

# GUIDELINES FOR DETERMINING COMPENSATION AMOUNTS

## 1. INTRODUCTION

This document informs Market Participants (“MP”s), Market Support Services Licensee(s) (“MSSL”) the Energy Market Company (“EMC”) and the Power System Operator (“PSO”) on recommended guidelines for determining/assessing compensation claims for applicable scenarios submitted under **Chapter 3, Section 3.11** of the Market Rules. Unless otherwise stated, these guidelines are intended solely as a reference for stakeholders when determining compensation amounts payable by the EMC/PSO.

The compensation formulae prescribed in these guidelines pertain to the following scenarios where compensation requests are provided for under the Market Rules. These formulae are the product of careful deliberation based on market design principles and are endorsed by the Rules Change Panel.

- (i) **Chapter 5, Section 9.3.7.** [Compensation for Interruptible Load Facilities facing Prolonged Interruption.](#)

Section 9.3.7 of Chapter 5 aside, compensation amounts requested for all other scenarios as stipulated in **Section 3.3.1.5 of Chapter 5**, shall be determined based on the applicant’s submission, independent of any prescribed formulae<sup>1</sup>.

General procedural guidelines pertaining to compensation under **Section 3.11 of Chapter 5** can be found in **Paper Nos.** [EMC/RCP/24/2006/CP11](#) Appendix 1, and [EMC/RCP/76/2014/325](#) Annex 7.

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<sup>1</sup> Except for compensation for generation registered facility adversely affected by price revision under section 10.2.10 of Chapter 6 of the Market Rules, for which a compensation methodology is stipulated under Appendix K of Chapter 6 of the Market Rules.

## 2. COMPENSATION FOR INTERRUPTIBLE LOAD (“IL”) FACILITIES FACING PROLONGED INTERRUPTION

Under **Section 9.3.7 of Chapter 5** of the Market Rules, Market Participants with Load Registered Facilities (“LRF”s) providing reserves under the IL scheme may request for compensation from the PSO if:

- (i) The LRF responded automatically or to the PSO’s instructions for reserve activation during a contingency event;
- (ii) The PSO only issued a load restoration notice more than 120 minutes after the point the LRF was activated for reserves; and
- (iii) The LRF restored its load only upon the load restoration notice.

LRFs that fulfill the above are deemed as “having experienced prolonged interruption”. These LRFs are deemed to have provided more reserves than they are scheduled for. Consequently, the LRFs should be compensated for energy curtailment provided beyond 120 minutes from the point of activation.

The compensation calculation formula with respect to an LRF is defined as:

$$Comp_n = Q_n \cdot \sum_i (j_i/60 \times USEP_i)$$

**Where:**

$\{n | n \in \text{LRFs activated to provide reserve}\}, \{i | i \in \text{qualified periods of compensation}\}$

$Q_n$  is  $LRF_n$ 's reserve scheduled quantity for the period which IL is activated, or any other curtailed load quantity (MW) as instructed by the PSO.

$USEP_i$  is the Uniform Singapore Energy Price for the period  $i$ .

$j_i$  is the number of minutes the  $LRF_n$  is curtailed for within the period.

For more details on the compensation methodology and worked examples, please refer to **Paper No. EMC/RCP/116/2020/CP81: [Compensation Guidelines for Interruptible Load Facilities Interrupted for Prolonged Duration](#)**