

MSCP Market Watch

Third Quarter (Jul-Sep) 2018

Issue 49

Table 1: Indicators of Market Performance

	2017	2018	
	Q3	Q2	Q3
Price Indicators			
<i>Energy (\$/MWh)</i>			
- USEP	75.79	108.87	112.76
- WEP	76.11	109.09	112.80
- Allocated Vesting Price	138.10	155.31	167.44
- LNG Vesting Price	140.42	158.57	169.99
- Balance Vesting Price	132.10	147.62	159.18
<i>Ancillary Services (\$/MWh)</i>			
- Primary Reserve	0.06	0.34	0.63
- Secondary Reserve	0.19	N.A.*	N.A.*
- Contingency Reserve	5.75	13.94	12.74
- Regulation	12.08	21.02	18.63
<i>Fuel Oil Price (US\$/barrel)</i>	54.05	74.50	78.61
Demand Indicators			
<i>Forecast Demand (MW)</i>			
- Average	5,877	5,981	5,963
- Peak	6,967	7,071	6,956
<i>Metered Energy (MW)</i>			
- Average	5,821	5,866	5,841
- Peak	6,958	7,031	6,931
Supply Indicators			
<i>Average Supply (MW)</i>	8,181	7,992	8,025
<i>Supply Cushion (%)</i>	28.15	25.16	25.68
<i>Capacity Ratio (%)</i>			
- CCGT	66.84	63.19	62.77
- OCGT	0.00	0.02	0.04
- OT	48.57	45.67	48.06
- ST	0.12	0.12	0.11
<i>Total Outages (MWh Cumulative)</i>			
- Planned	2,975,819	2,443,119	2,317,201
- Forced	46,252	12,325	64,378
<i>Offers made at or below \$100/MWh (%)</i>	77.81	76.59	73.81

Market Performance

The Uniform Singapore Energy Price (USEP) increased 3.57 percent from \$108.87/MWh in Q2 2018 to \$112.76/MWh in Q3 2018. The Wholesale Electricity Price (WEP) also increased 3.40 percent to \$112.80/MWh in Q3 2018.

All vesting prices rose. The Balance Vesting Price showed the greatest increase – it went up 7.83 percent from \$147.62/MWh to \$159.18/MWh in Q3 2018.

Price movements of ancillary services were mixed. Primary reserve price increased 82.62 percent to \$0.63/MWh in Q3 2018. Regulation price decreased 11.38 percent to \$18.63/MWh in the same quarter.

The fuel oil price rose 5.53 percent from US\$74.50/barrel in Q2 2018 to US\$78.61/barrel in Q3 2018.

Average demand declined 0.30 percent to 5,963 MW. Average supply increased 0.41 percent to 8,025 MW. The supply cushion, which measures supply adequacy, increased 0.52 percentage points from 25.16 percent in Q2 2018 to 25.68 percent in Q3 2018.

In Q3 2018, the capacity ratios of CCGT and ST units decreased 0.42 percent and 0.01 percent respectively. The capacity ratios of OCGT and OT units increased 0.02 percent and 2.39 percent respectively.

Planned outage volume went down 5.15 percent to 2,317,201 MWh in Q3 2018. Forced outage volume increased 422.36 percent to 64,378 MWh in Q3 2018.

Overall, the percentage of offers made at or below \$100/MWh fell 2.79 percentage points to 73.81 percent in Q3 2018.

The Market Surveillance and Compliance Panel (MSCP) did not issue any determination in Q3 2018.

Supply Indicators

Chart 1: Capacity Ratio of Generation Plants

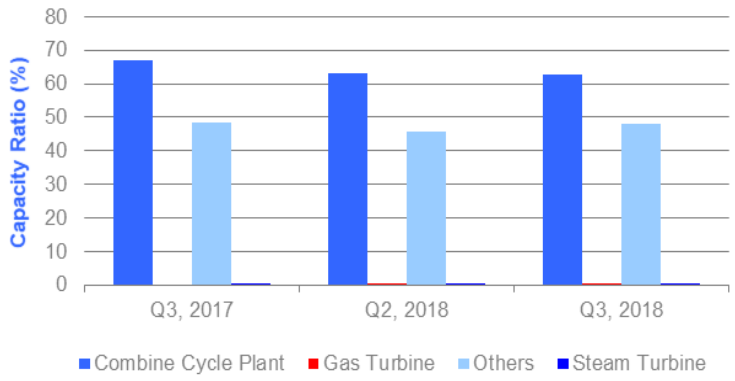


Chart 2: Relationship between USEP and Energy Supply Cushion - Q3 2018

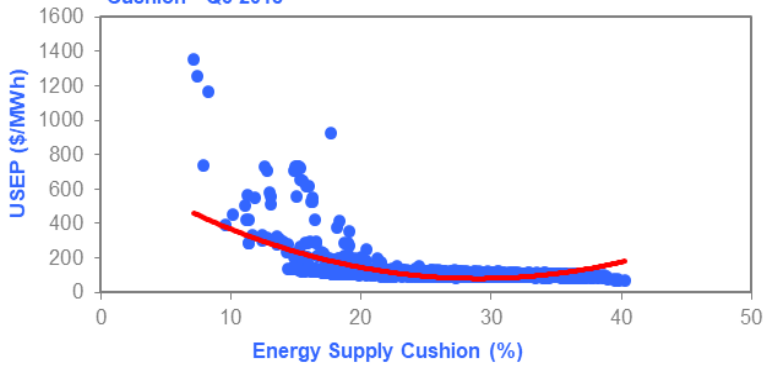


Chart 3: Comparison of Average Market Share by Generation Company Q3 2018

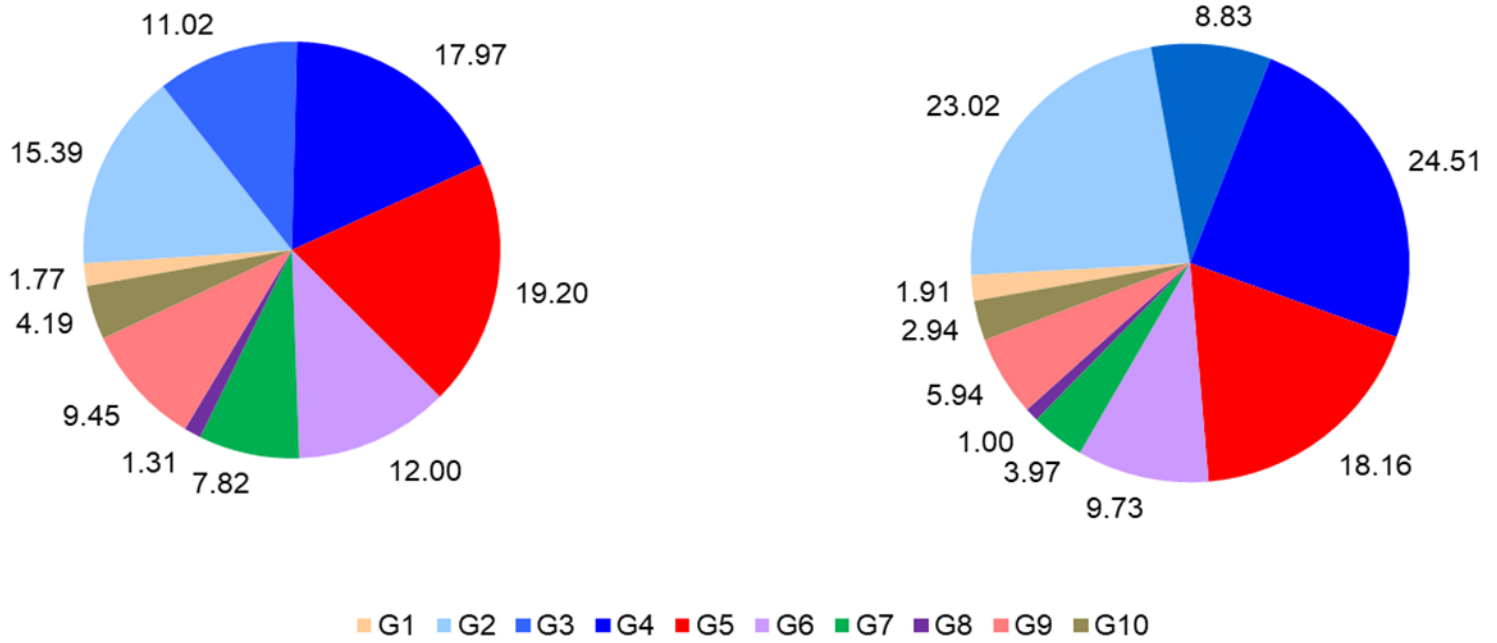
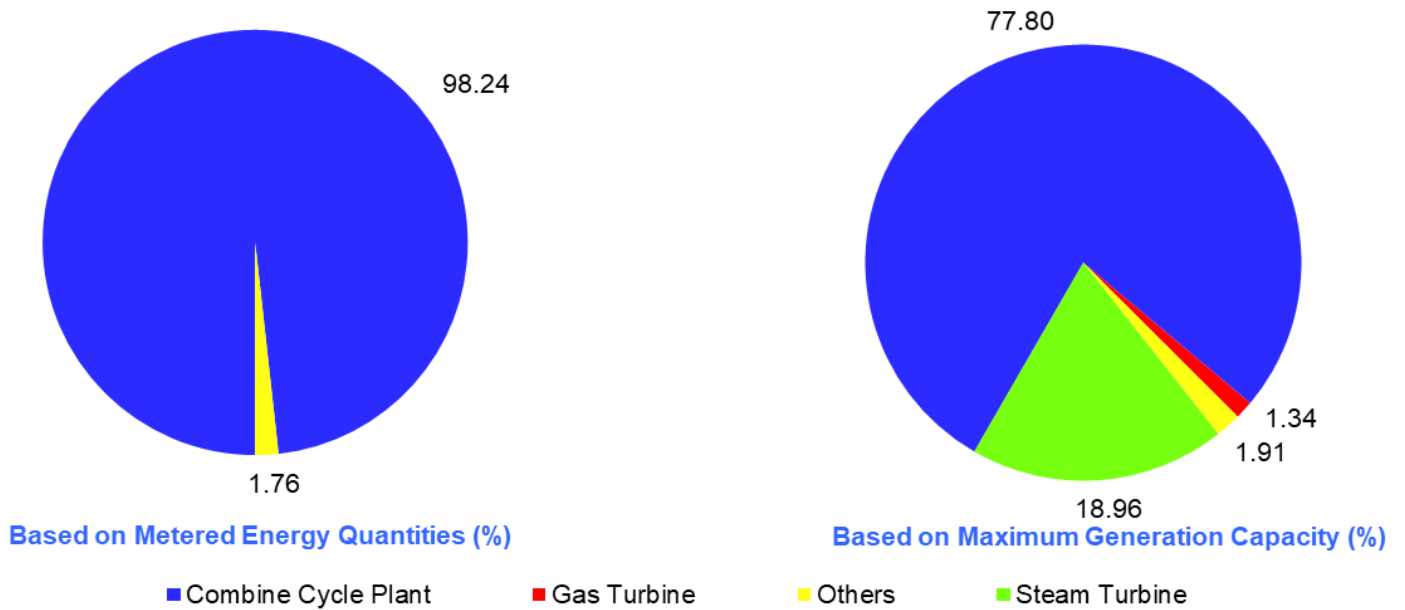


Chart 4: Comparison of Average Market Share by Generation Type Q3 2018



Demand Indicators

Chart 5: Monthly Load Forecast Variation

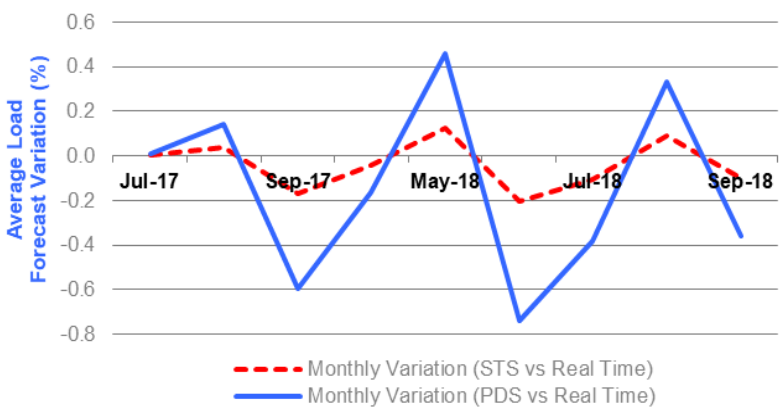
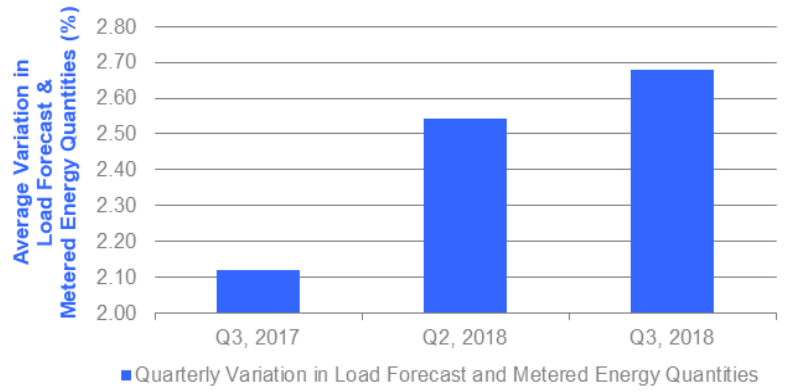


Chart 6: Variation in Real Time Load Forecast & Metered Energy Quantities



Energy Prices

Chart 7: Wholesale Electricity Price (WEP) vs Vesting Contract Hedge Price (VCHP)

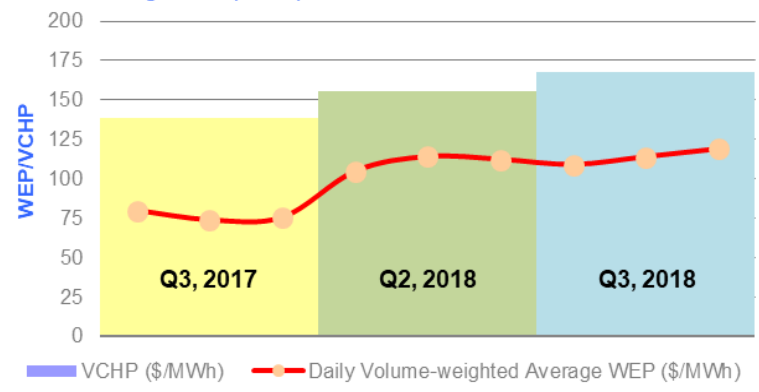


Chart 8: Comparison of Metered Energy Quantities

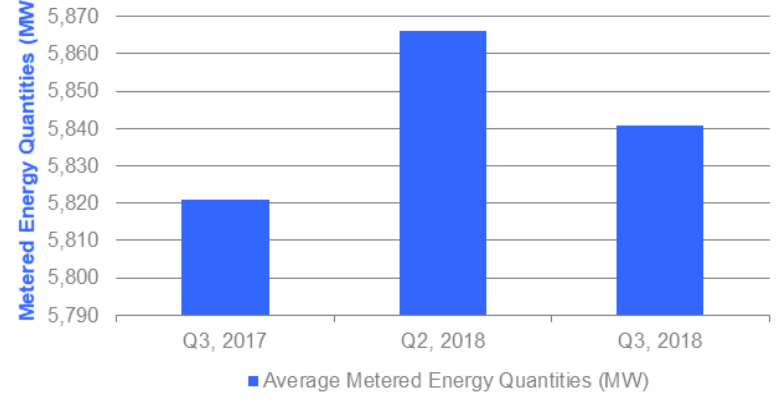


Chart 9: Percentage of Hours when WEP Falls into a Particular Price Range

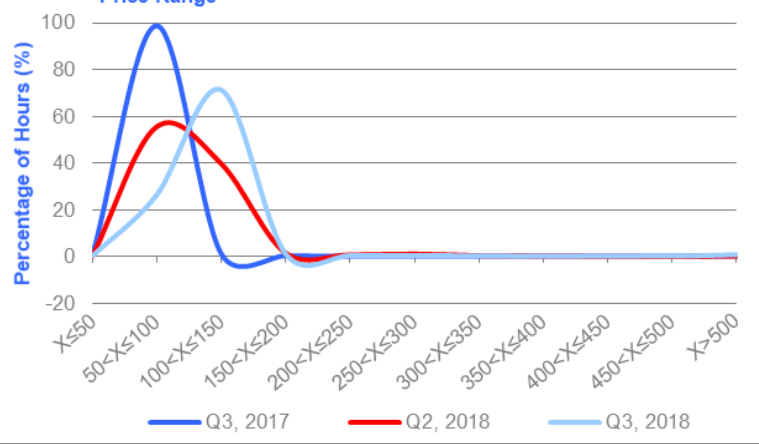


Chart 10: Percentage of Metered Energy Quantities when WEP Falls into a Particular Price Range

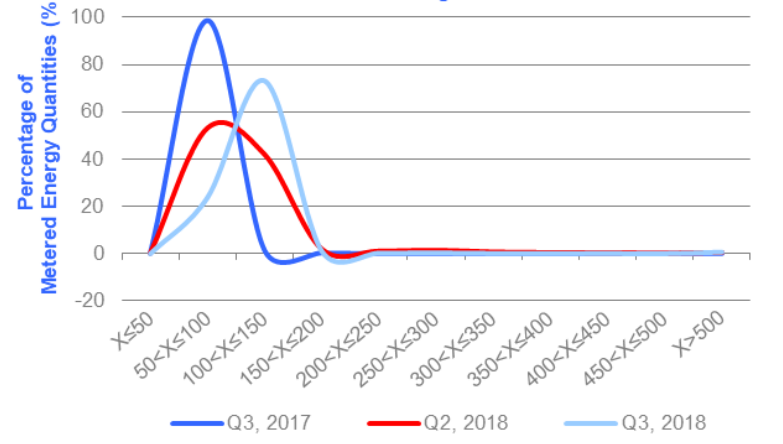


Chart 11: Correlation between WEP & Metered Energy Quantities

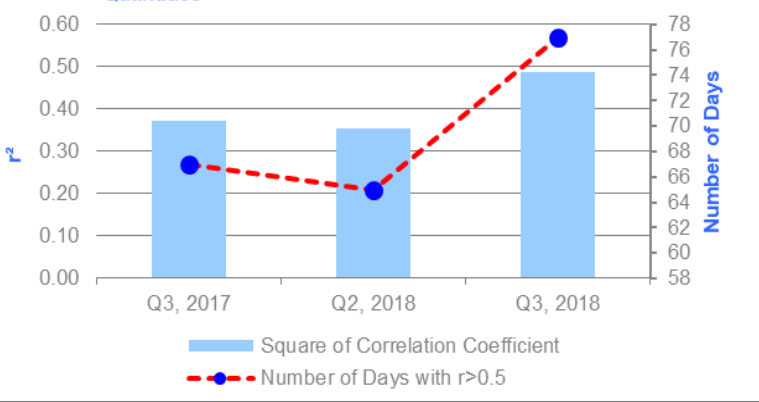
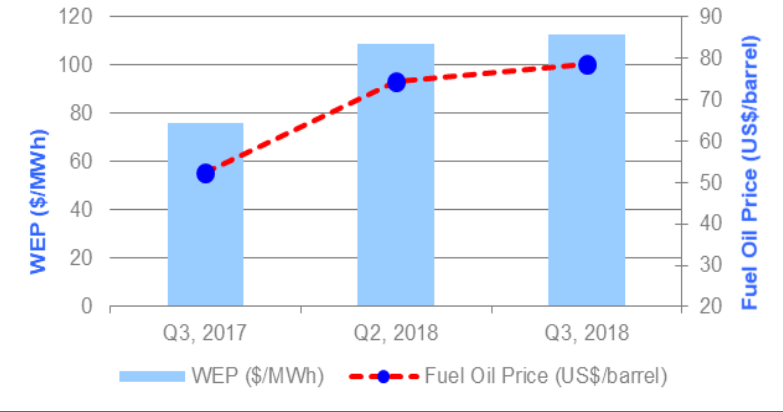


Chart 12: WEP vs Fuel Oil Price



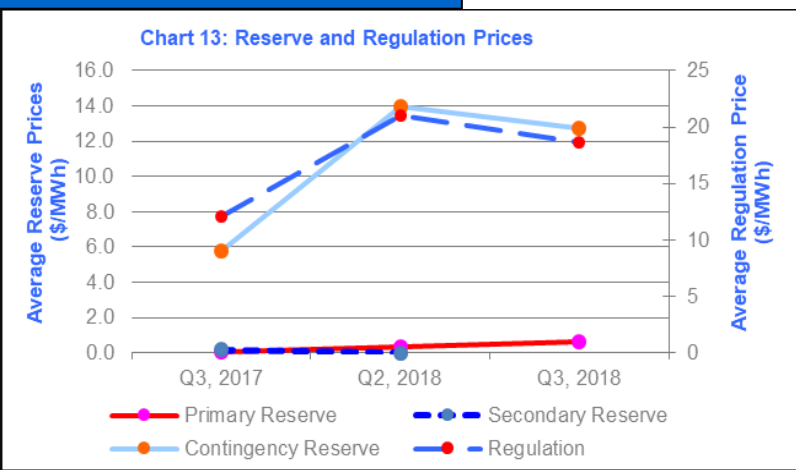


Table 2: Compliance Statistics for Q3 2018

No. of cases of potential rule breaches	114
Self-reports	1
Referrals/Complaints	113
MSCP initiatives	0
No. of determinations	131
Rule breach	0
No rule breach	131
No further action	0
Enforcement	
No. of cases with enforcement action	
- Financial penalty	0
- Letter of non-compliance	0
Total amount of financial penalties	\$0
Total amount of costs	\$0

A User Guide on terms used in this publication is available for download from the Energy Market Company website at www.emcsq.com.

The Market Surveillance and Compliance Panel is comprised of the following persons:

- *T P B Menon, Chair*
- *Lee Keh Sai*
- *Philip Chua*
- *Professor Euston Quah*
- *Professor Walter Woon*

It is supported by the Market Assessment Unit of Energy Market Company.