

Rule modification title	Modifications to Electricity Market Rules in Relation to Pre-Emptive Direction to Ensure Secure and Reliable Electricity Supply
Submitted By: Date:	Energy Market Authority (EMA) 21 December 2021
Rules Version/ Chapter/ Section	<u>Market Rules</u> (Version 1 Jan 2021): <ul style="list-style-type: none"> <li>Chapter 5 section 3.7</li> </ul>
Description of Market Rules	Please refer to <b>Annex 1</b> for the modifications to the market rules.
Reasons for amendment	The modifications to the market rules give effect to the EMA's final determination paper on "Modifications to Electricity Market Rules in relation to pre-emptive direction to ensure secure and reliable electricity supply" dated 21 December 2021, where the EMA clarified the scope of Standing Direction and Operational Dispatch Directions issued by the Power System Operator (PSO) under the System Operation Manual (SOM).
Impact of amendment on MP, MO, PSO and general public	<p>To further enhance the security and reliability of electricity supply, the EMA may direct gencos to generate electricity using diesel or standby liquefied natural gas facility. Such directions will allow the EMA to pre-emptively address anticipated shortfalls in gas or electricity supply.</p> <p>As part of the pre-emptive actions, the PSO will issue a Standing Direction to assess the gas and electricity supply. The PSO will give Operating Dispatch Directions pre-emptively if there is an anticipated energy supply shortfall in the Singapore Wholesale Electricity Market.</p> <p>The modifications to the Market Rules aim to clarify the scope of the directions issued by the PSO under the SOM, which includes a) the fuel used by the generation facility, b) the relevant market participant's contractual agreements for and concerning the purchase and use of fuel by the generation facility, and c) the associated energy offers deemed necessary by the PSO to prevent inefficient market outcomes arising from the directions.</p>
EMC's Comments	<p>The modifications are made pursuant to the EMA's directive made under Section 46(2)(b) of the Electricity Act.</p> <p>The EMA approved the modifications on 21 December 2021. The modifications will take effect on 21 December 2021.</p>

## Annex 1 - Proposed Modifications to the Market Rules

Existing Market Rules (1 April 2021)	Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text)	Reasons for Modification
<b>Chapter 5 – System Operation</b>	<b>Chapter 5 – System Operation</b>	
<b>3.7 <u>Obligation of Generators</u></b>	<b>3.7 <u>Obligation of Generators</u></b>	
<p>3.7.1 Each <i>market participant</i> for a <i>generation facility</i> shall operate and maintain its facilities and equipment in a manner that is consistent with the <i>reliable operation</i> of the <i>PSO controlled system</i> and shall assist the <i>PSO</i> in the discharge of responsibilities related to <i>reliability</i>. Such obligation shall include the following:</p>	<p>3.7.1 Each <i>market participant</i> for a <i>generation facility</i> shall operate and maintain its facilities and equipment in a manner that is consistent with the <i>reliable operation</i> of the <i>PSO controlled system</i> and shall assist the <i>PSO</i> in the discharge of responsibilities related to <i>reliability</i> <u>and related responsibilities specified under this section 3.7.1.</u> Such obligation shall include the following:</p> <p><u>3.7.1.7 promptly complying with the PSO’s directions issued under Chapter 9, section 9.6.4(ii) of the <i>System Operation Manual</i>, and any further directions issued by the PSO relating to (a) the fuel to be used by the <i>generation facility</i>, (b) the relevant <i>market participant’s</i> contractual agreements for and in relation to the purchase and use of fuel by the <i>generation facility</i>, and (c) the associated <i>energy offers</i> deemed necessary by the <i>PSO</i> to prevent inefficient market outcomes arising from the <i>PSO’s</i> directions issued under Chapter 9, section 9.6.4(ii) of the <i>System Operation Manual</i>.</u></p>	<p>Modifications to clarify that <i>PSO’s</i> directions issued under Chapter 9, section 9.6.4(ii) of the <i>System Operation Manual</i> (“<b>SOM</b>”) may include directions relating to (a) the fuel (for e.g., Standby Gas) to be used by a <i>generation facility</i>, (b) contractual agreements to be entered into by the relevant <i>market participant</i> for and in relation to the said fuel, and (c) the associated <i>energy offers</i> to prevent inefficient market outcomes arising from the <i>PSO’s</i> directions.</p>