



## Notice of market rule modification

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**Paper No.** EMC/RCP/15/2004/167

**Rule reference:** Clarifying Rules On Determining Reserve And Regulation Quantity When MCE Cannot Be Re-Run.

**Proposer:** Chok Kian Loong  
(Market Operations, EMC Pte Ltd)

**Date received by EMC:** 31 July 2002

**Category allocated:** 2

**Status:** Approved by EMA

**Effective Date:** 21 October 2004

**Summary of proposed rules change:**

The purpose of this rule change is to clarify the rules on how the reserve and regulation quantities would be determined if the market-clearing engine (MCE) cannot be re-run for any reason. The proposed amendment removes an unnecessary reference to procedures in the market manuals.

**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(a)**

**RCP PAPER NO** : **EMC/RCP/15/2004/167**

**SUBJECT** : **CLARIFYING RULES ON DETERMINING RESERVE AND  
REGULATION QUANTITY WHEN MCE CANNOT BE RE-  
RUN**

**FOR** : **DECISION**

**PREPARED BY** : **SHASHANK SWAN**

**VETTED BY** : **PAUL POH LEE KONG  
SVP, Market Administration**

**DATE** : **30 SEPTEMBER 2004**

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### **Executive Summary**

This paper assesses a rule modification proposal to make it clearer in the rules how the EMC should determine reserve and regulation quantities when it is not possible to re-run the MCE after a price revision advisory notice is issued. The proposed amendment removes an unnecessary reference to procedures in the market manuals. The RCP recommends that the EMC Board **adopt** the proposal.

## 1. Introduction

The purpose of this rule change is to clarify the rules on how the reserve and regulation quantities would be determined if the market-clearing engine (MCE) cannot be re-run for any reason.

## 2. Background

Normally, the Real Time Schedule (RTS) is produced and sent to the PSO approximately two minutes before the start of each relevant dispatch period. The RTS indicates all the quantities to be scheduled for each generation facility.

When the MCE fails to produce a RTS, section 9.3 of the System Operation Manual (SOM) describes that the PSO will generally use the last available short term schedule (STS) or, without which, the pre-dispatch schedule (PDS)<sup>1</sup> as the basis for issuing dispatch instructions. If required, the PSO's dispatch instructions may deviate from the information contained in the STS (or whatever schedule is used) to ensure that system reliability and security requirements are satisfied.

The following table summarises the action to be taken by EMC under the rules for various scenarios.

Scenario's	Description	Price	Quantity <sup>2</sup> (Res. & Reg.)
1	RTS produced in time and has no input errors.	Use RTS prices	Use RTS quantities
2	RTS produced in time, has input errors and able to re-run MCE.	Re-run MCE and use re-run RTS prices	Use re-run RTS quantities
3	RTS not produced at all (MCE failure) but able to re-run MCE.	Re-run MCE and use re-run RTS prices	Use re-run RTS quantities
4	In situation 2 and 3 above but where the re-run of MCE is not possible.	Use administrative prices (30 day average).	Use quantities from PSO dispatch instruction.

## 3. Analysis

### Problem definition

The issue here is how to determine quantities under scenario 4 as described in the table above. In the rare event that a MCE re-run is not possible<sup>3</sup>, the rules state that "the PSO dispatch instructions and the process described in the applicable market manual" be used to determine the settlement quantities for reserve and regulation. However, the market manuals do not describe a process to deal with this situation.

<sup>1</sup> Market Outlook Scenario will be used if PDS is not available.

<sup>2</sup> Energy quantity is metered.

<sup>3</sup> However, since market start, no such case has been observed so far.

## **Proposed Solution**

Under scenario 4, the rules already task EMC to use PSO dispatch instructions for determining reserve and regulation quantities. Consequently, scenario 4 will involve EMC merely obtaining from PSO the dispatch instruction(s) issued for the affected period(s).

Since the system operation manual already stipulates PSO's action in the event that the RTS is not available, re-documenting it in the market manual is not necessary. Hence it is proposed that under a situation where MCE re-run is not possible, the reference to the applicable market manual be deleted. It is also proposed that an explanatory note be added that makes reference to PSO's dispatch instructions.

In addition, the section is re-arranged for clarity and a cross referencing error is rectified in the proposal.

### **4. Assessment against Section 46(4) of the Electricity Act**

- The rule modification proposal does not unjustly discriminate in favour of or against a market participant or a class of market participants or the MSSL;
- It is consistent with the functions and duties of the Authorities under section 3(3) (b) (ii) of the Electricity Act as it promotes economic efficiency in the electricity industry.

### **5. Conclusion**

In summary, the proposal gives certainty to the market on the procedure that EMC will follow to determine reserve and regulation quantities in the event that no MCE re-run is possible.

### **6. Impact on market systems**

No change to market systems is required.

### **7. Implementation process**

No implementation time or costs involved.

### **8. Consultation**

We have published the proposed text of modifications on the EMC website for comments. Power Seraya supports the proposal.

### **9. Legal sign off**

Text of rule modification has been vetted by EMC's legal counsel to reflect the intent of the rule change submission.

**10. Recommendations**

The RCP has accepted by consensus EMC's proposed rule modifications and recommends that the EMC Board:

- a. **adopts** EMC's proposed rule modifications as set out in Annex 1;
- b. **seeks** the Authority's approval of EMC's proposed rule modifications; and
- c. **recommends** that the proposed modification come into force one business day after the date on which the approval of the Authority is published by the EMC

## ANNEX 1: Proposed rule modification

Existing rules	Proposed rules
<p><b>Section 10.3.3, Chapter 6</b></p> <p>Where the <i>EMC</i> has issued a price revision <i>advisory notice</i> pursuant to section 9.2.3.4 in respect of a <i>dispatch period</i> in circumstances where there is no useable <i>real-time dispatch schedule</i> for <i>reserve</i> or <i>regulation</i> available during that <i>dispatch period</i>, the <i>settlement</i> quantities described in sections 10.3.1 and 10.3.2 shall, if possible, be determined by re-running the <i>market clearing engine</i> for the <i>dispatch period</i> using all the input data that should have been supplied to the <i>market clearing engine</i> at the time the <i>real-time dispatch schedule</i> for that <i>dispatch period</i> would normally have been produced. Where it is not possible to so re-run the <i>market clearing engine</i>, the <i>EMC</i> shall determine, in accordance with the applicable <i>market manual</i> and based on the <i>dispatch instructions</i> for <i>reserve</i> and <i>regulation</i> issued by the <i>PSO</i> for the applicable <i>dispatch period</i>, the <i>settlement</i> quantities described in sections 10.3.1 and 10.3.2.</p>	<p><b>Section 10.3.3, Chapter 6</b></p> <p>Where the <i>EMC</i> has issued a price revision <i>advisory notice</i> pursuant to section <del>9.2.3.4</del> <u>9.3.2B</u> in respect of a <i>dispatch period</i> in circumstances where there is no useable <i>real-time dispatch schedule</i> for <i>reserve</i> or <i>regulation</i> available during that <i>dispatch period</i>, the <i>settlement</i> quantities described in sections 10.3.1 and 10.3.2 shall, if possible, be determined by re-running the <i>market clearing engine</i> for the <i>dispatch period</i> using all the input data that should have been supplied to the <i>market clearing engine</i> at the time the <i>real-time dispatch schedule</i> for that <i>dispatch period</i> would normally have been produced. Where it is not possible to so re-run the <i>market clearing engine</i>, the <i>EMC</i> shall <u>determine the settlement quantities described in sections 10.3.1 and 10.3.2 in accordance with the applicable</u> <del>market manual and</del> based on the <i>dispatch instructions</i> for <i>reserve</i> and <i>regulation</i> issued by the <i>PSO</i> for the applicable <i>dispatch period</i>. <del>the settlement quantities described in sections 10.3.1 and 10.3.2.</del></p> <p><b><u>Explanatory Note:</u></b> <u>When no timely real-time dispatch schedule is received by PSO, the dispatch instructions for reserve and regulation issued by the PSO for the applicable dispatch period are based on the procedure described in the system operation manual as revised from time to time.</u></p>