

Report by Dispute Resolution Counsellor

January 2007 to December 2007

14 March 2008

This report is prepared for the Energy Market Company Pte Ltd and the Energy Market Authority.

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INTRODUCTION

This is a report by the Dispute Resolution Counsellor ("DRC") on dispute resolution in relation to the wholesale electricity markets of the National Electricity Market of Singapore ("NEMS") from 1 January 2007 to 31 December 2007.

DISPUTE RESOLUTION INSTITUTIONS

The dispute resolution institutions for the wholesale electricity markets of the NEMS comprise the DRC and the Dispute Resolution and Compensation Panel ("DRCP"). The DRCP is made up of a Mediation Panel and an Arbitration Panel.

The Mediation Panel comprises:

- (a) Mr Chandra Mohan;
- Mr Daniel John; (b)
- Ms Shirli Kirschner; and (c)
- (d) Mr Robert Yu.

The Arbitration Panel comprises:

- Professor Lawrence Boo: (a)
- The Honourable Gerald Edward (Tony) Fitzgerald AC, QC; (b)
- The Honourable Sir Anthony Mason AC, KBE; (c)
- Mr Naresh Mahtani: (d)
- Professor Tan Cheng Han SC; (e)
- (f) Mr Tan Ching Tiong; and
- Mr George Tan. (g)

Mr L P Thean, a former judge of the Supreme Court, assumed the chairmanship of the Market Surveillance and Compliance Panel towards the end of the year and I would like to take this opportunity to thank Mr. Thean for his support and contributions to the DRCP.

MARKET ASSESSMENT UNIT

The Market Assessment Unit of Energy Market Company Pte Ltd supports the dispute resolution process for the wholesale electricity markets of the NEMS and assists the DRC and DRCP in discharging their functions.

DISPUTE RESOLUTION PROCESS

Dispute Resolution Stages

The NEMS has a comprehensive approach to dispute resolution which enables disputes to be resolved outside of the courts. It involves the following stages:

- Negotiation The parties attempt to resolve the dispute in good faith using their dispute management systems. This stage is initiated by a party to a dispute serving a notice of dispute on the other parties and giving a copy to the DRC.
- Mediation If the dispute is not resolved by the parties themselves, it may be submitted for mediation. The mediation is conducted by a mediator selected from the Mediation Panel. This stage is initiated by a party serving a notice of mediation on the DRC.
- **Arbitration** If the dispute is not resolved by the parties through mediation, it may be submitted for arbitration. The arbitration is conducted by an arbitrator(s) selected from the Arbitration Panel. This stage is initiated by a party filing a notice of arbitration with the DRC.

DMS and DMS Contacts

The dispute resolution rules require each market player to implement a dispute management system ("DMS"). The DMS has to nominate a DMS contact to be the first point of contact for the notification of disputes. The DMS has also to be consistent with the guidance notes of the DRC.

Most market players have implemented a DMS. All market players have also nominated representatives who will be their main or alternate DMS contacts.

The current DMS contacts are:

- (a) Air Products Asia Lim Sam San and Tay Wee Ann
- (b) Diamond Energy Pte Ltd Ayu Wirdati
- (c) Energy Market Company Pte Ltd Abdul Aziz Yatim and Coco Choo
- (d) Keppel Electric Pte Ltd Sumihiro Kawamura and Chung Xin Lei
- (e) Keppel Merlimau Cogen Tini Mulyawati
- (d) National Environment Agency Winston Chew and Teo Hock Kheng
- (e) PowerSeraya Ltd Sim Meng Khuan and Albert Siah
- (f) Power System Operator Kang Cheng Guan and Kwok Foo Seng
- (g) Sembcorp Cogen Pte Ltd Chua Gwen Heng and Aeron Hong
- (h) Sembcorp Utilities Pte Ltd Geraldine Tan and Yip Pak Ling
- (i) Senoko Energy Supply Pte Ltd Eu Pui Sun and Lynn Tan
- (j) Senoko Power Ltd Eveline How and Sim Mei Ling
- (k) Seraya Energy Pte Ltd Elaine Syn and Terence Tan
- (I) SP PowerAssets Ltd Chan Hung Kwan and Daniel Cheng
- (m) SP Services Ltd Claris Lim, Lawrence Lee and Alvin Loh
- (n) Tuas Power Ltd Philip Tan and Priscilla Chua
- (o) Tuas Power Supply Pte Ltd Jazz Feng and Sim Poh Thien.

Contact particulars of the DMS contacts are published on the EMC website. This information will enable market participants to know whom to contact in the event of a dispute.

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DISPUTES

During the period 1 January 2007 to 31 December 2007, no notice of dispute, notice of mediation or notice of arbitration was served on the DRC.

NEGOTIATIONS WORKSHOP

On 16 October, a workshop on "Negotiation Strategies, Tactics & Counter-measures" was conducted for DMS contacts. Through role play, the DMS contacts had the opportunity to practise and fine-tune their negotiation skills. New DMS contacts were introduced to the NEMS dispute resolution process, while existing DMS contacts were given a forum to seek clarification. The workshop was also important in providing an opportunity for DMS contacts to meet and build rapport. Many participants said that they found the workshop helpful, and we will continue to organise such sessions.

CONCLUSION

In conclusion, I would like to thank all market participants, DMS contacts and the Market Assessment Unit for supporting the work of the DRC.

George Lim

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14 March 2008

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