MINUTES OF THE RULES CHANGE PANEL
91st MEETING
HELD ON TUESDAY, 10 JANUARY 2017 AT 10.00AM
AT ENERGY MARKET CO. PTE LTD
4 SHENTON WAY #03-01
SGX CENTRE 2, SINGAPORE 068807

Present: Paul Poh (Chairman) Priscilla Chua
Dr. Toh Mun Heng Dallon Kay
Daniel Lee Henry Gan
Luke Peacocke Lawrence Lee
Phillip Tan Lim Han Kwang
Sean Chan Soh Yap Choon

Absent with apologies: Grace Chiam Marcus Tan

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

1.0 Notice of Meeting

The Chairman called the meeting to order at 10 am. The Notice and Agenda of the meeting were taken as read.

2.0 Confirmation of Minutes of the 90th RCP Meeting

The Minutes of the 90th RCP meeting held on 8 November 2016 were noted and the RCP approved the Minutes.

3.0 Matters Arising from 90th RCP Meeting held on 8 November 2016

3.1 Matters Arising from 89th RCP Meeting held on 6 September 2016

Ms Wang Jing updated the Panel that EMA has replied that it has noted the industry’s concern of nodal price separation due to the potential exercise of locational market power that may be facilitated by transmission network constraints, and reiterated that they do not take lightly any abuse of market power and will not hesitate to take any regulatory action required.

EMA also replied that it understood that the Panel’s request for more information and regular updates on when prevailing transmission constraints will be alleviated would be addressed as part of EMC’s Concept Paper CP67 “Enhancement to the Process of Updating Generation Outage Plan and Security Constraints”. The RCP Chairman, on behalf of the Panel, had replied to the EMA to clarify that the Panel’s request is for EMA to provide more information and regular updates on when prevailing transmission constraints will be alleviated whereas CP67 seeks to enhance the process of updating generation outage plans and security constraints.
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3.1.1 Mr Sean Chan noted that the EMA did not address the Panel’s request for more information. Mr Dallon Kay commented that the Panel’s request to EMA was not explicit enough.

3.1.2 Mr Soh Yap Choon added that the transmission network infrastructure project has a long lead time and would take 5 years to complete for complex project. It may therefore be not meaningful to update the industry quarterly as the percentage of work completed will not be a significant milestone to the industry. It would instead be more fruitful for EMA to provide progressive updates to the industry on major milestone or changes in the transmission project schedule through industry platforms such as the Market Information Sharing Forum (“MISF”) hosted by EMC.

3.1.3 In response to Mr Daniel Lee’s query on the project’s scheduled completion for West Jurong Island 400kV project, Mr Soh Yap Choon shared that the project will be completed in phases starting from 2018 and progressively by 2019.

3.1.4 The Chairman enquired if EMA is ready to provide an update at the MISF held in January 2017. Mr Soh Yap Choon replied that he will revert accordingly.

3.1.5 Ms Priscilla Chua requested for EMC to inform Market Participants (“MPs”) if EMA is presenting an update on this project during the MISF.

Mr Henry Gan confirmed that EMC would do so.

4.0 Monitoring List
The RCP noted the contents of the Monitoring List.

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 Publication of Half-Hourly Metered Generation by Facility Type
(Paper No. EMC/RCP/91/2017/340)

Ms Jo Ong summarised the statuses of the three proposals that arose from CP64 “Publication of Half-Hourly Total Solar Export” and reiterated that the Panel had unanimously supported Proposal 3, i.e. for EMC to publish the half-hourly aggregate gross and net metered generation of all facility types, at the 89th RCP meeting.
7.1 Ms Jo Ong recapped the current availability and publication of metered generation and presented the proposal for EMC to publish half-hourly aggregate metered gross and net generation by facility type under Price Information on EMC's public website, on the 10th business day after the relevant trading day similar to the issuance of the final settlement statement, substantially in the proposed format below:

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7.2 Ms Jo Ong also presented a summary of the proposed rule modifications to implement the proposal, as well the implementation time and costs.

7.3 The proposed rule modifications were published for industry consultation, and comments were received from Pacificlight Power (“PLP”) who was supportive of the proposed rule modifications. PLP had also requested for SP Services (“SPS”) to publish the actual aggregate net injection amount from Category 3 consumers. EMC had responded to PLP that the Panel has tasked EMC at the 89th RCP meeting to consult SPS and SPS had shared that they have assessed the proposal and found that it was not feasible as energy injection/withdrawal for such Intermittent Generation Facilities (“IGFs”) is (a) metered by cumulative meters, and (b) read and invoiced on varying billing cycles.

7.4 Ms Jo Ong concluded that the proposal will introduce the publication of half-hourly aggregate gross and net metered generation of all facility types including “IGS” by EMC and improve the transparency of generation information of GFs, in particular IGFs, to the industry.

7.5 EMC recommended that the Panel:

a) support the proposed rule modifications as set out in Annex 2;

b) recommend that the EMC Board adopt the proposed rule modifications as set out in Annex 2; and

c) recommend that the proposed rule modifications as set out in Annex 2 come in to force 15 calendar weeks after the date on which the approve of the Authority is published by EMC.

7.6 Mr Soh Yap Choon asked if the category “Others” will be removed in the proposed format. He queried on the category under which future generation facilities that are not of the existing facility types would be classified, if the category “Others” no longer exist. He further argued that the capacity of IGS may be too small to necessitate a category of its own in the table. Mr Dallon Kay agreed that the category “Others” should be retained in the proposed format to provide for the entry of new facility
types in the future. The Chairman replied that new categories would be included in the format when new facility types are introduced.

In response to Mr Luke Peacocke’s question on whether a rule change will be required for the inclusion of new categories in the future, the Chairman explained that no rule change will be required and the EMC would only need to inform the industry of the name of the new facility type to be introduced.

Ms Ong added that the categories indicated in the proposed format have captured all generation facilities registered in the market. As such, if the category “Others” is retained, there will be no metered generation data under “Others”.

7.7 Mr Lim Han Kwang asked if there will be any cost incurred if additional columns are to be added to the proposed format in future, and if so, the columns should probably be added now to mitigate cost. Mr Henry Gan replied that there will be minimal cost incurred.

Mr Daniel Lee pointed out that the industry may not be aware of the facility type of a new entrant if it is classified under category “Others”, and suggested naming the new facility type in due time instead.

7.8 Mr Kay queried if there is load zone demarcation for IGFs currently and if no, if it could be provided for now to preempt the need for it in future. The Chairman replied that there is no load zone demarcation for all generation facilities and that currently, load zones apply only to load registered facilities (to set limits on the maximum allowable quantity of reserve and load curtailment scheduled from them in each zone).

Chairman concluded that the discussion on having a "Others" column is not a rule change issue.

7.9 It was noted that Mr Soh had requested for the category “Others” to be retained.

7.10 The Panel members by majority vote supported EMC’s recommendation.

The Panel members who voted in support of EMC’s recommendation are:
- Mr Henry Gan (Representative of the EMC)
- Mr Lim Han Kwang (Representative of the Transmission Licensee)
- Mr Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Mr Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Mr Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Mr Lawrence Lee (Representative of the Market Support Services Licensee)
- Dr Toh Mun Heng (Representative for the interests of consumers of
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- Mr Phillip Tan (Person experienced in financial matters in Singapore)
- Ms. Priscilla Chua (Representative of the Generation Licensee class of market participant)
- Mr Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)

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

8.0 Lead Time for Extension of Commissioning Generation Facility’s Registration
(Paper No. EMC/RCP/91/2017/338)

Ms Wang presented the proposed rule change to give effect to the Panel’s decision to make clear in the market manual the lead time required for a Market Participant (“MP”) to request for an extension of the registration of its commissioning generation facility (“CGF”) and concluded that the proposed rule change would provide MPs with greater clarity on the lead time required for the extension of their CGF registration.

8.1 Ms Wang informed the Panel that at the 90th RCP meeting, the Panel tasked EMC to further work with PSO to address PSO’s following concern:

- Instead of requesting for an extension of the date of completion, whether it was possible for MPs to bring forward the date of completion of the final commissioning test; and
- The current market rules are not clear whether the same generation facility can be registered as both a CGF and a GRF/GSF at the same time.

EMC has thus clarified with the PSO and proposed to make it clear in the market rules that the CGF registration will expire upon the facility being registered as a GRF or GSF. If the CGF is able to complete its commissioning test ahead of time, it will be registered as a GRF or GSF before its original commissioning completion date.

8.2 The Panel unanimously supported the proposed rule modifications.

9.0 Enhancement to the Process of Updating Generation Outage Plan and Security Constraints
(Paper No. EMC/RCP/91/2017/CP67)

Ms Wang Jing presented the paper to assess the proposal to enhance the process to update the annual generation outage plan and security constraints so that MPs can receive timely updates of such market information.
9.1 Proposals were received during the 2016-2017 Rules Change Work Plan consultation on the following two issues:

- Issue 1: Timely update of generation outage plan
- Issue 2: Transparency of security constraints

9.1.1 Issue 1: Timely update of generation outage plan

Ms Wang Jing informed the Panel on the current process of publishing the updated generation outage plans (“UGOP”), which covers the planned outages and forced outages and the timeline to do so.

9.1.1.1 Planned Outage

It was noted that the System Operation Manual (“SOM”) requires UGOP to be published monthly, at least 5 business days before the end of current month. However, in practice, new requests or cancellation or revision to the previously approved planned outage is published on the same calendar day of approval via the UGOP. EMC considered the update to be in a timely manner.

Proposal 1.1
To formalize the process of publishing new request(s) on the same calendar day of approval in the SOM.

Proposal 1.2
To release the approval and the UGOP at the same time

9.1.1.2 Forced Outage

It was noted that advisory notices are issued immediately after the PSO informs EMC of the occurrence of forced outages. The expected duration of the forced outages are also updated in the UGOP on the same or next business day after the MP submits the preliminary outage report.

Proposal 1.3
To update forced outages within 12 hours of receipt of the preliminary report.

9.1.2 Issue 2: Transparency of security constraints

Ms Wang Jing went on to brief the Panel on the causes of security constraints, the process of updating security constraints and the transparency on transmission constraints and grid upgrading process. She also presented the following proposed solutions:
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9.1.2.1 Proposal 2.1
For PSO to include details of security constraints, such as duration, affected transmission equipment/rating, and security limit in the Adequacy and Security Assessment ("ASA") report.

Proposal 2.2
PSO to direct EMC to include it in the Market Clearing Engine ("MCE") so that the impact of security constraints will be shown in the forecast schedules.

9.2 Mr Dallon Kay enquired if the ASA report will be published on a daily or monthly basis. Ms Wang Jing replied that it will depend on how far in advance the PSO can do the forecast. Therefore, the frequency of the publication was not included in Proposal 2.1.

9.3 With reference to Proposal 2.1, Mr Dallon Kay would like to know the platforms that the information is currently shared on. Mr Wang Jing replied that the information is currently shared via MISF or when the PSO calls for ad-hoc industry sharing sessions. Mr Soh Yap Choon added that in the past, the PSO had updated some of the security constraints via the MISF. The Chairman added that the PSO’s updates will not be restricted to just the MISF. Mr Dallon Kay also said that ideally sharing of such material issues within a single class of licensee should be avoided.

9.4 Proposal 1.1
Ms Wang Jing told the Panel that EMC supports Proposal 1.1 as the current process works well.

9.4.1 Mr Soh Yap Choon asked if there is a need to change anything if the current process of 5 business days is working well and PSO has been publishing the UGOP more frequently than the stipulated monthly basis.

9.4.2 It was noted that the Panel was satisfied with the current practice and requested for PSO to update the SOM to reflect the current good practice. PSO agreed to update it in the SOM in the next revision.

9.5 Proposal 1.2
Ms Wang Jing explained that based on industry feedback, the time difference between the approval and the update of the UGOP is small and the update of the UGOP should not delay the approval of the planned outage. PSO also will endeavour to update the UGOP as soon as possible. Therefore, EMC did not recommend implementing Proposal 1.2

9.5.1 Mr Dallon Kay asked if PSO’s view is that if the release and update are done concurrently, it will impact the approval. Mr Soh Yap Choon replied that this may differ from case to case. If an emergency situation happens after the outage plan has been approved, PSO would first need to attend to the system operation issue to restore power system to normalcy prior to publishing the outage plan.
9.5.2 The Panel by majority vote agreed with EMC’s recommendation of not supporting Proposal 1.2.

The Panel members who voted in support of EMC’s recommendation are:
- Mr Lim Han Kwang (Representative of the Transmission Licensee)
- Mr Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Mr Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Mr Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Mr Lawrence Lee (Representative of the Market Support Services Licensee)
- Dr Toh Mun Heng (Representative for the interests of consumers of electricity in Singapore)
- Mr Philiph Tan (Person experienced in financial matters in Singapore)
- Ms. Priscilla Chua (Representative of the Generation Licensee class of market participant)
- Mr Soh Yap Choon (Representative of the PSO)

The following Panel member voted not to support EMC’s recommendation:
- Mr Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)

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

9.6 Proposal 1.3

Ms Wang Jing recapped Proposal 1.3 and informed the Panel that EMC recommends that the Panel support this proposal even if the date of return to service is unknown as the market should be kept informed promptly.

9.6.1 Mr Sean Chan commented that there is no point in publishing when the date of return to service is unknown as it does not serve any purpose and to only publish when the generation licensee is able to ascertain the expected date of return to service. Mr Soh Yap Choon added on that currently PSO will publish when a date is provided by the Gencos.

9.6.2 The Panel by majority vote did not support EMC’s recommendation of implementing Proposal 1.3.

The Panel members who voted in support of EMC’s recommendation are:
- Mr Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Mr Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Mr Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)
The following Panel members voted not to support EMC’s recommendation:

- Mr Lim Han Kwang (Representative of the Transmission Licensee)
- Mr Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Mr Lawrence Lee (Representative of the Market Support Services Licensee)
- Dr Toh Mun Heng (Representative for the interests of consumers of electricity in Singapore)
- Ms. Priscilla Chua (Representative of the Generation Licensee class of market participant)
- Mr Soh Yap Choon (Representative of the PSO)
- Mr Henry Gan (Representative of the EMC)

9.7 Proposal 2.1 and 2.2

Ms Wang Jing shared that EMC recommends for requiring the information on security constraints to be included in the ASA report once the decision to impose security constraints has been made by the PSO, and also no explicit lead time to be set.

9.7.1 Mr Dallon Kay noted that there is no explicit lead time to be set and asked if lag time will be set. The Chairman explained that PSO has always been able to advise on the imposition of security constraints in advance, therefore there was no need to specify any deadline.

9.7.2 The Chairman asked the Panel’s opinion on the need to include the security constraints in the ASA report.

Mr Soh Yap Choon clarified that the ASA report currently has limited information on the security constraints and commented that existing security constraints that were imposed are not easily retrievable from the advisory notices in the EMC’s website. This resulted in new MPs being not aware of existing security constraints that were imposed. He instead suggested for EMC to explore facilitating the retrieval of security constraints-related information from past advisory notices, instead of including the security constraints in the ASA report.

Mr Luke Peacocke and Mr Sean Chan agreed with Mr Soh Yap Choon’s suggestion.

Mr Luke Peacocke further queried if it is possible for the information in the advisory notices to be inconsistent with the ASA report. Mr Soh Yap Choon replied that information should be consistent as the advisory notices are crafted by PSO and provided to EMC to publish.

9.7.3 Mr Daniel Lee opined that having the security constraints stated in the ASA report on a timely basis will minimise the impact of some MPs having access to the information before others.
9.7.5 Mr Henry Gan explained that security constraints are included in the Market Clearing report for each dispatch period of the day. As information is limited due to sensitivity, only the name of the security constraint is stated and details of the transmission line are not released. However, a search can be done on EMC’s website to find information on historical security constraints, provided that the MPs know the dates of the advisory notices.

9.7.6 In response to Mr Soh Yap Choon’s query on how the advisory notices are managed on EMC’s website, Mr Henry Gan replied that the advisory notices are managed based on the different types of advisory notices as stated in the Market Rules. Security constraints are subsumed under “other” abnormal condition type.

9.7.7 Mr Sean Chan commented that from a MP’s point of view, existing information is available as long as you know how to retrieve it. Otherwise a request can be sent to EMC and opined that no change is required.

Mr Dallon Kay said that EMC may not be able to accede to such requests as information may be sensitive and opined that it would be more convenient to include the security constraints in the ASA report.

Mr Lim Han Kwang asked if PSO can consider including the existing security constraints in the ASA report for the sake of completeness.

Mr Soh Yap Choon noted the request and responded that the Panel should avoid making the ASA report too complex and lengthy as information is already included in the advisory notices and can be retrieved from EMC’s website.

The Panel requested for PSO to include additional information on original unconstrained transmission capacity and constrained capacity in the advisory notices in future. PSO noted and agreed to the request.

9.7.8 Ms Wang Jing asked the Panel if information on the existing security constraints currently available in the advisory notices should be included in the ASA report to allow easy access for the new MPs.

Mr Daniel Lee said that it will be good to be able to refer to the ASA report to find out what to look out for as opposed to referring to several documents. If it is too lengthy to include all details in the ASA report, PSO can consider including a reference to the relevant advisory notices. This would allow MPs to know where to find relevant data.

9.7.9 Mr Dallon Kay queried if there is a unique ID for advisory notices. Mr Henry Gan replied that there is no unique ID or reference number for the advisory notices.
9.7.10 The Panel by majority vote did not support EMC’s recommendation of implementing Proposal 2.1 and requested to remain status quo with PSO to include additional information on original unconstrained transmission capacity and constrained capacity in the advisory notices in future.

The Panel members who voted in support of EMC’s recommendation are:
- Mr Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Mr 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 following Panel member voted to not support EMC’s recommendation:
- Mr Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Mr Lim Han Kwang (Representative of the Transmission Licensee)
- Mr Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Mr Lawrence Lee (Representative of the Market Support Services Licensee)
- Mr Phillip Tan (Person experienced in financial matters in Singapore)
- Ms. Priscilla Chua (Representative of the Generation Licensee class of market participant)
- Mr Soh Yap Choon (Representative of the PSO)
- Mr Henry Gan (Representative of the EMC)

10.0 Review of Mechanism to Mitigate Credit Default
(Paper No. EMC/RCP/91/2017/CP66)

Ms Lucia Loh presented the paper which reviews the current mechanisms to mitigate credit default the Singapore Wholesale Electricity Market (“SWEM”) by assessing the adequacy of current prudential requirements and examining the following three issues raised:

- Issue 1: Should minimum capitalization requirements be imposed on MPs?
- Issue 2: Prudential requirements applicable to new MPs
- Issue 3: Effect of bilateral contract netting on prudential requirements.

10.1 Issue 1: Should minimum capitalisation requirements be imposed on MPs?

Ms Lucia Loh took the Panel through EMC’s assessment and recommendation on Issue 1.

The concept paper was published for comments and comments were received from three stakeholders in relation to Issue 1. They were supportive of the imposition of minimum capitalisation requirements by EMA on licensees to safeguard the market.
10.1.1 Mr Phillip Tan asked why EMC does not support imposing minimum capitalisation requirements. Ms Lucia Loh replied that EMC does not recommend imposing minimum capitalisation requirements as they are fixed in nature and do not effectively account for the risks posed. Further, they will also impose additional costs on MPs which could pose as barriers to entry and translate to higher costs for consumers.

Mr Phillip Tan disagreed with EMC’s recommendation as having minimum capitalisation requirements will also attract reputable companies to join the electricity market as serious MPs.

10.1.2 Mr Soh Yap Choon asked if EMC has any capital requirements when registering new MPs. The Chairman replied that EMC do not have any capital requirements.

10.1.3 The Panel tasked EMC to write to EMA to clarify on the guiding principles and/or considerations adopted by EMA when reviewing licence applications, including whether applicants are required to meet certain capitalisation requirements, and report back to the Panel.

10.2 Issue 2: Prudential requirements applicable to new MPs

Ms Lucia Loh briefed the Panel on the issues faced with the prudential requirements that are currently applicable to the new MPs and that the initial proposed amendments are as follows:

Estimated Average Daily Exposure (“ADE”) for new MPs =

\[-1 \times \text{Average of Net Settlement Amounts Available} \times \frac{Y}{90} + \text{MP’s Forecast ADE} \times \frac{(90-Y)}{90}\]

where:

- Average of Net Settlement Amount Available = average of net settlement amounts in the PSSs or FSSs available for the MP;
- Y = number of trading days to which “Average of Net Settlement Amount Available” relate.

The proposed amendments were revised, after receiving comments from stakeholders, to the following:

Estimated ADE =

\[\text{GST} \times \text{Rolling 90 day average of } (\text{WEP} - \text{AFP}) \times \text{Maximum}\]

\[(\text{ForecastDailyGrossWithdrawal} - \text{ForecastDailyGrossInjection}, \text{Maximum Daily Net Withdrawal}) + \]

\[\text{GST} \times \text{Rolling 90 day average of AFP} \times \text{Maximum}\]

\[(\text{ForecastDailyGrossWithdrawal} + \text{ForecastDailyGrossInjection}, \text{Maximum Daily AFP Quantities})\]

10.2.1 Mr Dallon Kay asked if trading day is defined as greater than 0. Ms Lucia Loh replied that the trading day is the first day that a MP has non-zero metering data.
10.2.2 Mr Dallon Kay also queried why final settlement prices, instead of forecast prices, were used in the methodology. The Chairman replied that MPs’ trading exposure is calculated using historical actual settlement data, so final settlement prices are proposed to be used for new MPs too.

10.2.3 Mr Henry Gan commented that the formula for the estimated ADE is dependent on what the new MP forecast for the ADE. He highlighted that a new MP may declare a small or zero forecasted quantity, such that no credit support or a lower level of credit support is required to be provided at the start. He suggested that a penalty be introduced to ensure that new MPs are incentivised to provide more accurate forecast ADE.

10.2.4 Mr Luke Peacocke suggested that if a MP deliberately provides misleading and/or false information, it can be referred to the Market Surveillance and Compliance Panel (“MSCP”). This will act as a deterrent to ensure that information provided is accurate to the MP’s knowledge.

10.2.5 Mr Henry Gan asked about the lead time that a MP has to provide its Forecast Daily Gross Withdrawal and Forecast Daily Gross Injection to EMC. Ms Lucia Loh replied that no deadline is stipulated for now as some MPs may not start operations immediately after registration. She noted Mr Henry Gan’s request for a deadline to be stipulated.

10.2.6 Mr Dallon Kay suggested that a new retailer’s forecast quantity can be checked against the historical consumption of its customers. Ms Lucia Loh replied that EMC is not privy to information about the customers which a retailer has signed on. The Chairman added that under the Personal Data Protection Act, the retailer is also unable to release such information to EMC.

10.2.7 The Panel **unanimously supported** the proposed revised calculations of Estimated ADE for new MPs and would like to include Mr Luke Peacocke’s suggestion of imposing a deterrent to ensure that information given is accurate and not misleading.

10.3 **Issue 3: Effect of bilateral contract netting on prudential requirements.**

Ms Lucia Loh filled the Panel in on the effect and impact of bilateral contract netting on prudential requirements and the issue with the current arrangement. She informed the panel that, after taking into account the industry’s comments, EMC’s revised recommendation was to bring forward the deadline for submission of bilateral contract quantity to 10 calendar days before a trading day.

10.3.1 Mr Luke Peacocke noted that the defaulting entity is the buyer and asked if it is possible for the defaulting entity to be the seller and if approval from both buyer and seller is required when the bilateral contract is amended after the default. The Chairman replied that the defaulting entity can be the seller and that only seller’s approval is required when amending the bilateral contract after the default.
Mr Luke Peacocke added that the defaulting party could be a Genco. The Chairman explained that under the market rules, MSCP cannot suspend a genco when it is in default and will need to seek EMA’s approval to do so. The proposed recommendation is to mitigate the debtor’s risk.

10.3.2 Mr Dallon Kay enquired if the issue with the current arrangement is the same as bilateral options used for offsetting. The Chairman explained that when there is a bilateral contract, the parties will settle the quantities among themselves outside the market. The dollar value corresponding to the bilateral quantities will be netted off from both buying and selling parties’ settlement exposure. Hence, collateral is required to be collected only based on the net amount outstanding.

10.3.3 Mr Luke Peacocke asked whether EMC’s recommendation can be applied only to an MP which has defaulted i.e. if an MP has not default, it can still be allowed the flexibility of changing the bilateral quantities.

The Chairman noted Mr Luke Peacocke’s suggestion and will consider it when drafting the rules.

10.3.4 Mr Dallon Kay asked why 10 calendar days. The Chairman replied that this is to cater to the 10-day suspension period.

10.3.5 The Panel by majority vote supported EMC’s recommendation for bilateral contracts to be submitted 10 calendar days prior to a trading day.

The Panel members who voted in support of EMC’s recommendation are:
- Mr Henry Gan (Representative of the EMC)
- Mr Lim Han Kwang (Representative of the Transmission Licensee)
- Mr Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Mr Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Mr Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Mr Lawrence Lee (Representative of the Market Support Services Licensee)
- Mr Phillip Tan (Person experienced in financial matters in Singapore)

The following Panel member abstained:
- Dr Toh Mun Heng (Representative for the interests of consumers of electricity in Singapore)
- Ms. Priscilla Chua (Representative of the Generation Licensee class of market participant)
- Mr Soh Yap Choon (Representative of the PSO)
11.0 Date of Next Meeting

The 92nd RCP Meeting will be held on Tuesday, 7 March 2017.

There being no other matters, the meeting ended at 12.50p.m.

Paul Poh
Chairman

Minutes taken by:
Angeline Tan
Corporate Secretarial Executive