfect ratings for system availability, pricing accuracy and settlement accuracy.

The excellent scores recorded in these categories were the result of our sustained effort in enforcing high standards and the quality of our deliverables, as well as our effective risk management plans when executing complex business processes and system changes.

## Qualitative Measures

A Customer Satisfaction Survey was conducted in April this year to measure our stakeholders' satisfaction with EMC's performance in the following three areas – customer responsiveness, rule change services, as well as market assessment and dispute resolution services.

We are encouraged that we continue to receive strong ratings for all three qualitative measures, especially for customer responsiveness, despite the increasing number of market participants each year.

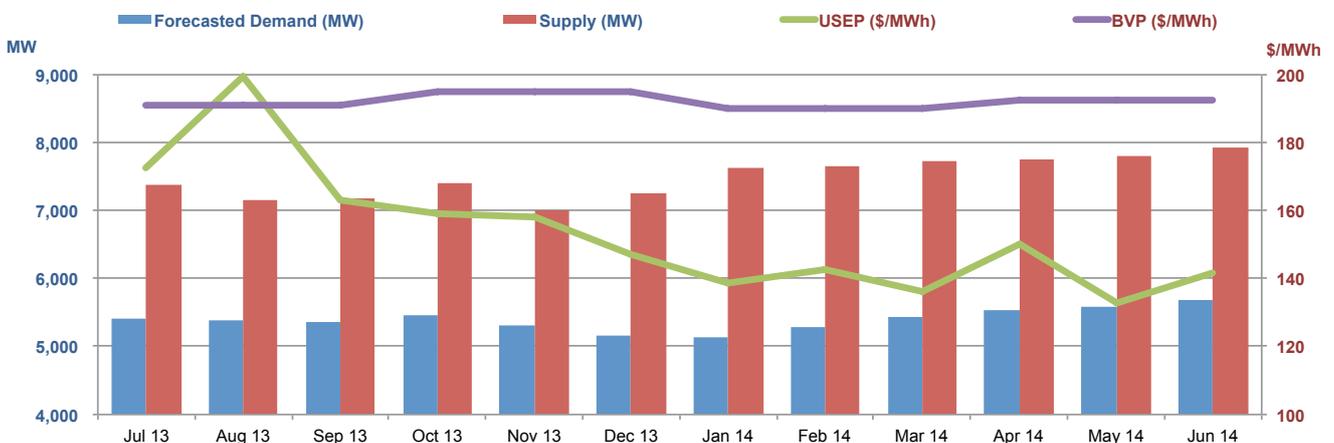
Measurement	Performance	
	FY12/13 <sup>3</sup>	FY13/14 <sup>4</sup>
<b>Quantitative Measures</b>		
System availability	99.99%	99.99%
Pricing accuracy	99.99%	100.00%
Settlement accuracy	100.00%	100.00%
<b>Qualitative Measures</b>		
Customer responsiveness	92.50%	95.65%
Market assessment satisfaction rating	83.33%	100.00%
Rule change satisfaction rating	92.47%	85.00%

<sup>3</sup> Results were collated through PIMS survey which was conducted by an external auditor.

<sup>4</sup> Quantitative measures were tracked internally, while the results for qualitative measures were calculated based on responses received via Customer Satisfaction Survey conducted by EMC.

## MARKET UPDATE

### USEP continued to trade below BVP in Q2 2014



The monthly average Uniform Singapore Energy Price (USEP) for May was \$133/MWh. It inched up slightly to \$142/MWh in June.

The USEP has been trading below the Balance Vesting Price (BVP) for the last 10 months. The BVP for the second quarter of 2014 was \$195.55/MWh.

## EMC TRAINING PROGRAMME NEXT COURSE ON 14 AND 15 AUGUST 2014

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
- Settlement
- How Consumers can Influence Electricity Markets

The course dates for 2014 are as follows:

- 14 – 15 August
- 13 – 14 November

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

## USER FORUMS

### Market Information Sharing Forum (MISF)

At the 75<sup>th</sup> session of the MISF held on 15 May 2014, Cherie Chen and Zhou Jian, analysts from EMC's Market Operations team presented the key highlights of the National Electricity Market of Singapore's (NEMS) performance for March and April. They also updated the industry on system enhancements, discussing the implementation of Stepwise Constraint Violation Penalties at the forum, explaining the rationale and sharing various scenarios for which these system penalties would be binding.

The MISF held on 10 July was presented by Chen Jian Hong, Manager from the Market Operations team. Market participants who are interested in presenting at future MISFs are encouraged to come forward.

### Market Systems User Group (MSUG)

The bi-monthly MSUG forum was held on 19 June. EMC IT updated attendees on the NEMS' systems-related issues that occurred between April and June, and the progress of on-going system enhancements. The following topics were covered in detail during the forum:

- Overview of NEMS systems availability year-to-date for FY14/15;
- IT incidents that occurred between April and June, and actions taken to resolve them;
- One-hour planned market downtime in July for an upcoming Disaster Recovery Exercise;
- Status updates on key on-going IT Infrastructure and Application projects:
  - » Forward Sales Contract Scheme;
  - » NEMS Information Services;
  - » Demand Response, Compensation & Penalty Project; and
  - » Sunset plan for Market Participant-Application Programming Interface in September 2014.

The EMC IT team is planning for more sharing sessions on the NEMS systems at upcoming MSUG forums. We would like to invite attendees to suggest topics of interest via e-mail to [helpdesk@emcsg.com](mailto:helpdesk@emcsg.com).

The next MSUG forum is tentatively scheduled for Thursday, 14 August.

#### 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 questions via e-mail to [emc.newsletter@emcsg.com](mailto:emc.newsletter@emcsg.com) or via fax to +65 6779 3030. Thank you in advance for your time and effort.

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