MINUTES OF THE RULES CHANGE PANEL
83rd MEETING
HELD ON TUESDAY, 6 NOVEMBER 2015 AT 10.00AM
AT ENERGY MARKET CO. PTE LTD
238A THOMSON ROAD #11-01
NOVENA SQUARE, SINGAPORE 307684

Present: Paul Poh (Chairman) Priscilla Chua
Soh Yap Choon Daniel Lee
Dallon Kay Luke Peacocke
Sean Chan Marcus Tan
Phillip Tan Frances Chang
Lim Han Kwang Henry Gan

Absent with apologies: Lawrence Lee Dr. Toh Mun Heng
Grace Chiam

In Attendance: Wang Jing Lucia Loh
(EMC) Serena Ho Jo Ong
Yap Yun Ben

1.0 Notice of Meeting

The Chairman called the meeting to order at 10.00am. The Notice and Agenda of the meeting were taken as read.

2.0 Replacement of EMC Representative on the Rules Change Panel (RCP)

The RCP was informed that the EMC Board, at their 13 October 2015 meeting, approved the appointment of Mr. Henry Gan, Vice President (Market Operations) of EMC, to the RCP, with effect from 14 October 2015 to 31 December 2017.

The Chairman welcomed Mr. Henry Gan to the meeting.

3.0 Confirmation of Minutes of the 82nd RCP Meeting

The Minutes of the 82nd RCP meeting held on 8 September 2015 were tabled.

There being no amendment to the Minutes, the RCP approved the Minutes.

3.0 Monitoring List

The RCP noted the contents of the paper.
4.0 Summary of Outstanding Rule Changes

The RCP noted the summary of outstanding rule changes.

5.0 Rules Change Work Plan Status Update

The RCP noted the update on the Rules Change Work Plan.

6.0 Registration Issues Relating to Commissioning Generation Facilities
(Paper No. EMC/RCP/83/2015/332)

Ms. Serena Ho presented the proposal to implement a check in EMC’s market system to exclude a Commissioning Generation Facility (CGF) whose registration has expired (“former CGF”) from being scheduled, unless it has been registered as a Generation Registered Facility (GRF) or Generation Settlement Facility (GSF) by its CGF registration expiry date.

Ms. Ho explained that under the current market rules, EMC has the responsibility to ensure that former CGFs are not scheduled for dispatch periods after the expiry date. Therefore, the proposal received does not constitute a rule change.

6.1 Mr. Dallon Kay sought clarification on the determination of the CGF registration expiry date. Ms. Ho replied that a CGF’s registration shall expire upon the CGF’s completion of the final commissioning test submitted to and approved by the PSO.

6.2 Mr. Luke Peacocke asked whether offer submission by the dispatch coordinator of a former CGF would constitute a rule breach. Ms. Ho replied that the submission of offers could be considered as participation in the real-time markets by the market participant (MP) in respect of the former CGF and hence could constitute a rule breach. The Chairman concurred with that, and added that EMC has the obligation not to schedule such offers or settle payments in respect of a former CGF because such transactions involving a former CGF would not be valid from a legal perspective.

6.3 Mr. Kay asked whether the standing offers of a former CGF are expunged from the system. Mr. Henry Gan clarified that currently there is no expiry date implemented in the Offer Management System. As such, the system would not be able to identify and invalidate offers from a former CGF and hence would continue to accept standing/variation offers. Mr. Gan added that EMC would need to manually remove the facility from the system. There would be a lead time required to do so, hence all parties including the MP of the CGF need to be clear of the deadline beyond which EMC would remove the facility from the system if its CGF’s registration has not been extended and it has also not been registered as a GRF or a GSF by that deadline. In addition, EMC would need to coordinate with the MSSL to stop the sending of metering data (relating to the former CGF) to EMC to prevent the facility’s metering...
data from being reflected in EMC’s settlement statements. He proposed that proper processes and timeline pertaining to the removal of the CGF be included in the market manual to ensure a smooth transition for the removal of the CGF. He explained that it was important to make clear the obligations of each party involved because it requires cooperation from multiple parties.

Regarding Mr. Kay's query on whether there is a deadline set for a CGF registration expiry date to be extended or for the CGF to be registered as a GRF or a GSF, so that the relevant parties have the required lead time to proceed with the removal of the CGF where necessary, the Chairman replied that currently there is no such deadline stipulated in the market rules. Mr. Soh concurred with Mr. Gan's suggestion for such a timeline/deadline to be added into the market rules.

6.4 Mr. Peacocke sought clarification on what would happen if there was negative Injection Energy Quantity (i.e. consumption) associated with the former CGF. The Chairman answered that while a former CGF should be charged for its consumption, EMC should not settle the payment with the former CGF because the facility, being no longer a registered facility under the market rules, would not be covered under any legal contract with the EMC.

Mr. Peacocke further commented that such consumption by a former CGF without corresponding payment would be a problem. The Chairman replied that the physical consumption by facilities falls outside EMC’s purview and that such transactions cannot be settled by the EMC in the wholesale market due to the absence of a contractual relationship relating to the former CGF.

Mr. Peacocke requested for the above-mentioned problem to be addressed. The Chairman responded that a possible solution was to specify a timeline for the deregistration of a CGF as what Mr. Gan had suggested earlier, but explained that if a former CGF continues to withdraw or inject electricity after the expiry date of its registration, such consumption or injection should not be settled in the wholesale market as the facility is not registered under the market rules. The issue on contractual relationship of the former CGF remains.

Mr. Sean Chan opined that the consumption by a former CGF would constitute a rule breach since the MP is a contractual party.

Mr. Peacocke proposed for a mechanism to be put in place to allow a former CGF to be treated as a load facility as a potential solution to this issue.

The Chairman said that, before discussing solutions to this issue, EMC will clarify with SP Services on their procedures and the actual transactions that would take place in the event that a former CGF injects electricity into, or withdraws electricity from, the grid. If required, EMC would also check with EMA on how to handle this issue.

Approved at the 84th RCP Meeting held on 5 January 2016
Mr. Kay enquired on how this proposal was initiated and whether there had been actual cases of this problem occurring before. Ms. Ho responded that the proposal was raised because there was a case of a CGF whose registration expiry date was nearing and yet it had neither been registered as a GRF or a GSF, nor had the expected completion date of its final commissioning test extended by the PSO. At that time, there was confusion on whether the CGF should be removed from the EMC’s system. There was no confirmation on the status of the CGF’s registration until the last day of the CGF’s registration, when the CGF managed to extend the expiry date of its registration. Hence, although that case did not lead to any rule breaches relating to a former CGF’s participation because the CGF’s registration expiry date was extended at the last minute, it brought up concern on what EMC should do if similar cases occur in the future.

In relation to the second part of the paper on the review of the market rules and the market manuals relating to the registration of a CGF, Mr. Peacocke asked why was the sentence “if your facility is located outside of Singapore, the EMC may impose additional requirements for the registration of your facility” deleted from the market manual relating to GSFs. The Chairman replied that it was not intended to allow GSFs outside Singapore to participate in the market as energy delivered into Singapore is supposed to be scheduled and GSFs are not subject to scheduling.

The Panel unanimously supported the proposed modifications to the market rules and the market manuals as set out in Annexes 1 – 3 of the paper.

Ms. Wang Jing presented a paper which proposed measures to ensure adequate attendance of RCP members at RCP meetings.

Mr. Peacocke highlighted that section 5.3.5 of Chapter 3 in the market rules allows for any interested persons to attend the RCP meetings. However, Ms. Wang explained that the provision applies only to public meetings.

Mr. Peacocke mentioned that it is possible to foresee which representative’s input is important for certain RCP meetings and suggested allowing for alternative representatives to attend the RCP meetings on behalf of absent RCP members. Ms. Wang replied that such a measure will impose an obligation on EMC to determine whose input is important prior to each meeting. Chairman added that it may not always be obvious which representative’s inputs are required at a meeting, as issues discussed at RCP meetings could be multi-faceted.

Mr. Kay enquired on whether the RCP Chairman would be the one determining that the absence of a RCP member has hindered decision-
making by the RCP and that the proposed measures should be taken. The Chairman clarified that it is to be determined collectively by the Panel.

7.4 Mr. Marcus Tan supported the provision for alternatives to attend RCP meetings on behalf of RCP members since the presence of service providers’ representatives is important. Ms. Wang reiterated that this would not be recommended because the alternative representatives might not have the same knowledge level or authority to provide the information required for the RCP to make a decision.

7.5 Mr. Lim commented that the proposed measures in the paper would not solve the issue because it is hard to determine whose input is important prior to the meeting and the proposed measures only focus on sending reminders after the meeting, which would be ineffective in allowing for a more efficient process ex-ante whereby the RCP could make an informed decision on the proposal at hand with the necessary inputs available then. He also added that it is possible to have permanent alternatives for the RCP members, who are pre-approved by the EMC Board by evaluating the curriculum vitae of permanent alternatives submitted to them.

However, Mr. Soh replied that alternatives might not be available from all organisations. He mentioned that clarification via email prior to the meeting would help in addressing questions relating to the rule change proposal.

7.6 Mr. Kay enquired whether the market rules require the physical presence of RCP members at RCP meetings. He suggested that if physical presence is not strictly required, teleconferencing at RCP meetings could be done as well. Mr. Phillip Tan agreed with his suggestion. The Chairman clarified that EMC’s external lawyers had previously affirmed that a teleconference may not constitute an attendance of an RCP member at a RCP meeting.

7.7 The Chairman recommended that the RCP do not proceed with the proposed measures at the present moment since all of the RCP members present are already aware of the importance of their attendance at RCP meetings. He said that EMC would send an email to those RCP members who were absent from this meeting to inform them of the importance of attending RCP meetings too, and proposed for the RCP to continue monitoring the attendance of RCP members and instead reconsider these measures in future should this issue resurface.

7.8 The following Panel members voted to support the proposal by the Chairman and not to adopt the proposed measures at this point in time:

- Henry Gan (Representative of the EMC)
- Marcus Tan (Representative of the Generation Licensee class of market participant)
- Priscilla Chua (Representative of the Generation Licensee class of
market participant)
- Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Lim Han Kwang (Representative of the Transmission Licensee class of market participant)
- Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)
- Frances Chang (Representative for the interests of consumers of electricity in Singapore)

The following Panel member abstained from voting:
- Soh Yap Choon (Representative of the PSO)

The following Panel members voted to support the adoption of the proposed measures in section 4 of the paper:
- Phillip Tan (Person experienced in financial matters in Singapore)

Thus, the Panel, by majority vote, supported the proposal by the Chairman to continue monitoring the attendance of RCP members and reconsider the proposal in the future should this issue resurface.

8.0 Meeting Schedules for 2016

The Panel noted the meeting schedules for 2016.

The Chairman explained that there is an additional meeting scheduled in April 2016, as EMC has changed its financial year and is required to submit its budget to the RCP no less than 100 days prior to the start of the financial year, in accordance with the market rules.

Ms. Frances Chang and Mr. Soh enquired on why the January meeting is proposed to be held on a Monday (4 January 2016) instead of the usual Tuesdays for RCP meetings. Ms. Chang opined that some RCP members might not be able to attend the meeting given that it was very close to the long New Year weekend. The Chairman replied that the meeting is proposed to be held early in the month because the EMC’s board meeting is scheduled on 12-13 January 2016 and the RCP meeting should be held at least one week before that so that the EMC board can consider any rule changes recommended by the RCP. The Chairman suggested changing the meeting to 5 January 2016 (Tuesday), to which the RCP agreed.

9.0 Updates on the Implementation Costs for RC321 Provision of Regulation by Batteries.
Mr. Gan updated the Panel on the implementation costs for RC321 Provision of Regulation by Batteries. He explained that EMC is engaging an external vendor at a cost of $3,900 to amend the standing data module, which had not been budgeted. This is because it is more efficient for the external vendor to implement the standing data module change together with the demand response project. EMC would need to seek EMA’s approval to recover this cost from the market.

9.1 Mr. Kay asked about the urgency in implementing RC321. Mr. Gan replied that this implementation constitutes only a small change to the system and that joint implementation with the demand response project would minimise disruption to the market.

10.0 Date of Next Meeting

The 84th RCP Meeting will be held on 5 January 2016.

There being no other matters, the meeting ended at 11.30am.

Paul Poh
Chairman

Minutes taken by:
Yap Yun Ben
Economist, Market Administration