MINUTES OF THE RULES CHANGE PANEL
114TH MEETING
HELD ON TUESDAY, 10 MARCH 2020 AT 10.00AM
VIA VIDEO-CONFERENCING

Present
Toh Seong Wah (Chairman)  Henry Gan
Soh Yap Choon  Marcus Tan
Teo Chin Hau  Tony Tan
Carol Tan  Sean Chan
Matthew Yeo  Ho Yin Shan
Dr. Toh Mun Heng  Fong Yeng Keong
Tan Chian Khong

Absent with Apologies:
Mark New  Senthil Kumar

In Attendance:
Poa Tiong Siaw  Wang Jing
(EMC)  Li Zhenhui  Qin Weixiao
Joash Seng  Clarissa Ooi

1. **Notice of Meeting**

The Chairman called the meeting to order at 10.05am. The Notice and Agenda of the meeting were taken as read.

2. **Confirmation of Minutes of the 113th RCP Meeting**

The Minutes of the 113th RCP meeting, held on 21 January 2020, were noted and the RCP approved the Minutes.

4. **Monitoring List**

The RCP noted the content of the Monitoring List.

5. **Summary of Outstanding Rule Changes**

The RCP noted the summary of outstanding rule changes.

6. **Rules Change Work Plan Status Update**

The RCP noted the update on the Rules Change Work Plan.
7. **Review of Automatic Financial Penalty Scheme**  
(Paper No. EMC/RCP/114/2020/363)

Ms. Wang Jing presented the rule change paper to give effect to the RCP’s decision at the 112th RCP meeting where the RCP has unanimously supported the exemptions of Generation Registered Facilities which are on local control and responding positively to system disturbance from the Automatic Financial Penalty Scheme (“AFPS”).

7.1 Ms. Wang went on to inform the RCP that EMC has drafted the proposed rules modifications to the Market Rules in consultation with the PSO. The proposed modifications were published on 17 February 2020 for consultation and no comment was received.

7.4 The RCP **unanimously supported** the proposed modifications to the market rules and recommended that the EMC Board adopts the proposed modifications and for the proposed modifications to come into effect 1 calendar day after the date on which the approval of the Authority is published by EMC.

(Paper No. EMC/RCP/114/2020/06)

Ms. Qin Weixiao updated the RCP on the progress made in the previous work plan approved in March 2019. Out of the 12 issues scheduled to commence within the first 12 months, 6 issues have been completed (including the above rule change that was just discussed by the Panel) and significant progress was made on 3 other issues.

She then briefed the Panel on the consultation process and ranking methodology adopted. She informed the Panel that EMC recommended 10 issues (including ongoing issues) to be shortlisted for commencement within the next 12 months. Additionally, 9 issues are to be removed from the workplan and referred to the EMA since they are either not under RCP’s purview or overlap with ongoing EMA workstreams.

The Panel considered and discussed the highest-ranked issues on the list.

(Mr Soh Yap Choon joined the meeting.)

8.1 **Issue 4: Proposed review of constraint violation penalty (CVP) structure**

In response to Mr. Soh Yap Choon’s query about the proposed review of CVP structure, Mr. Poa Tiong Siaw clarified that the said proposal has not been dropped from the Work Plan 2020/21 but is currently put on hold. EMC will start working on the CVP proposal once it has clarifications on the consequential changes to the real-time market arising from the Forward Capacity Market (“FCM”) proposal. Mr. Soh requested for the CVP proposal to be included in Table 3: Work Plan Issues to be Addressed in the Next 12 Months of the paper. He added that EMC can get input from EMA on the considerations to put in place.
view of the FCM when working on the CVP proposal.

### 8.1.1

(Due to a technical audio issue, Mr. Teo Chin Hau was unable to be heard at the video conference. He submitted the following comments post-meeting.)

Mr. Teo Chin Hau concurred with Mr. Soh Yap Choon’s view for EMC to continue with the review of the CVP structure. He said that the fact that this issue has been ranked as the top issue to be reviewed in the 2019 prioritization exercise and again as the top 4th issue to be reviewed in 2020 prioritization exercise shows that the market recognizes the importance of having this issue addressed as soon as possible. He re-emphasized that an optimum CVP level is important as it addresses both the abnormal contingency reserve shortfall incidents and the prolonged IL interruption faced by the market in the past few years. Mr. Teo urge EMC to work on this issue as scheduled in the existing workplan instead of holding back the review until the FCM design is finalized because the reform on the energy market, if any, will focus on offer mitigations, and the FCM will only take place earliest in Q2 of 2023, which is 3 years from now.

### 8.1.2

In response to the Chairman’s query about the total number of work plan issues for 2020/21, Mr. Poa Tiong Siaw said that initially there are 10 issues with the review of CVP on a contingent basis. Following Mr. Soh Yap Choon’s comments above, there would be 11 issues including the review of CVP proposal.

### 8.3

**Issue 39: Request for EMC to Publish Filtered Reserve and Regulation Supply Curve**

With reference to issue 39, Mr. Soh Yap Choon asked if the filtered reserve and regulation supply curves are currently published on the EMC website and if this issue can be resolved by providing training to the market participants to familiarise on the use of the EMC website or report filtering processes. Mr. Henry Gan explained that EMC currently publishes delayed offer stacks of reserve and regulation. However, market participants are requesting the same for effective reserves that can actually be dispatched or were scheduled by the system which are more useful to them. This will involve changes in coding to include criteria in the system to filter out non-effective reserve offers for a more concise set of reports.

### 8.4

Mr. Soh Yap Choon asked if there is any proposal for the RCP to vote on for removal, based on the number of removal votes from the prioritisation exercise. Ms. Qin Weixiao replied that there is none this round as those with several removal votes are already part of the list of issues to be removed and referred to the EMA.
8.4.1 Mr. Poa Tiong Siaw informed the RCP that EMC goes through a long list of 47 issues with stakeholder groups during the consulting phase of the prioritisation exercise. The sheer number of issues is cumbersome and can hinder the objective of prioritizing the few important and urgent issues. As a matter arising, Mr. Poa said that EMC will relook at the entire list and propose an approach to the RCP to shorten the list of 47 issues for more effective consultation. Mr. Soh Yap Choon advised EMC to think through the approach as the issues were ranked based on votes and issues listed at the bottom does not mean they are not important.

8.5 The RCP unanimously agreed on the following Rules Change Work Plan for 2019/20 and tasked EMC to monitor its progress.

<table>
<thead>
<tr>
<th>Issue No.</th>
<th>Issue Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Review of Automatic Financial Penalty Scheme (AFPS) &amp; related issues raised in the 2017 Work Plan Prioritisation Exercise</td>
</tr>
<tr>
<td>2</td>
<td>Imposition of Minimum Net Tangible Asset as a Condition of Participation for Retailers</td>
</tr>
<tr>
<td>9</td>
<td>Compensation guidelines for interruptible load facilities interrupted for prolonged duration</td>
</tr>
<tr>
<td>5</td>
<td>Holistic review of the current prudential requirement obligations and its enforcement process under the market rules</td>
</tr>
<tr>
<td>47</td>
<td>Deterrence of settlement payment default by market participants</td>
</tr>
<tr>
<td>11</td>
<td>Review allowable remedies for default events</td>
</tr>
<tr>
<td>4</td>
<td>Proposed review of constraint violation penalty structure</td>
</tr>
<tr>
<td>8</td>
<td>Framework for determining compensation claims amount for MPs in compliance of PSO directions</td>
</tr>
<tr>
<td>39</td>
<td>Request for EMC to Publish Filtered Reserve and Regulation Supply Curves</td>
</tr>
<tr>
<td>10</td>
<td>Provision of Real-time Estimates of the Reserve Responsibility Share (RRS) for Each GRF</td>
</tr>
<tr>
<td>34</td>
<td>Provision/clearing of ancillary services without active power generation</td>
</tr>
</tbody>
</table>
8.6 The RCP unanimously agreed to refer the following 9 issues to the EMA and remove them from the work plan.

<table>
<thead>
<tr>
<th>Issue No.</th>
<th>Issue Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Regulation Effectiveness Factor</td>
</tr>
<tr>
<td>33</td>
<td>Improve the efficiency of generation facility registration process by a Market Participant</td>
</tr>
<tr>
<td>35</td>
<td>MSSL to get access to meter(s) prior to registration of generation facility by EMC</td>
</tr>
<tr>
<td>36</td>
<td>Opening a generation account instead of load account prior commissioning a PV standalone generator to avoid security deposits</td>
</tr>
<tr>
<td>40</td>
<td>Forced Outage without final approval/consent exemption after an actual Forced Outage</td>
</tr>
<tr>
<td>42</td>
<td>Total Review of Demand Response related market rules including the compensation and penalty provisions</td>
</tr>
<tr>
<td>43</td>
<td>Inclusion of Distributed Energy Resources that could be offered under Forward Capacity Market Regime and how these could be integrated with existing market.</td>
</tr>
<tr>
<td>44</td>
<td>Cross Border Electricity Trade</td>
</tr>
<tr>
<td>45</td>
<td>Review on current requirements on Regulation/Reserves vis a vis frequency control arising from the proliferation of solar generation to the grid</td>
</tr>
</tbody>
</table>

There being no other matters, the meeting ended at 11.35pm.

**Toh Seong Wah**  
Chairman

Minutes taken by:  
Angeline Tan  
Executive, Legal and Corporate Secretariat