MINUTES OF THE RULES CHANGE PANEL
84th MEETING
HELD ON TUESDAY, 5 JANUARY 2016 AT 10.00AM
AT ENERGY MARKET CO. PTE LTD
238A THOMSON ROAD #11-01
NOVENA SQUARE, SINGAPORE 307684

Present: Paul Poh (Chairman) Priscilla Chua
Lawrence Lee Dr. Toh Mun Heng
Daniel Lee Grace Chiam
Dallon Kay Luke Peacocke
Phillip Tan Frances Chang
Lim Han Kwang Henry Gan
Marcus Tan

Absent with apologies: Soh Yap Choon Sean Chan

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 Confirmation of Minutes of the 83rd RCP Meeting

The Minutes of the 83rd RCP meeting held on 6 November 2015 were tabled.

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

3.0 Matters Arising

3.1 Item 1 – Registration Issues Relating to Commissioning Generation Facilities

Ms. Wang Jing updated the Panel that SP Services has indicated they need 7 business days to remove the expiring generator from the settlement file (2 business days to delink the facility from the settlement file and 5 business days to conduct checks and testing prior to account closure). It will also take 12 business days for the MP to open a Contestable Consumer load account.
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Mr. Lim Han Kwan said that for SP PowerGrid, the current procedures for consumer disconnection require a lead time of 7 business days. Therefore, he estimated that the time required to disconnect an expiring generator should also be 7 business days.

The Panel noted that the other matters arising were completed.

4.0 Monitoring List

Number of MCE Re-runs

The Panel was informed that for the period Oct to Nov 2015, there were 51 MCE re-runs.

On 15 Oct, line binding and energy deficit were observed and it was due to inaccurate standing data uploaded. 48 periods of prices were provisionalised as the standing data used in real-time schedules were not reflective of the actual connectivity of the network.

On 20 Oct and 4 Nov, reruns were due to the network status files for both periods showed "undefined" connectivity for a generating facility which was treated as "not connected" by MCE. The NWStat file was confirmed to be inaccurate by PSO and thus a rerun was performed using the revised NWStat file provided by PSO.

On 12 Nov, there was a Disaster Recovery switch-over schedule and during the switch-over it was expected that following real time dispatch schedules would be affected. The original DPR run failed due to no offer inputs and a re-run was conducted to establish the prices for settlement.

In reply to Mr. Dallon Kay’s query on what can be done to prevent these re-runs, Mr. Henry Gan explained that the reruns on 15 Oct (for 48 periods) were due to miscommunication, leading to inaccurate standing data being updated. As there was no field on the current standing data form to indicate the effective date of any updates, EMC had removed a transmission line in October 2015 as per the standing data received. However, the PSO had intended for the standing data to take effect only in December 2015.

Mr. Gan added that EMC is working with the PSO to tie down the procedures for effecting standing data updates to prevent a recurrence in future.

Mr. Kay asked whether there was any trend of reruns due to a recurring issue, and opined that if there was, a review could be conducted. Mr. Gan replied that, based on past data, reruns due to inaccurate NWStat files such as that on 20 Oct and 4 Nov does seem to be a recurring issue.
5.0 Summary of Outstanding Rule Changes

The RCP noted the summary of outstanding rule changes.

6.0 Rules Change Work Plan Status Update

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

7.0 Clarify usage of “Connect” and “Generating Unit” in the Market Rules (Paper No. EMC/RCP/84/2016/334)

Ms. Lucia Loh presented the proposal to clarify the usage of the terms “connect” and “generating unit” in the market rules. A review of the current market rules was conducted to make a distinction between physical and notional connections, as the defined term “connect” is intended to refer only to physical connections. In the course of the review, EMC had also identified incorrect forms meant to refer to a “generating unit”, and various grammatical, formatting, typographic and referencing errors in the current market rules.

7.1 She informed the Panel that comments were received from the PSO as part of the consultation process. Specifically, for Appendix 5A section A.3.2, PSO suggested that the word “automatic” (in “automatic voltage regulators”) should not be italicised and proposed the following amendment:

“Subject to section A.3.6, automatic voltage regulators (“AVRs”) shall be in service and in automatic mode unless the generation registered facility is specifically directed by the PSO to operate the AVRs in manual mode.”

Subsequently, post consultation, the PSO requested to retain the original text, i.e. not to delete “and in automatic mode unless the generation registered facility is specifically directed by the PSO to operate the AVRs in manual mode”.

EMC had thus revised section A.3.2 of Appendix 5A arising from PSO’s subsequent comments post consultation, as follows:

“Subject to section A.3.6, generation registered facilities providing reactive support and voltage control service shall have automatic voltage regulators (“AVRs”) which shall be in service at all times and in automatic mode unless the generation registered facility is specifically directed by the PSO to operate the AVRs in manual mode.”

The Panel agreed with the revised drafting to section A.3.2 of Appendix 5A above.
7.2 Subject to the revised drafting to section A.3.2 of Appendix 5A, the Panel **unanimously supported** the proposed rule modifications set out in Annex 1.

8.0 **Removal of Market Assessment Unit’s Obligation to provide information to the EMA under Section 4.3.10 of Chapter 3 of the Market Rules** (Paper No. EMC/RCP/84/2016/CP60)

Mr. Yap Yun Ben presented the paper to assess the proposal to remove the Market Assessment Unit’s (MAU) obligation, under section 4.3.10 of Chapter 3 of the market rules (“Rule 4.3.10”), to collect and provide information to the Energy Market Authority (EMA) to assist the EMA in fulfilling its obligations with respect to competition and abuse of a dominant position under the Electricity Act (Chapter 89A) (“the Act”).

As EMC possesses all the information stipulated in the current set of information requirements, EMC is providing the information directly to the EMA, rather than through the MAU. It was thus proposed that Rule 4.3.10 be removed since the MAU is no longer involved.

EMC revisited the intent of Rule 4.3.10, which was added prior to market start as part of a review of the governance structure set out in Chapter 3. Specifically, at its 7th meeting, the Pro Tem Rules Change Panel (PTRCP) supported the EMA's suggestion for the MAU, under the supervision and direction of the Market Surveillance and Compliance Panel (MSCP), to provide regular reports, statistics and other information to the EMA (i.e. Rule 4.3.10), so as to strengthen the obligations of the MAU/MSCP in assisting the EMA to make more informed decisions.

Since EMC possess all information currently required by the EMA, it is indeed operationally more efficient for EMC to provide the information to the EMA directly.

Mr. Peacocke referred to page 5 of the paper which states that the practice of EMC providing the information directly to the EMA, rather than through the MAU, has been deemed by the EMA as having fulfilled the requirements of the market rules. He pointed out that it is MSCP rather than the EMA who can determine if the requirement of the market rules has been fulfilled. The Chairman noted his comments.

Mr. Lim Han Kwang and Mr. Kay sought clarification on the party that should be held responsible should EMC fail to provide the information to the EMA in a timely manner based on the current practice, where the EMC is acting on behalf of the MAU to provide information to the EMA. The Chairman replied that the MAU is responsible under the market rules.
Mr. Kay also pointed out that there was no rule change to effectively authorise EMC to do what they are already doing. Ms. Serena Ho said that there was no rule change previously and this paper aims to update the rules to reflect the current practice in relation to the provision of information to the EMA. Mr. Gan also clarified that in the past, the MAU, upon receiving the information from EMC, will provide the information to the EMA. However, the procedure to provide the information to the EMA was shortened by having EMC give the information directly to the EMA while copying the MAU concurrently.

Mr. Yap presented his analysis and highlighted that EMC proposed that Rule 4.3.10 be amended to include provision for the MAU/MSCP to request that information provider(s) (e.g. EMC) provide the required information to the EMA directly, if:

- the MAU/MSCP determines it appropriate to do so and
- the information provider(s) agrees to the request

The proposed revision will provide more flexibility and efficiency on how information can be shared with the EMA.

Mr. Kay queried why the proposal was brought up to the RCP when the Panel is not the direct party to the process and whether the rule change proposal is more appropriate to be discussed with the EMA. The Chairman said that generally for rule changes, the issue will not be discussed with EMA. It was meant for the industry to assess, comment and submit it to the EMC Board to review the rule change and then to the EMA for approval. If the EMA is of the view that the rule change is inconsistent with its functions and duties under the Electricity Act, it can reject the rule change.

Mr. Lim Han Kwang opined that it is not necessary to change the rules as EMA can directly request for any party to provide information to it.

The Panel, on the whole, concurred that the MAU is to remain responsible for the provision of the information to the EMA.
The Panel members who voted to support amending Rule 4.3.10 as proposed by EMC:

- 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)
- Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Phillip Tan (Person experienced in financial matters in Singapore)
- Frances Chang (Representative for the interests of consumers of electricity in Singapore).

The Panel members who voted not to support amending Rule 4.3.10 as proposed by EMC:

- Lim Han Kwang (Representative of the Transmission Licensee class of market participant)
- Lawrence Lee (Representative of the Market Support Services Licensee)
- Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)
- Dr. Toh Mun Heng (Representative for the interests of consumers of electricity in Singapore)

The Panel member who abstained from voting:

- Grace Chiam (Representative of the Generation Licensee class of market participant)

9.0 Any Other Business

9.1 Internal Audit Observations

Ms. Loh informed the Panel that an audit of EMC’s administration of the rules change process between July 2014 and August 2015 was carried out by EMC’s internal auditors.
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One observation noted by the internal auditors was that a submission from a market participant (MP) on 23 October 2014 to the Review of the Dispute Resolution Process was not presented to the RCP for consideration. EMC had clarified with the MP that the comment submitted was not relevant, as it related to the Forward Sales Contract scheme which was not in the market rules at that point in time. The MP agreed that the comment is to be considered only when that scheme came into effect. Hence, EMC did not include that submission in the paper on the Review of Dispute Resolution Process to the RCP on 04 November 2014.

The Chairman added that EMC would sometimes clarify with MPs as their comments could be for clarification, or due to a misunderstanding of the paper. If EMC were to include their comments verbatim, EMC’s response could be that the comment was not relevant.

EMC sought the RCP’s views on whether:
   a) EMC should submit all comments received to the RCP, or
   b) EMC could clarify with parties who have submitted comments, and do not need to submit such comments to the RCP if that party agrees that they no longer want to submit their comments to the RCP.

9.1.1 The Panel was informed that Mr. Soh Yap Choon (who was absent with apologies) had sent his comments, for the Panel’s consideration. Mr. Soh agreed with (b) but suggested that EMC circulate the comments to RCP for information only.

9.1.2 The Chairman then put the issue to a vote.

The following Panel members voted to support (b), that EMC could clarify with parties who have submitted comments, and do not need to submit such comments to the RCP if that party agrees that they no longer want to submit their comments to the RCP:

   • Marcus Tan (Representative of the Generation Licensee class of market participant)
   • Priscilla Chua (Representative of the Generation Licensee class of market participant)
   • Grace Chiam (Representative of the Generation Licensee class of market participant)
   • Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
   • Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
   • Lim Han Kwang (Representative of the Transmission Licensee class of market participant)
   • Lawrence Lee (Representative of the Market Support Services Licensee)
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- Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)
- Phillip Tan (Person experienced in financial matters in Singapore)
- Frances Chang (Representative for the interests of consumers of electricity in Singapore)
- Dr. Toh Mun Heng (Representative for the interests of consumers of electricity in Singapore)

The following Panel member abstained from voting:
- Henry Gan (Representative of the EMC)

Thus, the Panel by majority vote supported that EMC could clarify with parties who have submitted comments, and do not need to submit such comments to the RCP if that party agrees that they no longer want to submit their comments to the RCP.

9.2 Proposed measures to mitigate price separation

Ms. Loh informed the Panel that significant price separation took place on 20-21 October 2015. Arising from this, gencos and the EMA have raised various proposals meant to mitigate the impact of significant price separation, and tasked EMC to look into them.

EMC would like to seek the RCP’s agreement to submit the issue to the RCP, even though it is not on the RCP work plan yet.

The Chairman added that this issue is urgent as far as some MPs are concerned. If the RCP agrees, EMC will target to publish the paper and present it at the next RCP meeting (in March 2016).

Mr. Marcus Tan concurred with the Chairman’s view on the urgency of the issue, and reiterated the importance of the issue given its financial implications on MPs.

Mr. Kay asked the Chairman whether this will delay the progress of the other issues on the existing work plan. The Chairman replied that the only issue where work has not started, on the “Publication of supply bidding behavior (for reserve and regulation)”, would be affected.
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The following Panel members voted to **support** EMC working on the issue:
- 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)
- Grace Chiam (Representative of the Generation Licensee class of market participant)
- Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Lim Han Kwang (Representative of the Transmission Licensee class of market participant)
- Lawrence Lee (Representative of the Market Support Services Licensee)
- Phillip Tan (Person experienced in financial matters in Singapore)
- Frances Chang (Representative for the interests of consumers of electricity in Singapore)
- Dr. Toh Mun Heng (Representative for the interests of consumers of electricity in Singapore)

The following Panel member abstained from voting:
- Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)

Thus the Panel by majority vote **supported** for EMC to work on the issue.

10.0 **Date of Next Meeting**

The 85th RCP Meeting will be held on Tuesday, 1 March 2016.

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

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**Paul Poh**
Chairman

**Minutes taken by:**
Eunice Koh
Sr. Executive, Corporate Secretariat

Approved at the 85th RCP Meeting
held on 1 March 2016