

# MSCP Market Watch

Third Quarter (Jul-Sep) 2014

Issue 33

Table 1: Indicators of Market Performance

	2013	2014	
	Q3	Q2	Q3
<b>Price Indicators</b>			
<i>Energy (\$/MWh)</i>			
- USEP	178.55	141.57	144.74
- WEP	179.62	142.11	144.73
- Allocated Vesting Price	-	194.90	193.17
- LNG Vesting Price	-	197.90	196.86
- Balance Vesting Price	-	192.55	190.23
<i>Ancillary Services (\$/MWh)</i>			
- Primary Reserve	0.58	1.29	0.72
- Secondary Reserve	0.94	5.07	2.65
- Contingency Reserve	8.60	5.07	7.50
- Regulation	87.92	52.29	23.63
<i>HSFO Spot (US\$/barrel)</i>	96.15	96.46	94.65
<b>Demand Indicators</b>			
<i>Forecast Demand (MW)</i>			
- Average	5,392	5,607	5,657
- Peak	6,547	6,850	6,687
<i>Metered Energy (MW)</i>			
- Average	5,265	5,469	5,493
- Peak	6,429	6,830	6,612
<b>Supply Indicators</b>			
<i>Average Supply (MW)</i>	7,244	7,835	7,915
<i>Supply Cushion (%)</i>	25.55	28.43	28.52
<i>Capacity Ratio (%)</i>			
- CCGT	69.90	62.16	61.13
- OCGT	1.14	0.40	0.37
- OT	53.64	52.29	51.27
- ST	7.33	0.13	0.36
<i>Total Outages (MWh Cumulative)</i>			
- Planned	1,654,022	2,016,910	2,193,085
- Forced	99,648	36,041	59,452
<i>Offers made at or below \$100/MWh (%)</i>	57.62	60.65	60.13

## Market Performance

The Uniform Singapore Energy Price (USEP) increased 2.24 percent from \$141.57/MWh in Q2 2014 to \$144.74/MWh in Q3 2014. In line with this increase, the Wholesale Electricity Price (WEP) increased 1.85 percent to \$144.73/MWh in Q3 2014. Vesting prices decreased across the board in Q3 2014. The largest price movement was in the Balance Vesting Price, which decreased 1.20 percent to \$190.23/MWh in Q3 2014.

In respect of ancillary services, price movements of all ancillary types, with the exception of contingency reserve, decreased across the board. The largest price decrease was for regulation, which decreased by 54.81 percent to \$23.63/MWh in Q3 2014. However, the price of contingency reserve increased 47.90 percent in Q3 2014 to \$7.50/MWh.

The High Sulphur Fuel Oil (HSFO) spot price decreased 1.87 percent from US\$96.46/barrel in Q2 2014 to US\$94.65/barrel in Q3 2014.

The supply cushion, which measures supply adequacy, increased 0.09 percentage point from 28.43 percent in Q2 2014 to 28.52 percent in Q3 2014. Demand increased 0.44 percent to 5,493MW. This was matched by an increase in supply of 1.03 percent to 7,915MW in Q3 2014. The capacity ratios of CCGT, OCGT and OT decreased 1.03, 0.03 and 1.02 percentage points respectively. The capacity ratio of ST increased 0.24 percentage point in Q3 2014.

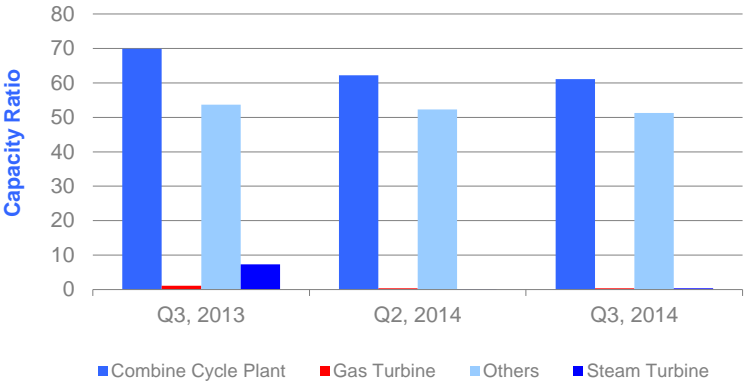
Planned outage volume increased 8.73 percent from 2,016,910 MWh in Q2 2014 to 2,193,085 MWh in Q3 2014. Forced outage volume also increased 64.95 percent to 59,452 MWh in Q3 2014.

Overall, the percentage of offers made at or below \$100/MWh decreased by 0.52 percentage point to 60.13 percent in this quarter.

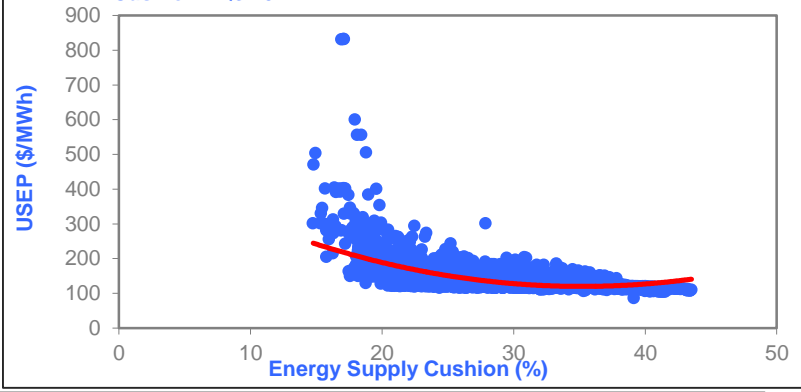
No rule breach determination was made in Q3 2014.

# Supply Indicators

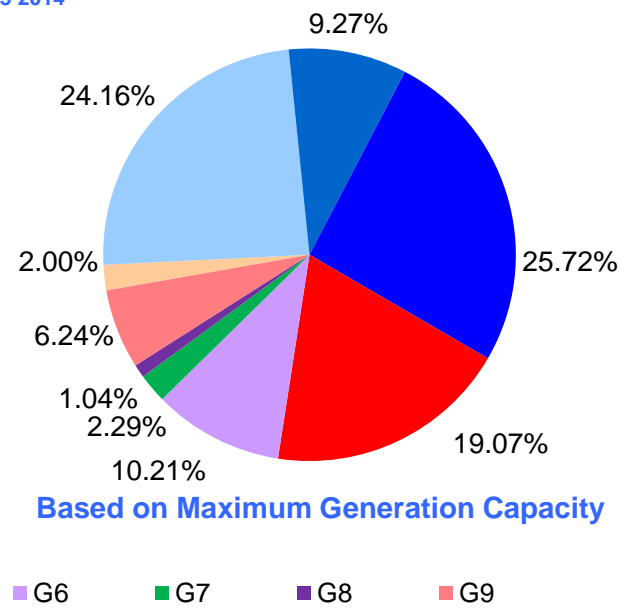
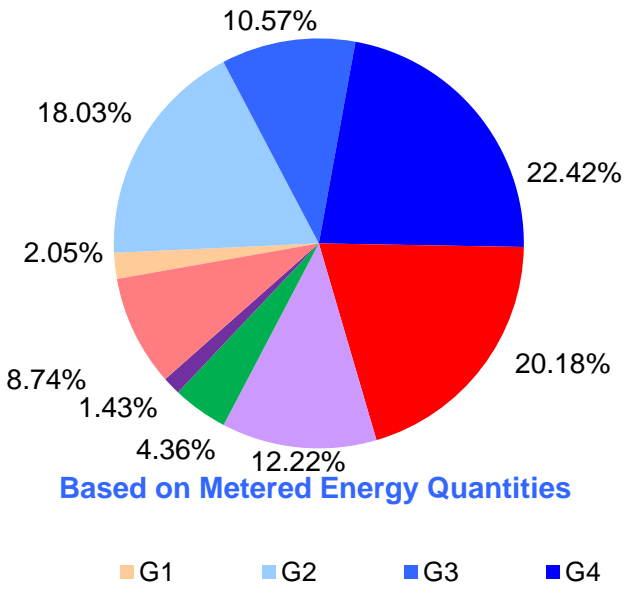
**Chart 1: Capacity Ratio of Generation Plants**



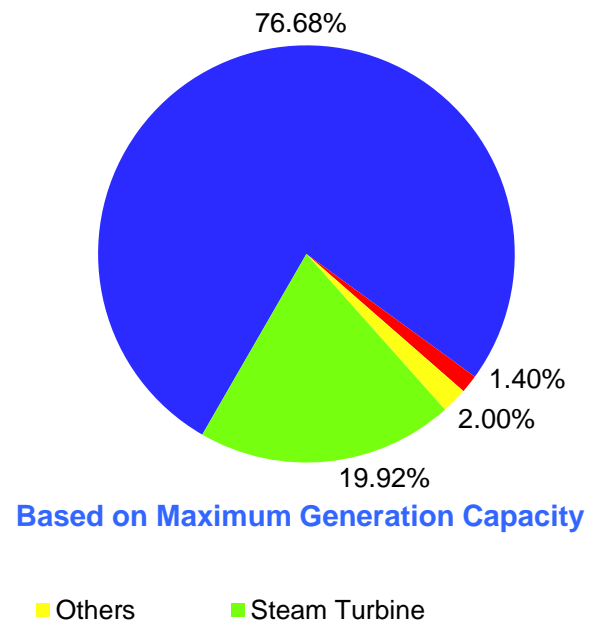
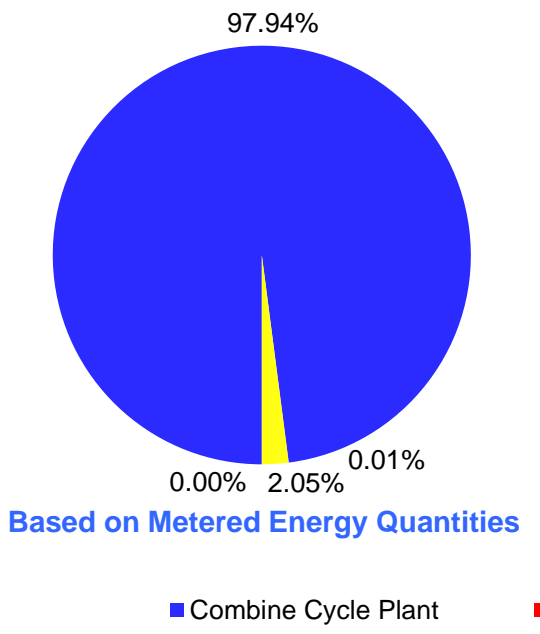
**Chart 2: Relationship between USEP and Energy Supply Cushion - Q3 2014**



**Chart 3: Comparison of Average Market Share by Generation Company Q3 2014**

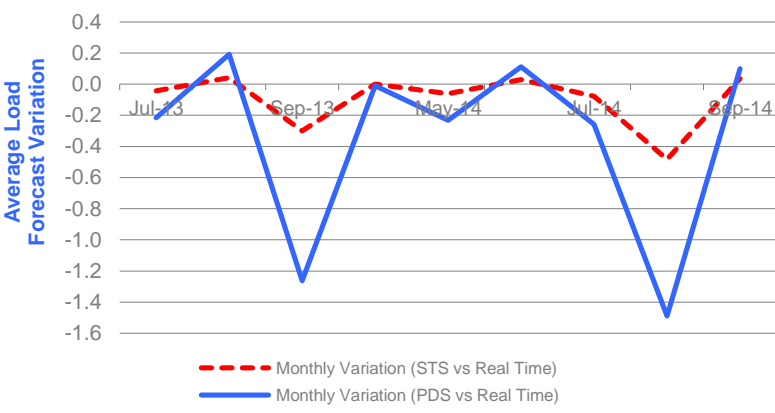


**Chart 4: Comparison of Average Market Share by Generation Type Q3 2014**

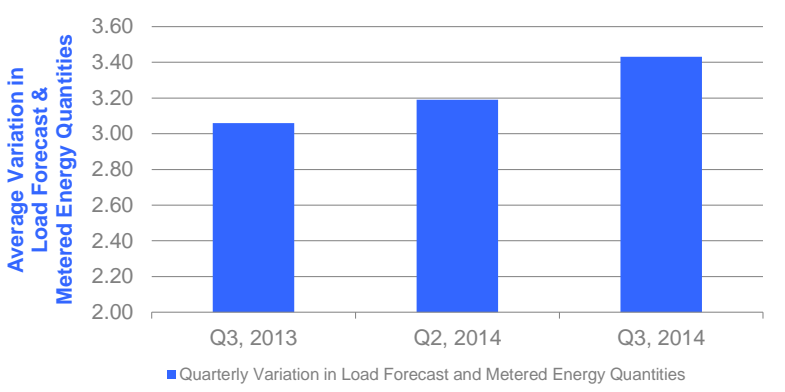


# Demand Indicators

**Chart 5: Monthly Load Forecast Variation**

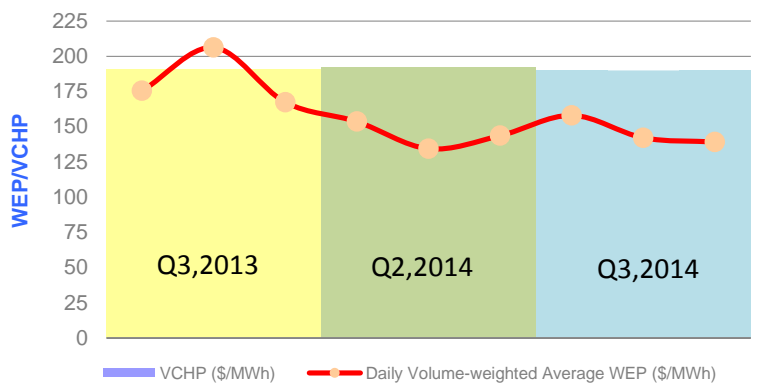


**Chart 6: Variation in Real Time Load Forecast & Metered Energy Quantities**

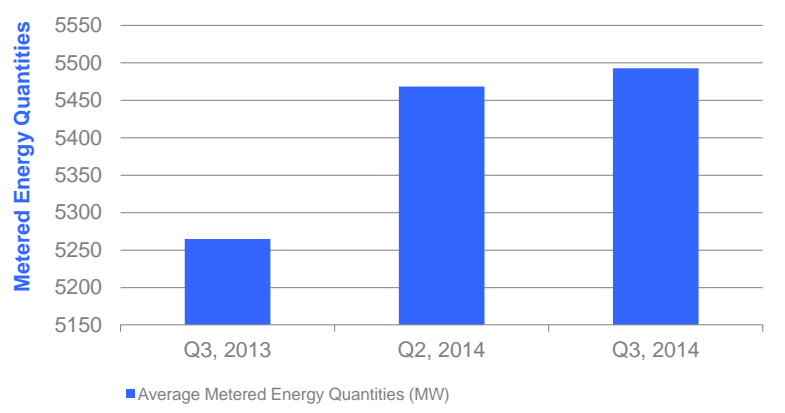


# Energy Prices

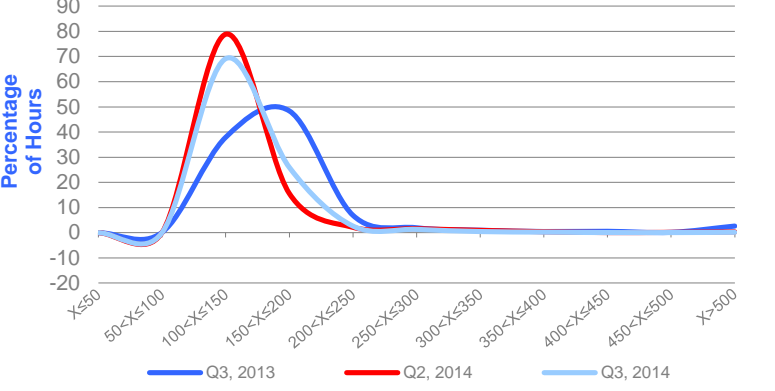
**Chart 7: WEP vs Vesting Contract Hedge Price (VCHP)**



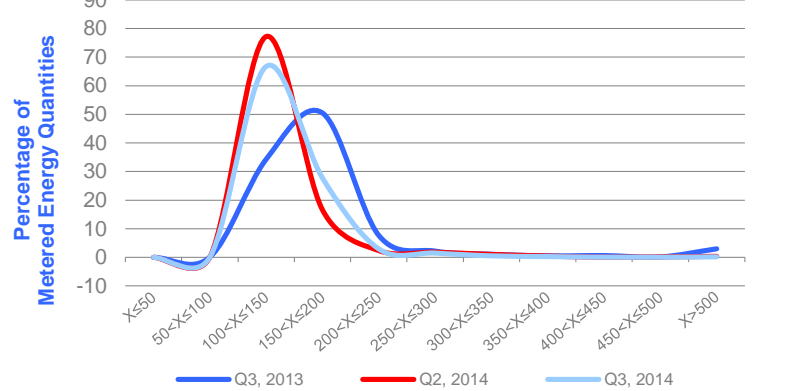
**Chart 8: Comparison of Metered Energy Quantities**



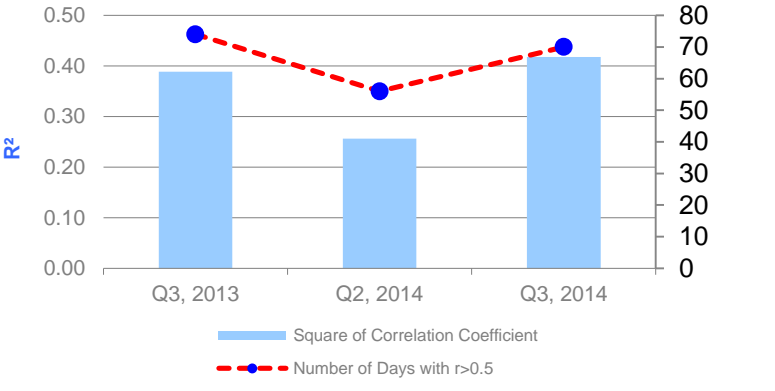
**Chart 9: Percentage of Hours when WEP Falls Into a Particular Price Range**



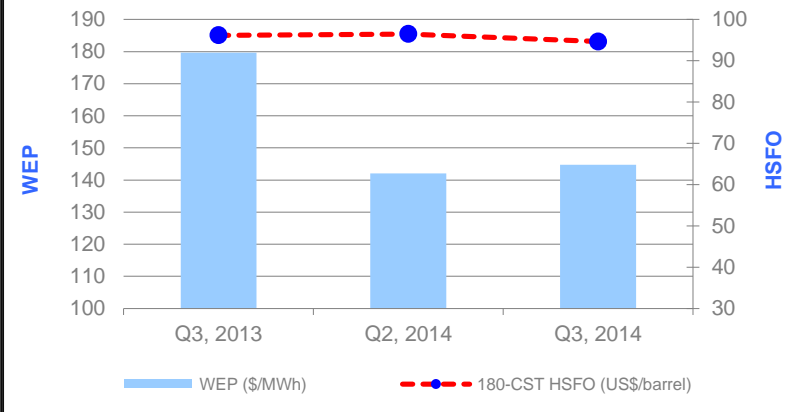
**Chart 10: Percentage of Metered Energy Quantities when WEP Falls Into a Particular Price Range**



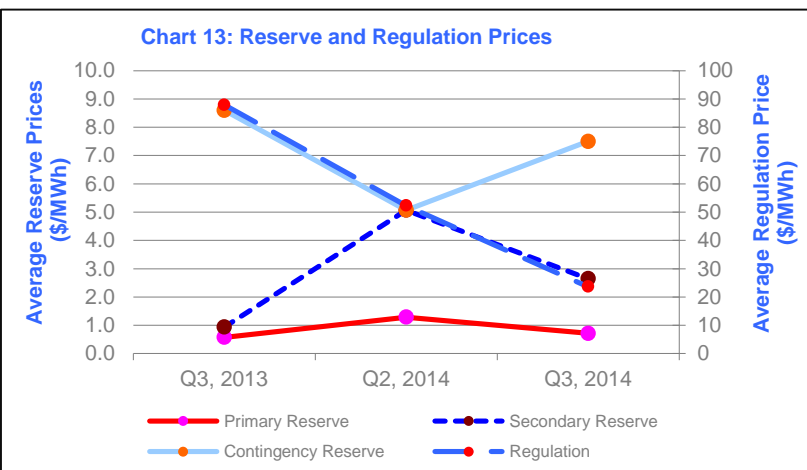
**Chart 11: Correlation between WEP & Metered Energy Quantities**



**Chart 12: WEP vs Fuel Oil Prices (HSFO)**



# Ancillary Services Prices



**Table 2: Compliance Statistics for Q3 2014**

<b>No. of cases of potential rule breaches</b>	<b>334</b>
Self-reports	1
Referrals/Complaints	333
MSCP initiatives	0
<b>No. of determinations</b>	<b>494</b>
Rule breach	0
No rule breach	494
No further action	0
<b>Enforcement</b>	<b>0</b>
No. of cases with enforcement action	0
-Financial penalty	0
-Letter of non-compliance	0
Total amount of financial penalties	\$0
Total amount of costs	\$0

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

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

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