MINUTES OF THE RULES CHANGE PANEL
63rd MEETING
HELD ON TUESDAY, 11 SEPTEMBER 2012 AT 9.35AM
AT ENERGY MARKET CO. PTE LTD
238A THOMSON ROAD #11-01
NOVENA SQUARE, SINGAPORE 307684

Present: Dave Carlson
           Michael Wong
           Luke Peacocke
           Dallon Kay
           Phillip Tan
           Kng Meng Hwee
Toh Seong Wah
           Dr. Toh Mun Heng
           Sean Chan
           Lawrence Lee
           Pak-Juan Koe
           Daniel Lee

Absent with apologies: Chan Hung Kwan
                       Low Cheong Kee

In Attendance: Paul Poh
               (EMC)
               Wang Jing
               Lucia Loh
               Tan Liang Ching
               Nerine Teo
               Serena Ho

1.0 Notice of Meeting

The Chairman called the meeting to order at 9.35am. The Notice and Agenda of the meeting were taken as read.

2.0 Confirmation of Minutes of the 62nd Rules Change Panel Meeting

The Minutes of the 62nd Rules Change Panel meeting held on 10 July 2012 were tabled.

As there were no amendments to the Minutes, the Rules Change Panel approved the Minutes.

2.1 Matters Arising

The Panel noted, as outlined, the follow-up actions for the matter arising have been completed.

3.0 Summary of Outstanding Rule Changes

The Panel noted the summary of outstanding rules change proposals.
Minutes of 63rd RCP Meeting – 11 September 2012

4.0 Monitoring List

The Panel noted the contents of the paper.

5.0 Rules Change Workplan Status Update

The Panel noted the contents of the paper.


The Panel was informed that the Market Operations Market Manual (Standing Offers, Offer Variations and Standing Capability Data) was last updated on 28 June 2011. Since then, there have been changes to the market rules and market operations systems, which gave rise to this review.

6.1 Ms. Lucia Loh presented a summary of the proposed revisions to the Market Manual, and modifications to the market rules to address an incongruency which surfaced in the course of the review.

6.1.1 Specifically, Section 5.8.3 of Chapter 6 of the market rules currently provides that offers, which are accepted as valid, less than 5 minutes before the production of a market schedule, are not guaranteed to be used in the production of that market schedule. Ms. Loh informed that since operationally, the MCE uses inputs at the time of production, a rule modification was proposed to remove the 5 minutes buffer.

Dr. Toh Mun Heng asked for the rationale for having a 5 minutes buffer in the current rules. The Chairman replied that it was originally intended to provide a buffer for the MCE when the market first started, but it has not been necessary to have the buffer.

6.2 Ms. Loh also informed that the EMC Market Operations team has clarified that for dispatch related data provided by the PSO, it should preferably be provided slightly before the deadline specified in the market operations timetable, as some processing is required. Mr. Toh Seong Wah added that upon receipt of such data, some lead time is required to load the files into the MCE system. Therefore, the timetable for provision of input data into MCE has to be reviewed holistically.

6.3 The Panel unanimously supported the proposed revised Market Manual (Standing Offers, Offer Variations and Standing Capability Data) and rules modification to Chapter 6 and Appendix 6A of the Market Rules.
### 7.0 Exceptions to Gate Closure during an Emergency Operating State  
(Paper No. EMC/RCP/63/2012/CP42)

Ms. Lucia Loh presented the proposal to allow offer changes (specifically additional energy, reserve or regulation offers) within gate closure when an Emergency Operating State (EOS) has been declared by the Power System Operator (PSO). The proposal could eliminate delays or gaps in the current gate closure regime by opening the ‘gate’ and allowing for additional offers in response to the declaration of an EOS, rather than in response to market advisories which are produced and issued at fixed timings in conjunction with the production of the short-term schedule.

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#### 7.1 Mr. Michael Wong felt that under emergency operating conditions, the priority is for the PSO to ensure system stability, and the interplay of market forces is secondary. He was uncertain how the PSO could centrally coordinate with market participants revising their offers simultaneously. |

#### 7.1.1 Mr. Kng Meng Hwee clarified that during a generator(s) contingency event, the PSO would typically activate contingency reserve for that period as the first measure. The PSO could also contact gencos to prepare their standby units for the upcoming period; they would be directed to run up and hence override the real-time dispatch schedule (RTDS), only if the RTDS issued does not meet the demand and reserve requirements. He reiterated that, with the proposal, gencos could voluntarily increase their offers in the case of generation shortfall thus making the RTDS operationally feasible. This could reduce the need or degree of manual intervention by the PSO, although PSO would always retain the right to override the schedule if required. |

#### 7.2 To Mr. Wong’s query on whether PSO would wait for gencos to change their offers, the Chairman noted that any voluntary response with additional supply would be taken into account in the RTDS, which begins production five minutes before the dispatch period. PSO would decide whether to direct gencos to run up after assessing the feasibility of the RTDS. Mr. Luke Peacock commented that in an emergency situation, gencos may not be able to change their offers in time, since their priority is to coordinate with the PSO for runup of standby units if required. |
7.3 Mr. Dallon Kay asked if offers were contemplated only in the specific product(s) (i.e. energy, reserve or regulation) that triggered the EOS. Mr. Poh replied that the legal interpretation of the current gate closure rules is that offer changes must correspond to the area of shortfall. Mr. Kay recommended, due to co-optimization of energy and reserve, that all products should be open during EOS. The Chairman noted that examining whether offer changes should be allowed in all products due to co-optimisation is out of the scope of this discussion and should be handled separately.

7.4 The following Panel members voted to support the proposal to allow offer changes within gate closure while an EOS is in effect:

- Mr. Daniel Lee (Representative of Generation Licensee Class)
- Mr. Luke Peacocke (Representative of Generation Licensee Class)
- Mr. Pak-Juan Koe (Representative of Generation Licensee Class)
- Mr. Sean Chan (Representative of Retail Licensee Class)
- Mr. Dallon Kay (Representative of the Wholesale Electricity Market Trader Class)
- Mr. Lawrence Lee (Representative of Market Support Services Licensee)
- Mr. Kng Meng Hwee (Representative of the PSO)
- Mr. Phillip Tan (Person experienced in Financial Matters)
- Mr. Toh Seong Wah (Representative of the EMC)
- Dr. Toh Mun Heng (Representative of consumers of electricity in Singapore)

The following Panel member voted not to support the proposal:

- Mr. Michael Wong (Representative of Retail Licensee Class)

7.5 Thus, the Panel by majority vote supported the proposal to allow offer changes within gate closure while an EOS is in effect, and tasked EMC to draft the relevant rule modifications.

There being no other matters, the meeting ended at 11.10am.

Dave E Carlson
Chairman