



Notice of market rule modification

Paper No. EMC/RCP/15/2004/236

Rule reference: Modifications To Market Operations Manual
(Chapter 7) – Settlement
Title : Enabling Electronic Invoicing

Proposer: Jennise Ting
(Market Operations, EMC Pte Ltd)

Date received by EMC: 30 July 2004

Category allocated: 3

Status: Approved by EMA

Effective Date: 1 November 2004

Summary of proposed rules change:

The proposed changes to the settlement market manual are to enable EMC to issue invoices to market participants electronically.

Date considered by Panel: 31 August 2004
Date considered by EMC Board: 30 September 2004
Date considered by Energy Market Authority: 19 October 2004
Proposed Rule Modification:

Refer to attachment

Reasons for rejection/Reasons for referral back to Panel (if applicable):



PAPER NO. : **EMC/BD/05/2004/07(b)**

RCP PAPER NO. : **EMC/RCP/15/2004/236**

SUBJECT : **MODIFICATIONS TO MARKET OPERATIONS MANUAL
(CHAPTER 7) - SETTLEMENT**
Title: Enabling Electronic Invoicing

FOR : **DECISION**

PREPARED BY : **POA TIONG SIAW**

VETTED BY : **PAUL POH LEE KONG
Senior Vice President, Market Administration**

DATE : **30th SEPTEMBER 2004**

1. Proposed Modification

This modification amends Sections 7.2 and 7.3 of the Market Operations Manual – Settlement to provide for electronic invoicing by EMC.

Please see to **Annex 1** for the proposed modifications. Following the publication of this rule change proposal for comments, EMC has revised the original text of modification slightly to give better clarity.

2. Reason(s) for Modification

The modifications enable EMC to issue invoices to market participants via secured e-mail, resulting in the following benefits:

1. Greater reliability of invoice delivery
2. Lower usage of hardcopy invoices through facsimile and normal mail (currently an average of 4 sheets per trading day)

Each market participant is required to procure and install a digital certificate in order to receive the secured e-mail from EMC. The cost of each digital certificate is \$50 per annum.

3. Impact on Market Systems

Other than the procurement and installation of a digital certificate for each market participant, there is no impact on market systems.

4. Consultation

We have published the proposed text of modifications on the EMC website for comments. No comments have been received for consideration.

EMC consulted all market participants on the use of secured e-mail for invoicing during a Settlement Initiative Sharing Forum held on 11 August 2004. All market participants were aware of the costs and supportive of the initiative.

5. Legal Review

Text of market manual has been vetted by EMC's legal counsel to reflect the intent of the market manual modification

6. Recommendation

The RCP has accepted by consensus the rule change proposal and recommends that the EMC Board:

- a. **adopt** EMC's revised proposed modifications to the market operations manual on settlement as set out in **Annex 1** of this paper;
- b. **seek** the Authority's approval of these proposed modifications; and
- b. **recommend** that the proposed modification come into force one business day (or other longer time taking into account implementation time) after the date on which the approval of the Authority is published by the EMC.

Annex 1: Proposed Amendments (Deletion marked by strikethrough and additions marked by underline)

MARKET OPERATIONS MANUAL (CHAPTER 7) - SETTLEMENT (1 January 2003)

7. INVOICES

7.1 Deadline for issuing invoices

EMC-Settlement personnel shall issue an *invoice* to a *market participant* on the tenth *business day* after the *trading day* in accordance with section 5.2.6, Chapter 7 of the *market rules*.

7.2 Method of issuing invoices

The *invoice* will be sent to each *market participant* by secured e-mail, failing which the invoice will be sent by facsimile followed by posted mail in accordance with the time stated below:

Invoice: Trading day + 10 business days, 5:00 pm

The EMC shall identify and communicate to the market participants the precise nature and root cause of any late-delivery of the settlement invoice and/ or shall use its reasonable endeavours to rectify the situation or take any other steps as may be reasonably required.

7.3 Failure to receive invoice

In the event that the *market participant* does not receive an *invoice* by the stipulated deadline, the *market participant* shall inform the EMC-Settlement personnel by email addressed to settlement@emcsg.com and telephone the EMC-Settlement personnel.

Upon receiving notification from the *market participant*, the EMC-Settlement personnel shall re-send the *invoice* by secured e-mail or facsimile followed by posted mail.

EMC's revised proposal

7.2 Method of issuing invoices

The *invoice* will be sent to each *market participant* by secured e-mail ~~facsimile followed by posted mail~~ in accordance with the time stated below:

Invoice: Trading day + 10 business days, 5:00 pm

If secured e-mail is not successful, the invoice will be sent by facsimile and followed by ordinary mail in accordance with the time stated above.

The *EMC* shall identify and communicate to the *market participants* the precise nature and root cause of any late-delivery of the settlement *invoice* and/ or shall use its reasonable endeavours to rectify the situation or take any other steps as may be reasonably required.

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Upon receiving notification from the *market participant*, the *EMC-Settlement* personnel shall re-send the *invoice* by secured e-mail. If secured e-mail is not successful, the invoice will be sent by facsimile and followed by ordinary mail.