

MSCP Market Watch

Second Quarter (Apr-Jun) 2014

Issue 32

Table 1: Indicators of Market Performance

	2013	2014	
	Q2	Q1	Q2
Price Indicators			
<i>Energy (\$/MWh)</i>			
- USEP	184.73	139.20	141.57
- WEP	185.20	139.84	142.11
- Allocated Vesting Price	-	192.93	194.90
- LNG Vesting Price	-	197.30	197.90
- Balance Vesting Price	-	190.09	192.55
<i>Ancillary Services (\$/MWh)</i>			
- Primary Reserve	2.22	3.27	1.29
- Secondary Reserve	4.14	6.67	5.07
- Contingency Reserve	10.55	5.60	5.07
- Regulation	52.21	37.45	52.29
HSFO Spot (US\$/barrel)	97.72	97.48	96.46
Demand Indicators			
<i>Forecast Demand (MW)</i>			
- Average	5,385	5,279	5,607
- Peak	6,613	6,516	6,850
<i>Metered Energy (MW)</i>			
- Average	5,274	5,147	5,469
- Peak	6,538	6,429	6,830
Supply Indicators			
Average Supply (MW)	7,280	7,669	7,658
Supply Cushion (%)	26.02	31.17	26.78
<i>Capacity Ratio (%)</i>			
- CCGT	70.76	62.91	62.16
- OCGT	0.70	0.24	0.40
- OT	50.79	52.26	52.29
- ST	8.46	0.18	0.13
<i>Total Outages (MWh Cumulative)</i>			
- Planned	1,525,311	1,465,922	2,016,910
- Forced	60,030	37,726	36,041
Offers made at or below \$100/MWh (%)	57.06	53.90	60.65

Market Performance

The Uniform Singapore Energy Price (USEP) increased 1.70 percent from \$139.20/MWh in Q1 2014 to \$141.57/MWh in Q2 2014. In line with the increase in the USEP, the Wholesale Electricity Price (WEP) increased 1.62 percent to \$142.11/MWh in Q2 2014. Vesting prices increased across the board in Q2 2014. The largest price movement was in the Balance Vesting Price, which increased 1.29 percent to \$192.55/MWh in Q2 2014.

In respect of ancillary services, price movements of all reserve types decreased in Q2 2014, while the price of regulation increased. Primary reserve price decreased by 60.73 percent to \$1.29/MWh in Q2 2014. Regulation price increased 39.62 percent in Q2 2014 to \$52.29/MWh.

The High Sulphur Fuel Oil (HSFO) spot price decreased 1.05 percent from US\$97.48/barrel in Q1 2014 to US\$96.46/barrel in Q2 2014.

The supply cushion, which measures supply adequacy, decreased 4.38 percentage points from 31.17 percent in Q1 2014 to 26.78 percent in Q2 2014. Demand increased 6.25 percent to 5,469MW while supply decreased 0.15 percent to 7,658MW in Q2 2014. The capacity ratios of CCGT and ST decreased 0.75 and 0.05 percentage point respectively. The capacity ratios of OCGT and OT increased 0.17 and 0.03 percentage point respectively in Q2 2014.

Planned outage volume increased 37.59 percent from 1,465,922 MWh in Q1 2014 to 2,016,910 MWh in Q2 2014. Forced outage volume decreased 4.46 percent to 36,041 MWh in Q2 2014.

There were 26 periods of price separation in Q2 2014, where price differences ranged from \$4.81/MWh to \$844.46/MWh. The price separation cases were either due to line binding or security constraint.

In Q2 2014, the MSCP made one rule breach determination against the Energy Market Company Pte Ltd for "Failure to determine, release and publish real-time and short-term dispatch schedules on 25 November 2013".

Supply Indicators

Chart 1: Capacity Ratio of Generation Plants

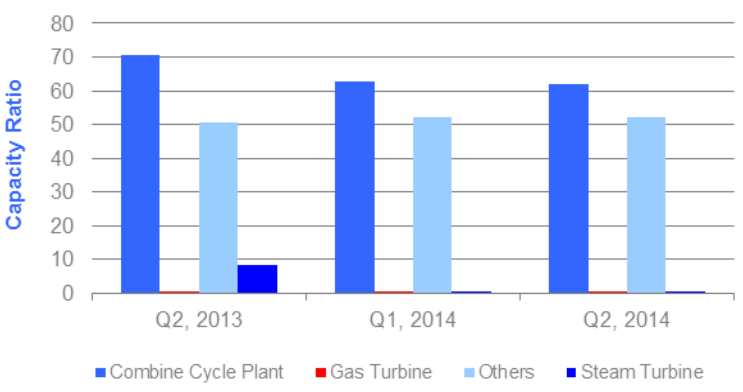


Chart 2: Relationship between USEP and Energy Supply Cushion - Q2 2014

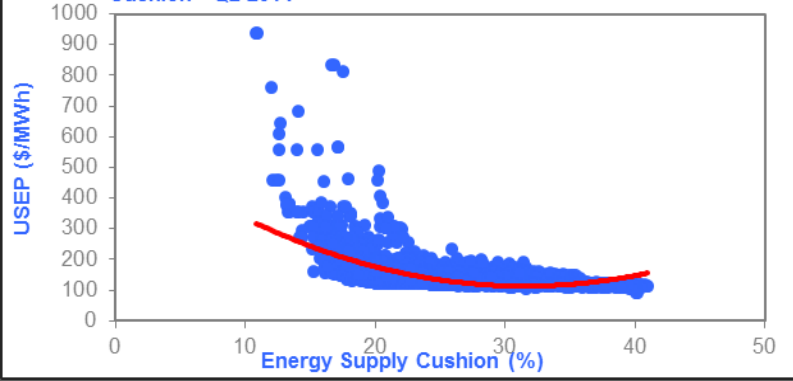


Chart 3: Comparison of Average Market Share by Generation Company Q2 2014

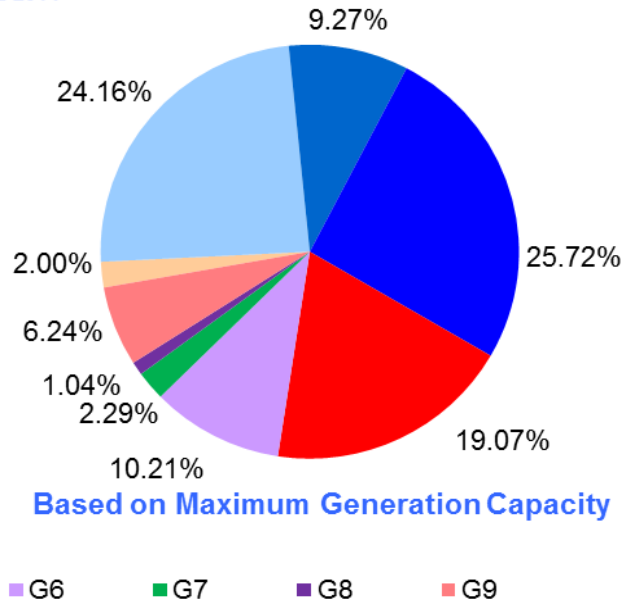
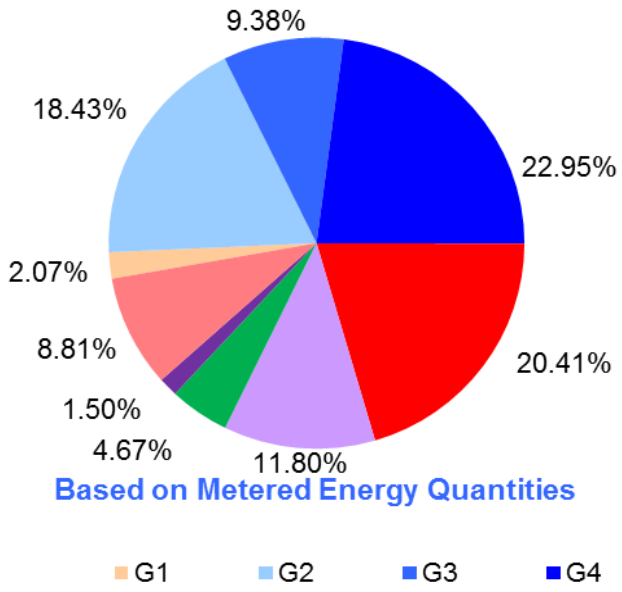
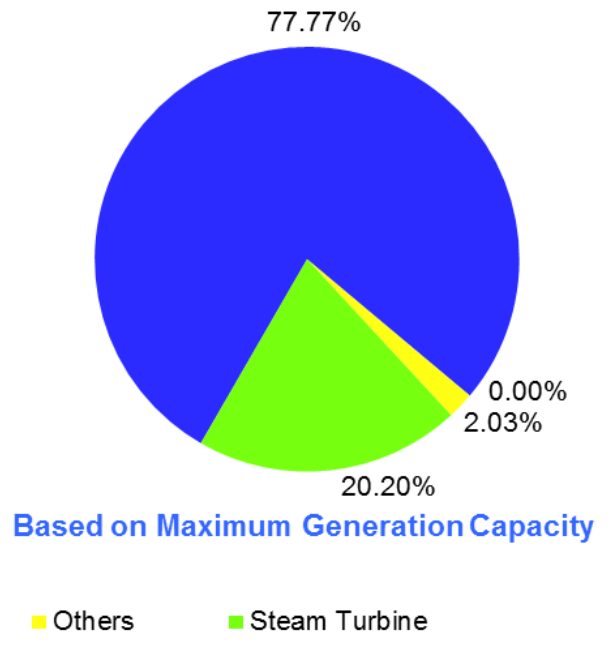
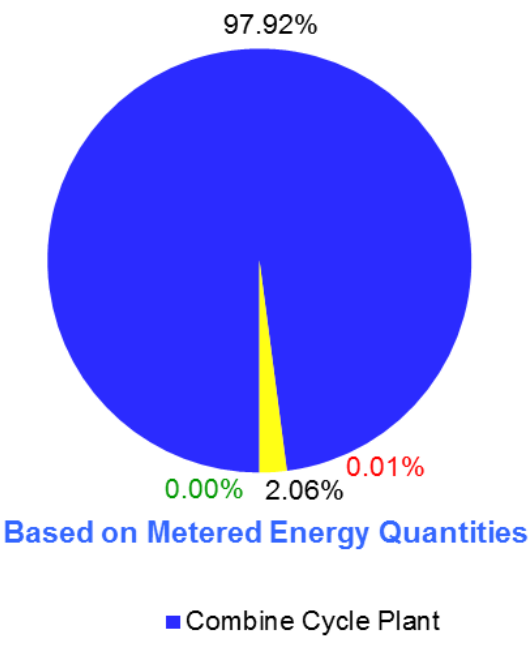
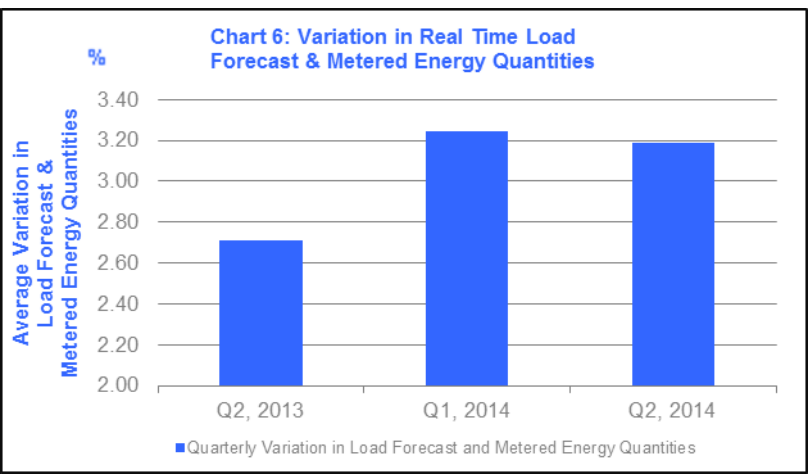
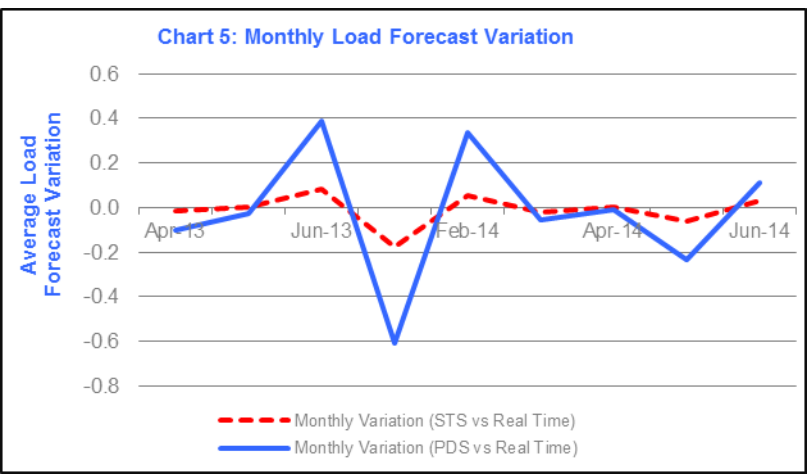


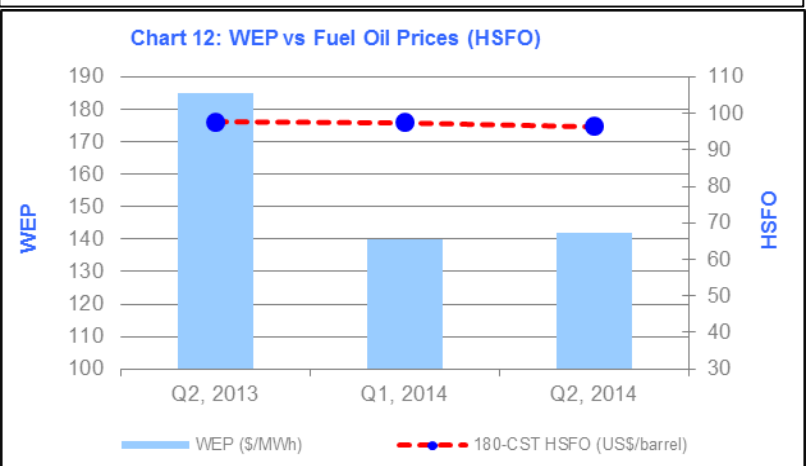
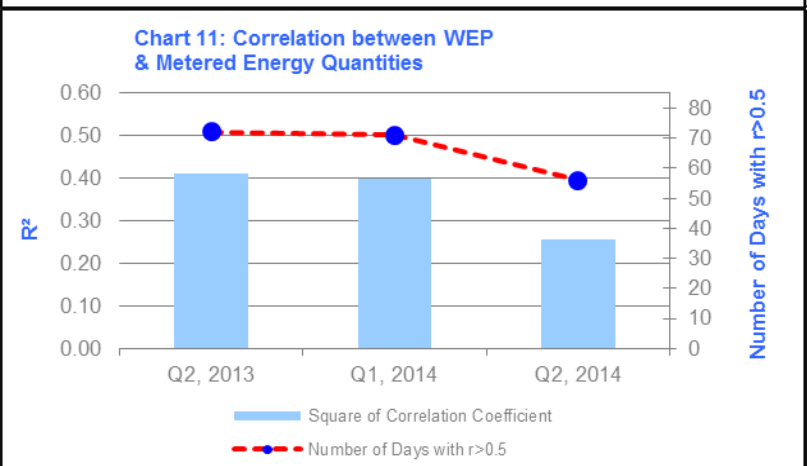
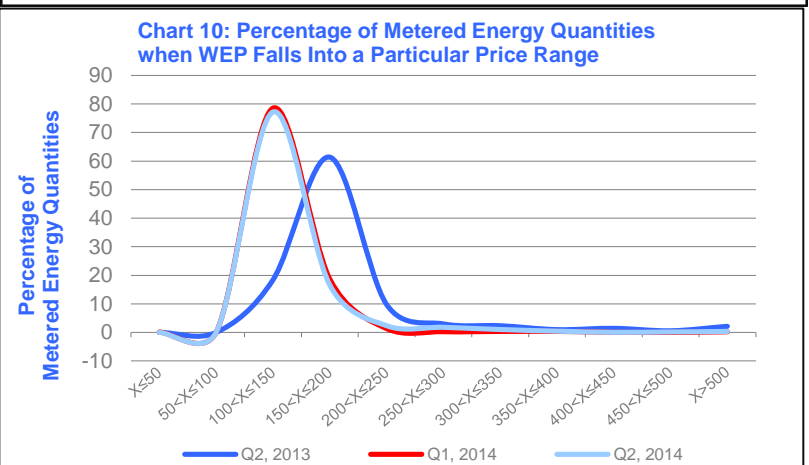
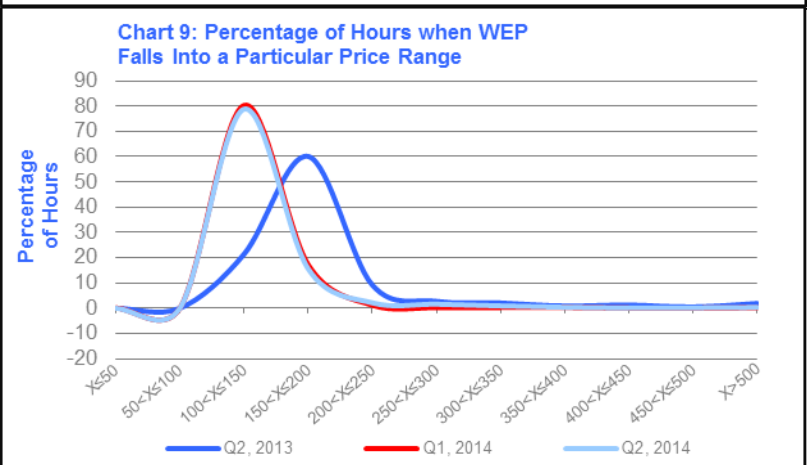
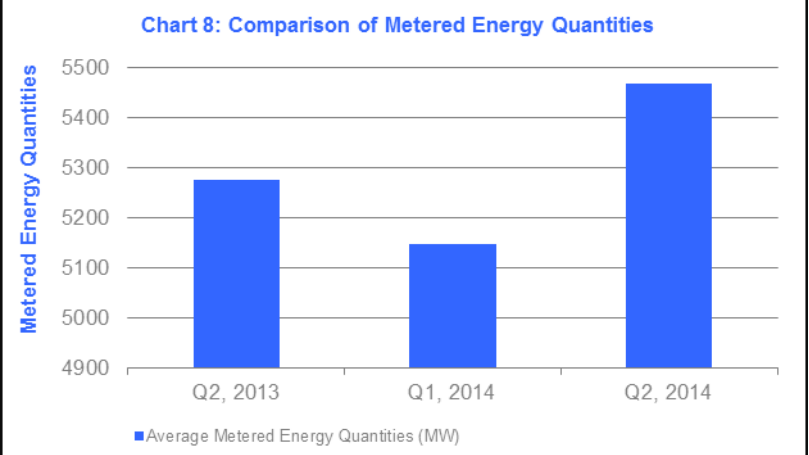
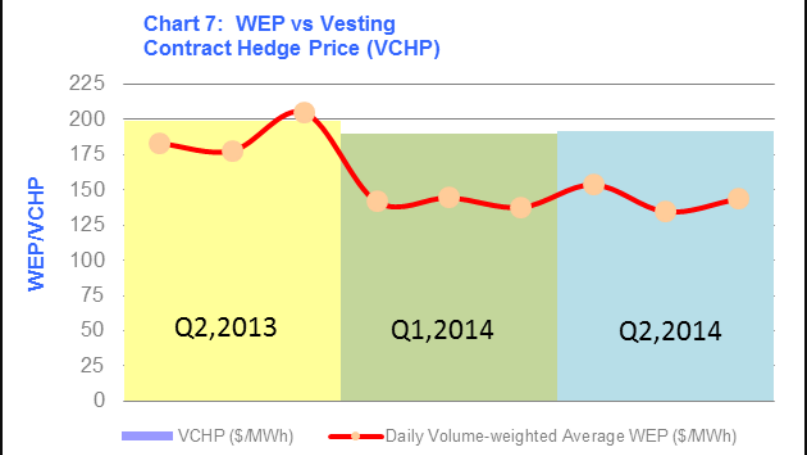
Chart 4: Comparison of Average Market Share by Generation Type Q2 2014



Demand Indicators



Energy Prices



Ancillary Services Prices

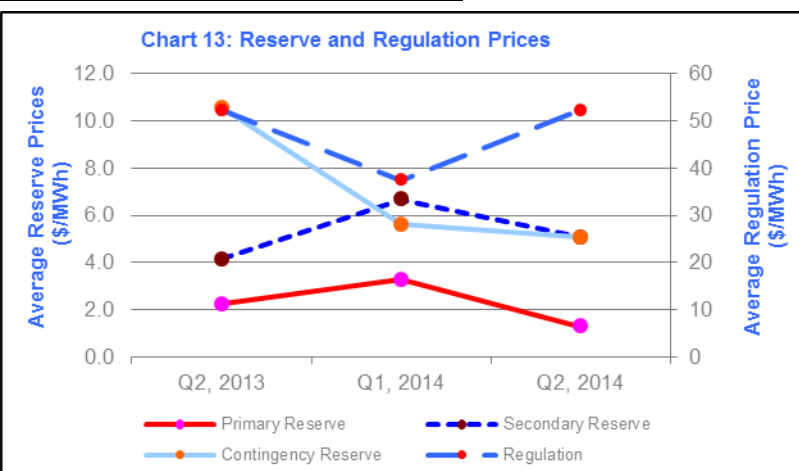


Table 2: Compliance Statistics for Q2 2014

No. of cases of potential rule breaches	337
<i>Self-reports</i>	0
<i>Referrals/Complaints</i>	337
<i>MSCP initiatives</i>	0
No. of determinations	87
<i>Rule breach</i>	1
<i>No rule breach</i>	82
<i>No further action</i>	4
Enforcement	1
No. of cases with enforcement action	1
- <i>Financial penalty</i>	0
- <i>Letter of non-compliance</i>	1
Total amount of financial penalties	\$0
Total amount of costs	\$1,500

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

- *Thean Lip Ping, Chair*
- *Lee Keh Sai*
- *Professor Lim Chin*
- *TPB Menon*
- *Philip Chua*