Notice of market rule modification

Paper No.  EMC/RCP/23/2005/248
Rule reference: Chapter 3, section 2.3.3
Proposer: Market Administration, EMC
Date received by EMC: 19 Sep 05
Category allocated: 1
Status: Approved by EMA
Effective Date: 30 Dec 05

Summary of proposed rules change:
This rule change proposal is to extend the exemption period in the rules so that a MP (or MSSL) and its affiliates can concurrently be represented in the RCP. The exemption period will be extended for another one year (i.e. it will expire on 31 Dec 2006).

This proposal was supported by the RCP.

Date considered by Panel: 21 Nov 05
Date considered by EMC Board: 30 Nov 05
Date considered by Energy Market Authority: 22 Dec 05

Refer to attached paper.

Reasons for rejection/Reasons for referral back to Panel (if applicable):
Paper Number EMC/BD/07/2005/14(b)

RCP Paper EMC/RCP/23/2005/248

Subject Composition of Rules Change Panel

For Approval

Prepared by Teo Wee Guan
Economist

Vetted by Paul Poh
Senior Vice President, Market Administration

Date of Meeting 30 November 2005
# RULES CHANGE PROPOSAL – SIMPLE RULE MODIFICATIONS

| Subject: COMPOSITION OF RCP | Chapter 3 Section 2.3.3 Prior to 01 Jan 2006, (i) a market participant; or (ii) a market support services licensee may have its director, officer, employee or agent appointed as a member of the rules change panel as a representative of the relevant class of market participant or market support services licensee notwithstanding sections 2.3.2 and 2.3.4, if such market participant or market support services | Chapter 3 Section 2.3.3 Prior to 01 Jan 2006, 2007. (i) a market participant; or (ii) a market support services licensee may have its director, officer, employee or agent appointed as a member of the rules change panel as a representative of the relevant class of market participant or market support services licensee notwithstanding sections 2.3.2 and 2.3.4, if such market participant or market support services | Reasons: It is intended in the Market Rules that the composition of RCP results in fair representation and no conflict of interests. This is feasible only in a privatized electricity industry where ownership is not concentrated. Since the sale of Senoko Power, Power Seraya, and Tuas Power has not been announced, section 2.3.3 is required to exempt these affiliates and allow them to be represented on | The RCP unanimously recommends that the EMC Board: (i) support EMC’s proposed rule modifications to section 2.3.3, Chapter 3 of the market rules; (ii) seek EMA’s approval of the proposed rule modifications; (iii) recommend that the proposed rule modifications come into force one business day after the date on which the approval of the |

<p>| Paper No. EMC/BD/07/2005/14(b) RCP Paper No. EMC/RCP/23/2005/248 | Existing Rules (version 1 Apr 2005) | Proposed Rule Modifications (deletion marked by strikethrough, and addition marked by underline) | Reasons/Analysis &amp; Other Key Points | Recommendations / Legal Sign-Off |</p>
<table>
<thead>
<tr>
<th>Licensee is an affiliate of Temasek Holdings (Private) Limited.</th>
<th>Licensee is an affiliate of Temasek Holdings (Private) Limited.</th>
<th>The current exemption is valid only until 31 December 2005 (i.e. three years from the market commencement date). It is thus proposed that the exemption period be extended for one more year, i.e. until end of 31 December 2006.</th>
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<tbody>
<tr>
<td><strong>Impact on Market Participants</strong></td>
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<td>An extension of the exemption is required so that the gencos and their affiliates can be concurrently represented on the RCP.</td>
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<td><strong>Comments from MPs</strong></td>
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<tr>
<td>None</td>
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<td><strong>Legal Sign-off</strong></td>
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<td>Authority is published by the EMC.</td>
<td>Text of rule modification has been vetted by EMC’s legal counsel to reflect the intent of the rule change submission.</td>
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