Singapore Electricity Market Rules

Chapter 1
Introduction & Interpretation of the Market Rules

Energy Market Authority

1 January 2022
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1 DEFINITIONS

1.1 MARKET RULES

1.1.1 The rules set forth in Chapters 1 to 8 are called the Singapore Electricity Market Rules and constitute the market rules made under the authority and for the purposes of the Electricity Act.

1.2 ITALICISED EXPRESSIONS

1.2.1 Italicised expressions used in the market rules have the meanings ascribed thereto in the definitions set forth in Chapter 8. Unless the context otherwise requires, words and phrases defined in the Electricity Act have the same meaning when used in the market rules.
2 LEGISLATIVE AUTHORITY

2.1 LEGISLATIVE AUTHORITY

2.1.1 The legislative authority for the market rules is contained in the *Electricity Act*. Specifically, subsection 46(1) of the *Electricity Act* contemplates that there will be made rules:

2.1.1.1 establishing and governing:
   a. *the wholesale electricity markets*; and
   b. agreements and arrangements in connection with *trading*;

2.1.1.2 governing the activities of the *EMC* and *market participants* in and in relation to the *wholesale electricity markets*; and

2.1.1.3 governing the operation of the *electricity system*.

2.1.2 Pursuant to subsection 3(3)(e) of the *Electricity Act*, the market rules also contain provisions designed to enable the *PSO* to fulfil the functions and duties described in that subsection relative to the security of supply of *electricity* to *consumers* and the secure operation of the *power system*. 
3 MARKET RULES

3.1 OBJECTS AND CONTENT

3.1.1 The objects of the market rules are:

3.1.1.1 to establish and govern efficient, competitive and reliable markets for the wholesale sale and purchase of electricity and ancillary services in Singapore;

3.1.1.2 to provide market participants and market support services licensees with non-discriminatory access to the transmission system;

3.1.1.3 to facilitate competition in the generation of electricity; and

3.1.1.4 to protect the interests of consumers with respect to prices and the reliability and quality of electricity service.

3.1.2 Accordingly, the market rules include provisions:

3.1.2.1 governing the making, modification and publication of the market rules;

3.1.2.2 governing the conveying of electricity into, through or out of the transmission system and the provision of ancillary services;

3.1.2.3 governing the terms and conditions pursuant to which persons may be authorised by the EMC to participate in the wholesale electricity markets or to cause or permit electricity to be conveyed into, through or out of the transmission system;

3.1.2.4 governing the manner in which electricity and ancillary services are sold, purchased and dispatched in the wholesale electricity markets;

3.1.2.5 governing standards and procedures to be observed in emergencies affecting the power system;

3.1.2.6 authorising and governing the giving of directions by the EMC and the PSO;

3.1.2.7 authorising and governing the making of orders by the EMC and the PSO;
3.1.2.8 providing a mechanism for the resolution of certain disputes arising under the *market rules*;

3.1.2.9 providing mechanisms for monitoring, surveillance and investigation of activities in the *wholesale electricity markets* and the conduct of *market participants* and *market support services licensees*; and

3.1.2.10 providing generally for the exercise by the *EMC* and the *PSO* of such authority as may be necessary or desirable for the purpose of carrying out their respective functions, powers and duties in relation to the *wholesale electricity markets* and the *electricity system*.

### 3.2 CONTRACTUAL FORCE

3.2.1 In accordance with section 49 of the *Electricity Act*, the *market rules* have the effect of a contract between each *market participant* and the *EMC*. Each *market participant* and the *EMC* shall be deemed to have entered into a contract with one another under which each *market participant* and the *EMC* agree to perform and observe the *market rules* so far as they are applicable to each *market participant* and the *EMC* as provided for in the *market rules*.

3.2.2 The *market rules* have the effect of a contract between each *market participant* and the *PSO* by virtue of the execution by the *PSO* and each *market participant* of the *PSO/MP agreement* under which each *market participant* and the *PSO* agree to perform and observe the *market rules* so far as they are applicable to each *market participant* and the *PSO* as provided for in the *market rules*.

3.2.2A The *market rules* have the effect of a contract between the *EMC* and the *PSO* by virtue of the execution by the *EMC* and the *PSO* of the *EMC/PSO agreement* under which the *EMC* and the *PSO* agree to perform and observe the *market rules* so far as they are applicable to the *EMC* and the *PSO* as provided for in the *market rules*.

3.2.3 The *market rules* have the effect of a contract between the *EMC* and each *market support services licensee* referred to in section 3.2.4 by virtue of the execution by the *EMC* and such *market support services licensee* of an agreement under which the *EMC* and such *market support services licensee* agree to perform and observe the *market rules* so far as they are applicable to the *EMC* and such *market support services licensee* as provided for in the *market rules*.

3.2.4 Section 3.2.3 shall only apply to a *market support services licensee* that has been directed by the *Authority*, under the terms of the *market support
services licensee’s electricity licence, to enter into the agreement referred to in that section.

3.2.5 Subject to section 3.2.6, the market rules have the effect of a contract between the PSO and each market support services licensee by virtue of the execution by the PSO and each market support services licensee of an agreement under which each market support services licensee and the PSO agree to perform and observe the market rules so far as they are applicable to each market support services licensee and the PSO as provided for in the market rules.

3.2.6 Section 3.2.5 shall only apply where the agreement referred to in that section is required to be executed by the PSO and the market support services licensee in the applicable market manual in accordance with section 1.2.5.3 of Chapter 2.

3.3 COMING INTO FORCE AND TRANSITIONAL PROVISIONS

3.3.1 With the exception of section 2.4 of Chapter 7, the market rules shall come into force on the market commencement date.

3.3.2 The Authority shall determine the market commencement date and the EMC shall promptly publish a notice indicating the market commencement date so established.
4 THE EMC

4.1 RESPONSIBILITY FOR MARKET RULES

4.1.1 The body corporate responsible for the administration and supervision of the market rules is the EMC.

4.2 FUNCTIONS OF THE EMC

4.2.1 In accordance with subsection 43(1) of the Electricity Act, the functions of the EMC are to:

- 4.2.1.1 operate and administer the wholesale electricity markets;
- 4.2.1.2 schedule generating units, loads and the PSO controlled grid;
- 4.2.1.3 facilitate the planning and augmentation of the PSO controlled grid;
- 4.2.1.4 provide information and other services to facilitate decisions for investment and the use of resources in the electricity industry; and
- 4.2.1.5 exercise and perform the functions, powers and duties assigned to the EMC under the Electricity Act, its electricity licence, the market rules and applicable codes of practice, the whole of which in accordance with the market rules, market manuals, the system operation manual, the constituent documents, the electricity licence of the EMC and applicable law.

4.3 COMPLIANCE WITH MARKET RULES

4.3.1 The EMC is bound to comply with, observe and perform any duties and obligations imposed on the EMC by the market rules, all applicable market manuals and the system operation manual.
5 THE PSO

5.1 FUNCTIONS OF THE PSO

5.1.1 In accordance with subsection 3(3)(e) of the Electricity Act, the function of the PSO is to ensure security of supply of electricity to consumers and to arrange for the secure operation of the PSO controlled grid.

5.1.2 Accordingly, the functions of the PSO include:

5.1.2.1 maintaining the reliability of the PSO controlled system;

5.1.2.2 forecasting and reporting on conditions on the PSO controlled grid;

5.1.2.3 coordinating the outage of facilities;

5.1.2.4 coordinating the actions of the EMC and market participants during emergencies; and

5.1.2.5 dispatching facilities,

the whole of which in accordance with the market rules, market manuals, the system operation manual, operating agreements and applicable law.

5.2 COMPLIANCE WITH MARKET RULES

5.2.1 The PSO is bound to comply with, observe and perform any duties and obligations imposed on the PSO by the market rules, market manuals and the system operation manual.
6 MARKET PARTICIPANTS

6.1 CLASSES OF MARKET PARTICIPANTS

6.1.1 The classes of market participants are described in section 2.1.1 of Chapter 2.

6.2 THIRD PARTY RIGHTS OR BENEFITS

6.2.1 Unless otherwise expressly stated in the market rules or the Electricity Act, a person, other than the EMC, the PSO and a market support services licensee, who is not a market participant is not entitled to any rights or benefits under the market rules, any market manual or the system operation manual.

6.3 COMPLIANCE WITH MARKET RULES

6.3.1 Subject to the terms of its electricity licence and to the Electricity Act, each market participant and each market support services licensee is bound to comply with, observe and perform any duties and obligations imposed on the market participant or the market support services licensee by the market rules, any market manual and the system operation manual.

6.4 AGENTS

6.4.1 A market participant or market support services licensee (the “principal”) may use any information system, communication system, business process, personnel or service provider or other agent to assist in performing the principal’s obligations under the market rules, any market manual or the system operation manual, upon the following conditions:

6.4.1.1 the principal shall, as between it and each of the EMC and the PSO, be bound by and fully liable for all acts or omissions of its personnel or agents as if those acts or omissions were its own; and

6.4.1.2 the principal shall, as between it and each of the EMC and the PSO, remain solely liable for the due performance of such obligations.

6.4.2 Section 6.4.1 shall not apply to the extent that the Electricity Act, the electricity licence of the principal or the market rules state otherwise.
6.4.3 If the EMC gives a market participant or market support services licensee notice that the use of an agent is not in the best interests of the wholesale electricity markets, the market participant or market support services licensee shall not use that agent on and from the effective date stated in the notice.

6.4.4 In the notice issued under section 6.4.3, the EMC shall state an effective date which shall be at least ten business days from when the notice is issued.

6.4.5 On and from the effective date stated in the notice issued under section 6.4.3:

   6.4.5.1 the EMC shall not recognise the authority of the agent; and

   6.4.5.2 an act by the agent shall not constitute the performance of any obligation under the market rules, any market manual or the system operation manual by the market participant or market support services licensee.
7  INTERPRETATION AND RULES OF CONSTRUCTION

7.1  GENERAL

7.1.1 In the market rules, any market manual and the system operation manual, unless the context otherwise requires:

7.1.1.1 words importing the singular include the plural and vice versa;

7.1.1.2 words importing a gender include any gender;

7.1.1.3 when italicised, other parts of speech and grammatical forms of a word or phrase defined in the market rules have a corresponding meaning;

7.1.1.4 an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other private or public body corporate, and any government agency or body politic or collegiate;

7.1.1.5 a reference to a thing includes a part of that thing;

7.1.1.6 a reference to a Chapter, section, provision, condition, part or appendix is to a Chapter, section, provision, condition, part or appendix of the document in which the reference appears;

7.1.1.7 a reference in a Chapter of the market rules, other than in an appendix, to a section is to a section of that Chapter and a reference in an appendix of a Chapter to a section is to a section of that appendix;

7.1.1.8 a reference to any statute, subsidiary legislation, proclamation, ordinance, by-law, resolution, rule, order, supplements, gazette notification or directive includes all statutes, subsidiary legislation, proclamations, ordinances, by-laws or resolutions, rules, orders, supplements, gazette notifications or directives varying, consolidating, re-enacting, extending or replacing it and a reference to a statute includes all subsidiary legislation, proclamations, ordinances, orders, rules, supplements, gazette notifications, directives and by-laws of a legislative nature issued under that statute;
7.1.1.9 a reference to a document or provision of a document includes a modification or supplement to, or replacement or novation of, that document or that provision of that document, as well as any exhibit, schedule, appendix or other annexure thereto;

7.1.1.10 a reference to a person includes that person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and permitted assigns;

7.1.1.11 a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not, which ceases to exist or whose functions are transferred to another body is a reference to the body which replaces it or which substantially succeeds to its functions, powers or duties;

7.1.1.12 a reference to sections of a document separated by the word "to" (i.e., "sections 1.1 to 1.4") shall be a reference to the sections inclusively;

7.1.1.13 a reference to the word “including” means “including but not limited to”;

7.1.1.14 a reference to a month shall mean a calendar month; and

7.1.1.15 a reference to a year shall mean a calendar year.

7.2 HEADINGS

7.2.1 Headings in the market rules, in any market manual and in the system operation manual are inserted for convenience of reference only and shall not affect the interpretation of the applicable document, nor shall they be construed as indicating that all of the provisions of the document relating to any particular topic are to be found in any particular Chapter, section, subsection, clause, provision, part or appendix.

7.3 SHALL, MUST AND MAY

7.3.1 In the market rules, any market manual and the system operation manual, the words "shall" and "must" shall be construed as imperative and the word "may" shall be construed as permissive.
7.4 **EXPLANATORY NOTES**

7.4.1 Any provision in the *market rules* which is indicated as being an "explanatory note" or a "rule note" shall be deemed not to form a part of the *market rules*. Such explanatory notes or rule notes are inserted for convenience only and shall not affect the interpretation of the market rules nor be binding on the EMC, the PSO, any market participant or any market support services licensee.

7.5 **COMPUTATION OF TIME**

7.5.1 Unless otherwise stated, if the *market rules*, any *market manual* or the *system operation manual* refers to a number of days between two events, that number shall be computed by excluding the day on which the first event happens and including the day on which the second event happens.

7.5.2 Under Chapters 1 to 3 and 7, unless otherwise stated, if the deadline for doing any act or thing is not a *business day*, that deadline shall be extended to the end of the next *business day*.

7.6 **CURRENCY**

7.6.1 All references in:

- 7.6.1.1 the *market rules*, any *market manual* or the *system operation manual*;
- 7.6.1.2 a *settlement statement*; or
- 7.6.1.3 an *invoice*,

to a monetary amount are expressed in Singapore dollars.

7.6.2 Any payment required to be made by or to the EMC, by or to the PSO, by or to a *market participant* or by or to a *market support services licensee* pursuant to any of the documents referred to in sections 7.6.1.1 to 7.6.1.3 shall be made in Singapore dollars.

7.7 **EXERCISE OF DISCRETION**

7.7.1 Unless a contrary intention appears or the context otherwise requires, where a power is conferred or a duty is imposed on the EMC or the PSO under the *market rules*, any *market manual* or the *system operation manual*, the power may be exercised and the duty shall be performed from time to time as the circumstances may require.
7.8 RECORDS

7.8.1 Unless a contrary intention appears or the context requires otherwise requires, a reference in these market rules to a “record” shall be a reference to any record of information however recorded, whether in printed form, on film, by electronic means or otherwise and includes:

7.8.1.1 correspondence, a memorandum, a book, a plan, a map, a drawing, a diagram, a pictorial or graphic work, a photograph, a film, a microfilm, a sound recording, a videotape, a machine readable record, any other documentary material, regardless of physical form or characteristics, and any copy thereof;

7.8.1.2 any record that is capable of being produced from a machine readable record under the control of a person by means of computer hardware and software or any other information storage equipment and technical expertise normally used by the person; and

7.8.1.3 any electronic record within the meaning of the Electronic Transactions Act (Cap. 88).

7.9 HIERARCHY OF REGULATIONS

7.9.1 The hierarchy of regulations shall be in the following sequence in order of priority and overriding precedence with the regulation first appearing in the sequence being of ultimate priority and overriding precedence:

   a. *Electricity Act*;
   b. *electricity licenses*;
   c. *transmission code*;
   d. *market rules*;
   e. regulated supply service code:
   f. market support services code;
   g. *metering code*; and
   h. code of conduct for retail electricity licensees.

7.9.2 In the event of any conflict between any of the above regulations, the regulation(s) first before appearing in the above sequence shall prevail.
8 MARKET MANUALS

8.1.1 The EMC may create, and the EMC Board may, subject to section 8.1.10, adopt one or more market manuals in accordance with the procedures set forth in sections 8.1.2 to 8.1.4. A market manual shall not come into force until:

8.1.1.1 approved by the Authority pursuant to section 8.1.5; and
8.1.1.2 the date that is ten business days from the date of publication of the market manual or such later date as may be specified at the time of such publication, provided that such publication shall not be effected until such time as the approval referred to in section 8.1.1.1 has been given.

8.1.2 A market manual created by the EMC shall be published in draft form and submitted to the rules change panel for review. The rules change panel shall review a market manual submitted to it:

8.1.2.1 using such procedures;
8.1.2.2 in consultation with such persons; and
8.1.2.3 by means of such meetings,
as it considers appropriate.

8.1.3 Following the conclusion of the review of a market manual, the rules change panel shall submit a written report, which the EMC shall publish, to the EMC Board indicating:

8.1.3.1 the recommendations of the rules change panel and the reasons for its recommendations; and
8.1.3.2 a summary of any objections raised by any member of the rules change panel to the recommendations.

8.1.4 Following the receipt of the written report described in section 8.1.3, the EMC Board shall convene on one or more occasions and shall vote on whether to adopt the market manual. A resolution of the EMC Board passed by at least half of the directors then in office, excluding those who abstain voluntarily or who are required to abstain pursuant to the constituent documents, is required to adopt a market manual.

8.1.5 A market manual adopted by the EMC Board shall be submitted to the Authority for approval, together with a copy of the report of the rules
change panel referred to in section 8.1.3. The Authority shall approve the market manual unless the Authority determines that the market manual:

8.1.5.1 unjustly discriminates in favour of or against a market participant, a class of market participants or a market support services licensee;

8.1.5.2 is inconsistent with the market rules or the Electricity Act;

8.1.5.3 is inconsistent with the functions and duties of the Authority under section 3 of the Electricity Act.

8.1.6 In the event of an inconsistency between a provision in a market manual and:

8.1.6.1 a provision in the market rules; or

8.1.6.2 a provision in the Electricity Act.

the market rules or the Electricity Act, as the case may be, shall govern to the extent of the inconsistency.

8.1.7 Subject to section 8.1.6, once approved by the Authority pursuant to section 8.1.5, a market manual shall be published by the EMC. The EMC, the PSO, each market participant and each market support services licensee shall, subject where applicable to the provisions of their respective electricity licences, be bound to comply with the provisions of any such market manual once it has come into force in accordance with section 8.1.1.

8.1.8 The EMC Board or an EMC Board Committee may modify, replace or repeal any market manual. Subject to section 8.1.9, sections 8.1.1 to 8.1.7 shall apply mutatis mutandis to any modification, replacement or repeal of such market manual.

8.1.9 A modification to a market manual to correct a typographical or grammatical error, to effect a change of a non-material procedural nature or to effect a change which, in the opinion of the rules change panel, will not have a material effect on the conditions for participation in the wholesale electricity markets or the reliable operation of the power system is not required to be approved by the Authority and shall come into force on:

8.1.9.1 the date that is ten business days from the date of publication of the modification; or
8.1.9.2 such later date as may be specified at the time of such publication.

8.1.10 Any form, policy, guideline, standard or other document required by the market rules to be implemented as a modification to the market rules shall be implemented in accordance with the procedures set forth in section 5 of Chapter 3.
9 SYSTEM OPERATION MANUAL

9.1.1 The PSO shall create and adopt the system operation manual in accordance with this section 9.

9.1.2 The system operation manual shall not come into force or be used by the PSO in furtherance of its functions and duties under the Electricity Act or the market rules until:

9.1.2.1 the PSO has consulted with market participants in respect of any subject-matter to be covered by the system operation manual where and to the extent that these market rules require such consultation;

9.1.2.2 the PSO has submitted the system operation manual for review by the rules change panel and has provided the rules change panel with a reasonable opportunity to submit comments in respect of the system operation manual;

9.1.2.3 the PSO has published the system operation manual; and

9.1.2.4 at least ten days, or such greater number of days as may be specified at the time of publication referred to in section 9.1.2.3, has elapsed from the date of such publication.

9.1.3 In the event of an inconsistency between a provision in the system operation manual and:

9.1.3.1 a provision in the market rules; or

9.1.3.2 a provision in the Electricity Act,

the market rules or the Electricity Act, as the case may be, shall govern to the extent of the inconsistency.

9.1.4 Subject to section 9.1.3, the EMC, the PSO, each market participant and each market support services licensee shall be bound to comply with the provisions of the system operation manual once it has come into force in accordance with section 9.1.2.

9.1.5 The PSO may modify, replace or repeal the system operation manual, and sections 9.1.1 to 9.1.4 shall apply mutatis mutandis to any such modification, replacement or repeal.
10 DELEGATION AND PANELS

10.1.1 Subject to section 10.1.2, delegation by the EMC of its functions, powers and duties under these market rules shall be governed by the provisions of the constituent documents, provided that the EMC Board shall not delegate to any person any of the functions, powers or duties that are expressly reserved to the EMC Board in these market rules.

10.1.2 Without prejudice to the right of the EMC Board to establish such other panels as it determines appropriate for the fulfilment of its functions, powers and duties under these market rules, the EMC Board shall establish and maintain a rules change panel and a market surveillance and compliance panel in accordance with the provisions of section 2 of Chapter 3.

10.1.3 Liability of members of the rules change panel and the market surveillance and compliance panel shall be governed by section 13.7.
11 NOTICE, NOTIFICATION, SERVICE AND FILING

11.1 Provision of Notice

11.1.1 Subject to section 11.3, and unless otherwise stated, a notice, notification, service, filing, issuance or submission (each of these referred to in section 11 as a “notice”) shall be effected under the market rules, any market manual or the system operation manual in the following manner:

11.1.1.1 by courier or other form of personal delivery;

11.1.1.2 by prepaid mail to the addressee:
   a. at the address for service (if any) supplied by the addressee to the sender;
   b. at the address shown for that addressee in the list of market participants maintained under section 3.1.12 of Chapter 2 if the addressee is a market participant;
   c. at the registered office of the EMC if the addressee is the EMC; or
   d. at the registered office of the PSO if the addressee is the PSO; or

11.1.1.3 by facsimile or electronic mail addressed to the addressee at the facsimile number or electronic mail address supplied by the addressee to the sender.

11.2 Time of Notice

11.2.1 Subject to section 11.3, and unless otherwise stated, a notice shall be deemed duly effected at the following times:

<table>
<thead>
<tr>
<th>Method by which notice effected</th>
<th>Time notice deemed duly effected</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.2.1.1 By courier or other form of personal delivery</td>
<td>Upon actual receipt of the notice</td>
</tr>
<tr>
<td>11.2.1.2 By prepaid mail on day</td>
<td>- 4th business day after day ‘D’</td>
</tr>
<tr>
<td></td>
<td>'D’ in accordance with section 11.1.1.2</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------</td>
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</tbody>
</table>

| 11.2.1.3 | By facsimile in accordance with section 11.1.1.3 where a complete transmission report is issued from the sender’s facsimile transmission equipment indicating a day of transmission ‘D’ and time of transmission ‘T’ | - where the addressee is obliged to monitor receipt of such type of notice by facsimile at all times, on day ‘D’ and at time ‘T’; and |
| | | - in all other cases, |
| | | - on day ‘D’ and at time ‘T’ if ‘D’ is a business day and ‘T’ is before 5:00 pm (addressee’s time); or |
| | | - on the 1st business day after day ‘D’ at 9:00 am if ‘D’ is not a business day or ‘T’ is after 5:00pm. |

| 11.2.1.4 | By electronic mail in accordance with section 11.1.1.3 where the notice is recorded by the sender’s electronic communication system as having been first received at the electronic mail destination on day ‘D’ and at time ‘T’ | - where the addressee is obliged to monitor receipt of such type of notice by electronic mail at all times, on day ‘D’ and at time ‘T’; and |
| | | - in all other cases, |
| | | - on day ‘D’ and at time ‘T’ if ‘D’ is a business day and ‘T’ is before 5:00 pm (addressee’s time); or |
| | | - on the 1st business day after day ‘D’ at 9:00 am if ‘D’ is not a business day or ‘T’ is after 5:00pm. |

In this table, ‘D’ denotes a given day and ‘T’ denotes a given time.
11.3 **NOTICE OF DIRECTIONS AND ORDERS**

11.3.1 Unless otherwise stated, instructions, directions and orders of the *EMC* or the *PSO* may be given to *market participants* and *market support services licensees*:

11.3.1.1 in accordance with sections 11.1 or 11.2; or

11.3.1.2 by voice communication, in which case the instruction, direction or order shall be deemed duly given at the time of communication.
12 PUBLICATION

12.1.1 Subject to section 12.1.3, where any document or information, including the market rules, is required by the market rules, any market manual, the system operation manual, applicable law, the constituent documents or the electricity licence of the EMC to be published by the EMC, publication shall be effected by placing the document or information on the EMC web site. The document or information shall be deemed to be published when the document or information has been so placed.

12.1.2 Subject to section 12.1.3, where any document or information is required by the market rules, any market manual, the system operation manual or applicable law to be published by the PSO, the PSO shall submit such document or information to the EMC and the EMC shall place the document or information on the EMC web site. The document or information shall be deemed to be published when the document or information has been so placed.

12.1.3 Where the market rules, any market manual, the system operation manual, applicable law, the constituent documents or the electricity licence of the EMC prescribe a mode of publication other than that described in section 12.1.1 or 12.1.2 in respect of a specified document or information, the EMC or the PSO, as the case may be, shall, in addition to complying with section 12.1.1 or 12.1.2, comply with the publication requirement applicable to such document or information as is so prescribed. In such a case, the document or information shall be deemed to be published on the date on which the prescribed publication requirement has been satisfied.
13 LIABILITY AND INDEMNIFICATION

13.1 LIABILITY OF EMC

13.1.1 Except as otherwise provided in these market rules, the EMC shall not be liable for any claim, loss, cost, liability, obligation, action, judgement, suit, expense, disbursement or damages of a market participant or its directors, officers or employees whatsoever, howsoever arising and whether as claims in contract, claims in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the EMC in the execution or the purported execution of any function, power or duty under these market rules, any market manual or the system operation manual except to the extent that such claim, loss, cost, liability, obligation, action, judgement, suit, expense, disbursement or damages arises out of any wilful misconduct by or any negligent act or omission of the EMC in the execution or purported execution of any function, power or obligation under these market rules, any market manual or the system operation manual.

13.1.2 Subject to section 13.1.4, the EMC shall indemnify and hold harmless a market participant and the market participant's directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the market participant, its directors, officers or employees from or in respect of any matter with respect to which liability may be imposed on the EMC pursuant to section 13.1.1.

13.1.3 For the purposes of section 13.1.1, an act or omission of the EMC effected in compliance with these market rules, any market manual or the system operation manual shall be deemed not to constitute wilful misconduct or a negligent act or omission.

13.1.4 Except as otherwise provided in these market rules, in no event shall the EMC be liable to indemnify and hold harmless a market participant or the market participant's directors, officers or employees from or in respect of:

13.1.4.1 any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages;

13.1.4.2 any loss of profit, loss of contract, loss of opportunity or loss of goodwill; or,

13.1.4.3 any damages where the amount claimed, exclusive of amounts claimed for costs, in respect of a given event or
circumstance and a given person, is in the aggregate less than $5,000;

and no market participant shall assert or attempt to assert against the EMC any claim in respect of any of the losses or damages referred to in section 13.1.4.1 to 13.1.4.3.

13.1.5 Each market participant shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the market participant pursuant to section 13.1.2.

13.2 LIABILITY OF PSO

13.2.1 Except as otherwise provided in these market rules, the PSO shall not be liable for any claim, loss, cost, liability, obligation, action, judgement, suit, expense, disbursement or damages of a market participant or its directors, officers or employees whatsoever, howsoever arising and whether as claims in contract, claims in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the PSO in the execution or the purported execution of any function, power or duty under these market rules, any market manual or the system operation manual except to the extent that such claim, loss, cost, liability, obligation, action, judgement, suit, expense, disbursement or damages arises out of any wilful misconduct by or any negligent act or omission of the PSO in the execution or purported execution of any function, power or obligation under these market rules, any market manual or the system operation manual.

13.2.2 Subject to section 13.2.4, the PSO shall indemnify and hold harmless a market participant and the market participant’s directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the market participant, its directors, officers or employees from or in respect of any matter with respect to which liability may be imposed on the PSO pursuant to section 13.2.1.

13.2.3 For the purposes of section 13.2.1, an act or omission of the PSO effected in compliance with these market rules, any market manual or the system operation manual shall be deemed not to constitute wilful misconduct or a negligent act or omission.

13.2.4 Except as otherwise provided in these market rules, in no event shall the PSO be liable to indemnify and hold harmless a market participant or the market participant's directors, officers or employees from or in respect of:
13.2.4.1  any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages;

13.2.4.2  any loss of profit, loss of contract, loss of opportunity or loss of goodwill; or,

13.2.4.3  any damages where the amount claimed, exclusive of amounts claimed for costs, in respect of a given event or circumstance and a given person, is in the aggregate less than $5,000;

and no market participant shall assert or attempt to assert against the PSO any claim in respect of any of the losses or damages referred to in sections 13.2.4.1 to 13.2.4.3.

13.2.5 Each market participant shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the market participant pursuant to section 13.2.2.

**13.3 LIABILITY OF MARKET PARTICIPANTS**

13.3.1 Except as otherwise provided in these market rules, a market participant shall not be liable for any claim, loss, cost, liability, obligation, action, judgement, suit, expense, disbursement or damages of the EMC or the PSO, their respective directors, officers or employees or any member of a panel whatsoever, howsoever arising and whether as claims in contract, claims in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the market participant in the execution or the purported execution of any function, power or duty under these market rules, any market manual or the system operation manual except to the extent that such claim, loss, cost, liability, obligation, action, judgement, suit, expense, disbursement or damages arises out of any wilful misconduct by or any negligent act or omission of the market participant in the execution or purported execution of any function, power or obligation under these market rules, any market manual or the system operation manual.

13.3.2 Subject to section 13.3.4, a market participant shall indemnify and hold harmless the EMC, the PSO or both, as the case may be, their respective directors, officers or employees and any member of a panel from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the EMC, the PSO or both, as the case may be, their respective directors, officers or employees and any member of a panel from or in respect of any matter with respect to which liability may be imposed on the market participant pursuant to section 13.3.1.
13.3.3 For the purposes of section 13.3.1, an act or omission of a market participant effected in compliance with the market rules, any market manual or the system operation manual shall be deemed not to constitute wilful misconduct or a negligent act or omission.

13.3.4 Except as otherwise provided in these market rules, in no event shall a market participant be liable to indemnify and hold harmless the EMC, the PSO, their respective directors, officers or employees or any member of a panel from or in respect of:

13.3.4.1 any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages;

13.3.4.2 any loss of profit, loss of contract, loss of opportunity or loss of goodwill; or,

13.3.4.3 any damages where the amount claimed, exclusive of amounts claimed for costs, in respect of a given event or circumstance and a given person, is in the aggregate less than $5,000;

and neither the EMC nor the PSO shall assert or attempt to assert against a market participant any claim in respect of any of the losses or damages referred to in section 13.3.4.1 to 13.3.4.3.

13.3.5 Nothing in this section 13.3 shall be read as limiting the right of the EMC to impose a financial penalty or other sanction, including the issuance of a suspension order, a disconnection order or a termination order, on a market participant in accordance with the provisions of these market rules.

13.3.6 Each of the EMC and the PSO shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the EMC or the PSO, as the case may be, pursuant to section 13.3.2.

13.4 **FORCE MAJEURE**

13.4.1 Subject to section 13.4.14, neither the EMC nor the PSO shall be liable to any market participant for any failure or delay in the performance of any of their respective obligations under these market rules, any market manual or the system operation manual, other than the obligation to make payments of money, to the extent that such failure or delay is due to a force majeure event, provided that the EMC or the PSO, as the case may be, shall only be excused from performance pursuant to this section 13.4.1:

13.4.1.1 for so long as the force majeure event continues and for such reasonable period of time thereafter as may be necessary for
the EMC or the PSO, as the case may be, to resume performance of the obligation; and

13.4.1.2 where and to the extent that the failure or delay in performance would not have been experienced but for such force majeure event.

13.4.2 Subject to section 13.4.14, a market participant shall not be liable to the EMC or the PSO for any failure or delay in the performance of any of its obligations under these market rules, any market manual or the system operation manual, other than the obligation to make payments of money, to the extent that such failure or delay is due to a force majeure event, provided that the market participant shall only be excused from performance pursuant to this section 13.4.2:

13.4.2.1 for so long as the force majeure event continues and for such reasonable period of time thereafter as may be necessary for the market participant to resume performance of the obligation; and

13.4.2.2 where and to the extent that such failure or delay would not have been experienced but for such force majeure event.

13.4.3 The EMC, the PSO or a market participant shall not invoke a force majeure event unless it has given notice in accordance with section 13.4.4 or 13.4.5, as the case may be.

13.4.4 Where the EMC or the PSO invokes a force majeure event, it shall give notice to market participants and shall publish notice of the force majeure event as soon as reasonably practicable but in any event within two business days of the date on which the EMC or the PSO, as the case may be, becomes aware of the occurrence of the force majeure event, which notice shall include particulars of:

13.4.4.1 the nature of the force majeure event;

13.4.4.2 the effect that such force majeure event is having on the EMC's or the PSO's, as the case may be, performance of its obligations under these market rules, any market manual or the system operation manual; and

13.4.4.3 the measures that the EMC or the PSO, as the case may be, is taking, or proposes to take, to alleviate the impact of the force majeure event.

13.4.5 Where a market participant invokes a force majeure event, it shall give notice to the EMC and the PSO of the force majeure event as soon as reasonably practicable but in any event within two business days of the
date on which the market participant becomes aware of the occurrence of
the force majeure event, which notice shall include particulars of:

13.4.5.1 the nature of the force majeure event;

13.4.5.2 the effect that such force majeure event is having on the
market participant's performance of its obligations under
these market rules, any market manual or the system
operation manual; and

13.4.5.3 the measures that the market participant is taking, or
proposes to take, to alleviate the impact of the force majeure
event.

13.4.6 Subject to section 13.4.7, where the EMC, the PSO or a market participant
invokes a force majeure event, it shall:

13.4.6.1 use all reasonable endeavours to mitigate or alleviate the
effects of the force majeure event on the performance of its
obligations under these market rules, any market manual or
the system operation manual; and

13.4.6.2 continue to comply with its obligations under these market
rules, any market manual or the system operation manual to
the maximum extent practicable.

13.4.7 The settlement of any strike, lockout, restrictive work practice or other
labour disturbance constituting a force majeure event shall be within the
sole discretion of the EMC, the PSO or the market participant, as the case
may be, involved in such strike, lockout, restrictive work practice or other
labour disturbance and nothing in section 13.4.6 shall require the EMC, the
PSO, or the market participant, as the case may be, to mitigate or alleviate
the effects of such strike, lockout, restrictive work practice or other labour
disturbance.

13.4.8 Where the EMC or the PSO invokes a force majeure event, it shall as soon
as practicable publish notice of any material change in the information
contained in the notice referred to in section 13.4.4 or in any previous
notice given and published pursuant to this section 13.4.8.

13.4.9 Where a market participant invokes a force majeure event, it shall as soon
as practicable notify the EMC and the PSO of any material change in the
information contained in the notice referred to in section 13.4.5 or in any
previous notice given pursuant to this section 13.4.9.

13.4.10 Where the EMC or the PSO invokes a force majeure event, it shall publish
notice of the cessation of the force majeure event and of the cessation of
the effects of such force majeure event on the EMC’s or the PSO’s, as the case may be, performance of its obligations under these market rules.

13.4.11 Where a market participant invokes a force majeure event, it shall give notice to the EMC and the PSO of the cessation of the force majeure event and of cessation of the effects of such force majeure event on the market participant’s performance of its obligations under these market rules.

13.4.12 The EMC shall publish any notice provided to it pursuant to section 13.4.5, 13.4.9 or 13.4.11.

13.4.13 Nothing in this section 13.4 shall be read as limiting the right of the EMC to impose on a market participant a sanction, other than a financial penalty, including the issuance of a suspension order, a disconnection order or a termination order, in accordance with the provisions of these market rules.

13.4.14 Nothing in this section 13.4 shall excuse the EMC, the PSO or a market participant from performing any of their respective obligations contained in:

13.4.14.1 those provisions of these market rules, any market manual and the system operation manual that govern the EMC, the PSO or the market participant during an emergency or while the PSO controlled system is in a high-risk operating state or an emergency operating state;

13.4.14.2 the Singapore electricity emergency plan;

13.4.14.3 the Singapore power system restoration plan;

13.4.14.4 the EMC’s or the market participant’s, as the case may be, emergency preparedness plan; or

13.4.14.5 the market participant’s restoration plan market participant attachment,

during an emergency or while the power system is in a high-risk operating state or an emergency operating state.

13.5 **Contractual Liability**

13.5.1 The liability and indemnification provisions of sections 13.1 to 13.3 and, where applicable, of any other section of these market rules other than this section 13.5, and the force majeure provisions of section 13.4 shall apply to any agreement referred to in these market rules to which the EMC and a market participant or the PSO and a market participant are parties and to
all acts or omissions of the EMC or the PSO, as the case may be, or the market participant in the execution or purported execution of any function, power or duty under such agreement. In the event of an inconsistency between such liability, indemnification and force majeure provisions and the liability, indemnification and force majeure provisions of such agreement, the liability and indemnification provisions of sections 13.1 to 13.3 and, where applicable, of any other section of these market rules other than this section 13.5, and the force majeure provisions of section 13.4 shall prevail to the extent of the inconsistency.

13.6 CESSATION OF EFFECT OF CERTAIN SECTIONS

13.6.1 Subject to section 13.6.5, sections 13.1.1 to 13.1.3 shall cease to have effect in respect of any act or omission of the EMC that occurs on or after the date that is the last day of the 3rd month following the month in which the market commencement date occurs.

13.6.2 Subject to section 13.6.5, sections 13.2.1 to 13.2.3 shall cease to have effect in respect of any act or omission of the PSO that occurs on or after the date that is the last day of the 3rd month following the month in which the market commencement date occurs.

13.6.3 Subject to section 13.6.5, sections 13.3.1 to 13.3.3 shall cease to have effect in respect of any act or omission of a market participant that occurs on or after the date that is the last day of the 3rd month following the month in which the market commencement date occurs.

13.6.4 Subject to section 13.6.5, section 13.5.1 shall cease to have effect in respect of any agreement having an effective date that occurs on or after the date that is the last day of the 3rd month following the month in which the market commencement date occurs.

13.6.5 The Authority may, by notice given to the EMC no less than twenty business days prior to the date referred to in each of sections 13.6.1 to 13.6.4, extend the application of those sections for a period of three months. In such case, sections 13.6.1 to 13.6.4 shall remain in effect for an additional period of three months, calculated from the last day of the month referred to in those sections.

13.6.6 The EMC shall promptly publish any notice received from the Authority pursuant to section 13.6.5 and shall give notice of the extension of the application of sections 13.6.1 to 13.6.4 in the manner described in section 5.13.2 of Chapter 3.

13.6.7 The Authority shall not, in the exercise of the power referred to in section 13.6.5, extend the application of some but not all of sections 13.6.1 to 13.6.4.
13.6.8 The Authority may, subsequent to the initial exercise of the power referred to in section 13.6.5, extend the application of sections 13.6.1 to 13.6.4 for such further periods of three months each as the Authority determines appropriate. Sections 13.6.5 to 13.6.7 shall apply mutatis mutandis to each such additional extension.

13.7 **LIABILITY OF PANEL MEMBERS AND DISPUTE RESOLUTION COUNSELLOR**

13.7.1 No suit or other legal proceeding shall lie against the dispute resolution counsellor or any member of the rules change panel, the market surveillance and compliance panel or the dispute resolution and compensation panel for anything which is in good faith done or not done in the purported execution of the functions, powers and duties respectively of such office.

13.7.2 Nothing in section 13.7.1 shall be construed as limiting the right of a person to appeal from or seek the judicial review of a decision of the rules change panel, the market surveillance and compliance panel or an arbitration tribunal in accordance with these market rules and applicable law.

13.8 **LIABILITY OF MARKET SUPPORT SERVICES LICENSEES**

13.8.1 Sections 13.1, 13.3, 13.4 and 13.6 apply in respect of liability, indemnification and force majeure as between the EMC and any market support services licensee that has executed the agreement referred to in section 3.2.3 and, for such purpose, all references in sections 13.1, 13.3, 13.4 and 13.6 to a market participant shall be deemed to include references to any such market support services licensee.

13.8.2 Sections 13.2, 13.3, 13.4 and 13.6 apply in respect of liability, indemnification and force majeure as between the PSO and any market support services licensee that has executed the agreement with the PSO referred to in section 3.2.5 and, for such purpose, all references in sections 13.2, 13.3, 13.4 and 13.6 shall be deemed to include references to any such market support services licensee.
14 DEROGATIONS

14.1 SCOPE

14.1.1 Subject to section 14.1.2, a derogation applicant may, in accordance with section 14.2.1, apply to the EMC for a derogation from the application of any obligation, requirement or standard which is or may be imposed upon the derogation applicant or in respect of the derogation applicant’s facilities or equipment pursuant to these market rules, any market manuals or the system operation manual.

14.1.2 [Intentionally Left Blank].

Explanatory Note: The preceding clause is reserved for any obligations (i.e., confidentiality, payment, etc.) with respect to which a derogation cannot be granted. The text would read:

This section 14 shall not apply in respect of any obligation, requirement or standard referred to in [●].

14.1.3 In this section 14, a reference to a derogation applicant shall, where the context so requires, be deemed to include a reference to a derogation applicant to whom a derogation has been granted pursuant to this section 14.

14.2 APPLICATION

14.2.1 A derogation applicant shall apply for a derogation by filing with the EMC a derogation application in such form as may be prescribed in the applicable market manual and containing the information and supporting documentation:

14.2.1.1 prescribed in the applicable market manual; and

14.2.1.2 described in section 14.2.2.

14.2.2 A derogation application shall include:

14.2.2.1 the identification of the specific obligation, requirement or standard that is the subject of the derogation application;

14.2.2.2 the reasons and a detailed justification for the derogation application;

14.2.2.3 a plan:
a. containing:

(i) details of the manner and time within which the derogation applicant will become compliant with the obligation, requirement or standard that is the subject of the derogation application;

(ii) a request for a permanent derogation from any obligation, requirement or standard that is the subject to the derogation application; and

b. specifying the manner in which the derogation applicant proposes to mitigate any adverse effects of any non-compliance the obligation, requirement or standard, and to operate or modify its equipment or facilities or to otherwise conduct its operations during the period of time for which the derogation would be in effect so as to operate in a manner that achieves, as closely as possible, the objectives of the obligation, requirement or standard that is the subject of the derogation application; and

the derogation applicant’s estimate of any costs that may be imposed on the EMC, the PSO, market participants or market support services licensees if the derogation requested in the derogation application were to be granted.

14.3 **PROCESSING OF DEROGATION APPLICATIONS**

14.3.1 The EMC Board or an EMC Board Committee shall, within 20 business days of receipt of a derogation application or within such longer period of time as may be required having regard to the complexity of the derogation application:

14.3.1.1 subject to section 14.3.4, grant a derogation to the derogation applicant, on such terms and conditions as the EMC Board or the EMC Board Committee considers appropriate; or

14.3.1.2 reject the derogation application,

and shall provide reasons for its decision. Where the EMC Board or the EMC Board Committee does not expect to issue such decision within 20 business days of receipt of the derogation application, it shall so notify the derogation applicant, indicating the date on or before which the decision will be issued and the reasons for the inability to issue the decision within the 20 business day period.
14.3.2 In considering a derogation application, the EMC Board or an EMC Board Committee shall have regard to the following:

14.3.2.1 whether and the extent to which the derogation that is the subject of the derogation application would, if granted:

   a. materially threaten the ability of the PSO to direct the operation or maintain the reliability of the PSO controlled system;

   b. materially affect the ability of the EMC to operate the wholesale electricity markets in an efficient manner;

   c. give the derogation applicant an undue preference or advantage over other market participants in the wholesale electricity markets;

   d. impose significant extra costs on market participants or market support services licensees; or

   e. impose significant extra costs on the EMC or the PSO;

14.3.2.2 the adequacy and efficacy of the plan submitted by the derogation applicant pursuant to section 14.2.2.3;

14.3.2.3 whether the cost or delay to the derogation applicant of complying with the obligation, requirement or standard that is the subject of the derogation application is unreasonable, having regard to:

   a. the nature of such obligation, requirement or standard;

   b. the identity and nature of the derogation applicant; and

   c. the anticipated impact of non-compliance by the derogation applicant with such obligation, requirement or standard in terms of the elements referred to in section 14.3.2.1;

14.3.2.4 where section 14.3.4 applies, the submissions of the PSO with respect to the derogation application; and

14.3.2.5 such other matters as the EMC Board or the EMC Board Committee determines appropriate.
14.3.3 In considering a derogation application, the EMC Board or the EMC Board Committee may have regard to any previous decision on derogation applications but is not bound to follow any previous decision.

14.3.4 The EMC shall consult with the PSO in respect of any derogation application that would, if the derogation were granted, be likely to have the effect referred to in section 14.3.2.1(a). In such cases, the EMC Board or the EMC Board Committee shall not grant a derogation without the consent of the PSO.

14.3.5 A derogation granted pursuant to section 14.3.1.1 shall identify:

14.3.5.1 the obligation, requirement or standard that is the subject of the derogation;

14.3.5.2 any terms and conditions attaching to the grant of the derogation, including the manner in which the derogation applicant must operate or modify its equipment or facilities or otherwise conduct its operations during the period of time for which the derogation is in effect; and

14.3.5.3 the dates on which the derogation takes effect and expires.

14.4 Effect of Derogation and Monitoring

14.4.1 A derogation applicant to whom a derogation has been granted pursuant to this section 14 shall, for the period of time that the derogation is in effect:

14.4.1.1 not be required to comply with:

a. the obligation, requirement or standard in respect of which, and only to the extent to which, the derogation has been granted; or

b. any reporting or similar obligation to the extent that compliance with such obligation is rendered inapplicable by reason of the derogation; and

14.4.1.2 comply with all of the terms and conditions of the derogation, including any modified terms and conditions imposed pursuant to section 14.5.5.2 or 14.5.8.2.

14.4.2 A derogation applicant to whom a derogation has been granted pursuant to this section 14 shall from time to time provide to the EMC such information as the EMC may request for the purposes of monitoring:
14.4.2.1 compliance by the *derogation applicant* with any terms and conditions of the derogation, including any *modified* terms and conditions imposed pursuant to section 14.5.5.2 or 14.5.8.2; and

14.4.2.2 the progress of implementation by the *derogation applicant* of the plan referred to in section 14.2.2.3, as such plan may be *modified* by the terms and conditions of the derogation, including any *modified* terms and conditions imposed pursuant to section 14.5.5.2 or 14.5.8.2.

14.4.3 Failure by a *derogation applicant* to comply with any of the terms and conditions of a derogation, including any *modified* terms and conditions imposed pursuant to section 14.5.5.2 or 14.5.8.2, shall constitute a breach of these market rules.

14.5 CANCELLATION, RECONSIDERATION AND REVOCATION OF DEROGATIONS

14.5.1 A *derogation applicant* may, at any time prior to the date of expiry of a derogation, request that the *EMC Board* or an *EMC Board Committee* cancel the derogation on the date specified by the *derogation applicant* in the request, which date shall be earlier than the date of expiry of the derogation.

14.5.2 Upon receipt of a request referred to in section 14.5.1, the *EMC Board* or an *EMC Board Committee* shall cancel the derogation with effect from:

14.5.2.1 the date specified in the request; or

14.5.2.2 such later date as may be specified by the *EMC Board* or the *EMC Board Committee*,

and the derogation shall cease to have effect as of such date.

14.5.3 The *EMC Board* or an *EMC Board Committee* may at any time reconsider a derogation granted pursuant to this section 14 where the *EMC Board* or the *EMC Board Committee* determines that such reconsideration is necessary in light of a change in circumstances relative to the circumstances that existed on the date on which the derogation was granted.

14.5.4 Where the *EMC Board* or an *EMC Board Committee* intends to reconsider a derogation pursuant to section 14.5.3, it shall give notice of such intention to the *derogation applicant*, together with reasons, and shall provide the *derogation applicant* with a reasonable opportunity to show
cause as to why its derogation should not be withdrawn or *modified* pursuant to section 14.5.5.

14.5.5 Where the *EMC Board* or an *EMC Board Committee* reconsiders a derogation pursuant to section 14.5.3, the *EMC Board* or the *EMC Board Committee* may:

14.5.5.1 withdraw the derogation with effect from a specified date, having regard to the time needed to bring the applicable facility or equipment into compliance with the obligation, requirement or standard that is the subject of the derogation;

14.5.5.2 *modify* the derogation with effect from a specified date, having regard to the time needed to bring the applicable facility or equipment into compliance with such *modified* terms and conditions; or

14.5.5.3 confirm the derogation as originally granted,

and shall give reasons for its decision.

14.5.6 A derogation that is withdrawn pursuant to section 14.5.5.1 shall cease to have effect on the date referred to in that section.

14.5.7 In the event that the circumstances of section 14.5.3 arise as a result of the granting of subsequent derogations by the *EMC Board* or an *EMC Board Committee*, the *EMC* shall compensate the *derogation applicant* for any costs that will need to be incurred by it as a result of the withdrawal or *modification* of its derogation pursuant to section 14.5.5. The *EMC* shall recover any costs so paid in accordance with section 4.2.1 of Chapter 7.

14.5.8 Without prejudice to section 14.4.3, where a *derogation applicant* fails to comply with any term or condition of a derogation, including any *modified* terms and conditions imposed pursuant to section 14.5.5.2 or 14.5.8.2, the *EMC Board* or an *EMC Board Committee* may:

14.5.8.1 revoke the derogation with effect from a specified date; or

14.5.8.2 *modify* the derogation with effect from a specified date,

and shall give reasons for its decision.

14.5.9 Where the *EMC Board* or an *EMC Board Committee* intends to revoke or *modify* a derogation pursuant to section 14.5.8, it shall give notice of such intention to the *derogation applicant*, together with reasons, and shall provide the *derogation applicant* with a reasonable opportunity to show cause as to why its derogation should not be revoked or *modified*. 
14.5.10 A derogation that is revoked pursuant to section 14.5.8.1 shall cease to have effect on the date referred to in that section.

14.6 **Transfer of Derogations**

14.6.1 A derogation granted in respect of facilities or equipment shall remain in full force and effect in accordance with its terms notwithstanding the sale, assignment, lease, transfer of control or other disposition of such facilities or equipment by the *derogation applicant* to a third party transferee provided that:

14.6.1.1 the *derogation applicant* submits to the *EMC* a request for approval of the transfer of the derogation to such third party transferee in such form as may be prescribed in the applicable *market manual*; and

14.6.1.2 the *EMC Board* or an *EMC Board Committee* approves the transfer in accordance with section 14.6.2.

14.6.2 Subject to section 14.6.4.2, the *EMC Board* or an *EMC Board Committee* shall approve a request for the transfer of a derogation where:

14.6.2.1 the *EMC Board* or the *EMC Board Committee* is satisfied that the transfer would not affect the ability of the proposed transferee to comply with all of the terms and conditions of the derogation;

14.6.2.2 the proposed transferee is a *market participant* or undertakes in writing to the *EMC* to apply for registration as a *market participant*;

14.6.2.3 the proposed transferee and the *derogation applicant* undertake in writing to the *EMC* to provide such information and documentation as may be required by the *EMC* as a result of or to reflect the transfer;

14.6.2.4 the *EMC Board* or the *EMC Board Committee* is satisfied that the transfer of the derogation will not materially threaten the implementation of the plan referred to in section 14.2.2.3, as such plan may be *modified* by the terms and conditions of the derogation, including any *modified* terms and conditions imposed pursuant to section 14.5.5.2 or 14.5.8.2; and

14.6.2.5 the *EMC Board* or the *EMC Board Committee* is satisfied that the transfer of the derogation will not increase concerns relating to the elements referred to in section 14.3.2.1
14.6.3 The transfer of a derogation shall not take effect until:

14.6.3.1 the date on which the EMC Board or the EMC Board Committee approves the transfer;

14.6.3.2 where the proposed transferee is not a market participant, the date on which the proposed transferee is registered as a market participant; or

14.6.3.3 where the derogation applicant or the proposed transferee are required pursuant to section 14.6.2.3 to provide information or documentation, on the date on which such information or documentation is provided,

whichever is the later.

14.6.4 In considering a request for the transfer of a derogation, the EMC Board or an EMC Board Committee shall:

14.6.4.1 consult with the PSO if approval of the transfer would be likely to have the effect referred to in section 14.3.2.1(a); and

14.6.4.2 not approve the transfer without the consent of the PSO.

14.6.5 All references in this section 14 to a derogation applicant shall be deemed to include a reference to an approved transferee of that derogation applicant.

14.7 Publication, Third Party Submissions and Costs

14.7.1 The EMC shall publish:

14.7.1.1 notice of each derogation application filed pursuant to section 14.2.1;

14.7.1.2 notice of the cancellation of a derogation pursuant to section 14.5.2;

14.7.1.3 notice of an intention to reconsider a derogation pursuant to section 14.5.3;

14.7.1.4 notice of each request for the transfer of a derogation filed pursuant to section 14.6.1.1; and
14.7.1.5 notice of any decision made pursuant to section 14.3.1, 14.5.5, 14.5.8 or 14.6.2.

14.7.2 Any person may make representations to the EMC in respect of a derogation application, the reconsideration of a derogation or a request for the transfer of a derogation within such time as the EMC may specify when it publishes the applicable notice pursuant to section 14.7.1.1, 14.7.1.3 or 14.7.1.4.

14.7.3 Subject to section 14.5.7, each derogation applicant shall bear all costs associated with:

- 14.7.3.1 the processing of its derogation application;
- 14.7.3.2 the processing of a request to cancel its derogation;
- 14.7.3.3 the processing of a request for the transfer of its derogation;
- 14.7.3.4 the derogation granted to it, including compliance with the terms and conditions of the derogation including any modified terms and conditions imposed pursuant to section 14.5.5.2 or 14.6.2; and
- 14.7.3.5 the provision and processing of the monitoring information referred to in section 14.4.2.

14.7.4 The costs of processing any of the elements referred to in sections 14.7.3.1 to 14.7.3.3 and 14.7.3.5 shall be considered to create an obligation under the market rules to pay the amount of such costs and such amount may, without prejudice to any other manner of recovery available under applicable law, be recovered accordingly.

14.8 Dispute Resolution

14.8.1 A decision of the EMC Board or an EMC Board Committee:

- 14.8.1.1 rejecting a derogation application;
- 14.8.1.2 respecting the terms and conditions of a derogation;
- 14.8.1.3 revoking, withdrawing or modifying a derogation, other than with respect to the calculation of the costs referred to in section 14.5.7; or
- 14.8.1.4 approving or denying the transfer of a derogation pursuant to section 14.6,
shall, subject to section 14.8.2, be final and binding and shall not be the subject of dispute resolution, appeal or review by the derogation applicant or any other person in any civil or other proceeding.

14.8.2 Section 14.8.1 shall not preclude a derogation applicant from disputing a decision referred to in that section in relation to matters of law and jurisdiction, including on the grounds that the EMC Board or the EMC Board Committee, as the case may be, failed to follow the procedures set forth in this section 14 in arriving at the decision.

14.8.3 A dispute that:

14.8.3.1 is not final and binding in accordance with section 14.8.1.3; or

14.8.3.2 is subject to dispute resolution, appeal or review pursuant to section 14.8.2,

shall be resolved using the dispute resolution process described in section 3 of Chapter 3.

14.8.4 Initiation of the dispute resolution process shall, notwithstanding section 3.2.2 of Chapter 3, stay implementation of a decision to withdraw or modify a derogation pursuant to section 14.5.5.
15 INTERPRETATION BULLETINS

15.1.1 The EMC may, from time to time upon receipt of material requests for clarification of the interpretation or application of the market rules, publish bulletins as to the interpretation or application of the market rules.

15.1.2 Where the request for clarification referred to in section 15.1.1 relates to a section of the market rules that sets forth a function, power or duty of the PSO, any bulletin published pursuant to section 15.1.1 shall be prepared jointly by the EMC and the PSO.

15.1.3 No bulletin published pursuant to section 15.1.1 shall be binding on the EMC or the PSO.