

Rule modification title	Proposed Modifications to Electricity Market Rules in Relation to Measures to Secure and Stabilise the Power System and Market
Submitted By: Date:	Energy Market Authority (EMA) 4 March 2022
Rules Version/ Chapter/ Section	<u>Market Rules</u> (Version 1 Jan 2022): <ul style="list-style-type: none"> <li>• Chapter 3 section 3.11A (NEW)</li> <li>• Chapter 7 section 4.1</li> </ul>
Description of Market Rules	Please refer to <b>Appendix 1</b> for the proposed modifications to the market rules.
Reasons for amendment	The proposed modifications to the market rules give effect to the EMA's final determination paper on "Modifications to Electricity Market Rules in Relation to Measures to Secure and Stabilise the Power System and Market" dated 4 March 2022, where the EMA introduced the Standby Capacity Scheme ("SCS") to further enhance energy security and stability of our power system and market.
Impact of proposed amendment on MP, MO, PSO and general public	Under the SCS, EMA will procure standby generation capacity from participating generation licensees. The participating licensees will be called upon to increase generation supply in the Singapore Wholesale Electricity Market ("SWEM"), if needed, to enhance power system security, reliability and stability, and mitigate the Uniform Singapore Energy Price ("USEP") volatility. These licensees may either tap on their own fuel, or Standby Gas to generate the required capacity.  Any compensation/refund arising from measures introduced to stabilise the power system and market will be recovered through the Monthly Energy Uplift Charge ("MEUC") in the SWEM.
EMC's Comments	The proposed modifications are made pursuant to the EMA's directive made under Section 46(2)(b) of the Electricity Act.  The EMA approved the proposed modifications on 4 March 2022, and the proposed modifications will take effect on 4 March 2022.

## Appendix 1: Proposed Modifications to Electricity Market Rules

S/No.	Existing Market Rules (Version: 1 January 2022)	Proposed Modifications Relative to Existing Electricity Market Rules (version: January 2022) (Deletions represented by strikethrough text and additions represented by double underlined text)	Remarks
Chapter 3 – Administration, Supervision & Enforcement			
1	<p><b>3.7 APPLICATION OF COMPENSATION</b></p> <p>3.11.1 If a <i>market participant</i> or a <i>market support services licensee</i> (the "<i>claimant</i>") seeks compensation under section 3.3.1.5, the <i>claimant</i> shall submit its request to the <i>EMC</i> or the <i>PSO</i>. The request shall:</p> <p>3.11.1.1 meet the requirements of the relevant <i>market manual</i> or the <i>system operation manual</i>;</p> <p>3.11.1.2 refer to the section of the <i>market rules</i> that the request is based on;</p> <p>3.11.1.3 specify the amount of compensation sought; and</p>	<p><b>3.7 APPLICATION OF COMPENSATION</b></p> <p>3.11.1 If a <i>market participant</i> or a <i>market support services licensee</i> (the "<i>claimant</i>") seeks compensation under section 3.3.1.5, the <i>claimant</i> shall submit its request to the <i>EMC</i> or the <i>PSO</i>. The request shall:</p> <p>3.11.1.1 meet the requirements of the relevant <i>market manual</i> or the <i>system operation manual</i>;</p> <p>3.11.1.2 refer to the section of the <i>market rules</i> that the request is based on;</p> <p>3.11.1.3 specify the amount of compensation sought; and</p>	<p>Modifications to provide for compensation to or refund by a market participant in relation to any measure introduced by EMA to secure and stabilise the power system and market such as the DSS and SCS and the PSO's directions issued under Chapter 9, section 9.6.4(ii) of the System Operation Manual.</p>

3.11.1.4 where applicable, the amount of compensation sought by a *market participant* or a *market support services licensee*, as specified in the request pursuant to section 3.11.1.3, shall be determined based on the applicable guidelines for compensation *published* by the *EMC*, with respect to the specific circumstances under which a request for compensation may be sought under the *market rules*.

3.11.1.4 where applicable, the amount of compensation sought by a *market participant* or a *market support services licensee*, as specified in the request pursuant to section 3.11.1.3, shall be determined based on the applicable guidelines for compensation *published* by the *EMC*, with respect to the specific circumstances under which a request for compensation may be sought under the *market rules*.

**3.11A COMPENSATION OR REFUND IN RELATION TO MEASURES INTRODUCED BY THE AUTHORITY TO SECURE AND STABILISE THE POWER SYSTEM AND MARKET**

3.11A.1 Where a *market participant* is required by the *Authority* to submit the *market participant's* proposal setting out the compensation amount or refund amount arising from any measure introduced by the *Authority* to secure and stabilise the power system and market which shall include but not limited to the *PSO's* directions issued under Chapter 9, section 9.6.4(ii) of the

		<p><u>System Operation Manual, the market participant shall submit the proposal (i) setting out the market participant's proposed amount of compensation or refund in accordance with the methodology approved by the Authority together with the requisite supporting documents, and (ii) no later than the date stipulated by the Authority. The Authority will take into consideration the market participant's proposal to determine the final compensation or refund amount. The EMC shall pay the market participant the final compensation amount according to section 3.12. The market participant shall pay the EMC the final refund amount by no later than the date stipulated by the Authority and the EMC shall make the corresponding adjustment to the monthly energy uplift charge according to section 4.1 of Chapter 7.</u></p>	
Chapter 7 – Settlement			
2	<p><b><u>4.1 THE MONTHLY ENERGY UPLIFT CHARGE</u></b></p>	<p><b><u>4.1 THE MONTHLY ENERGY UPLIFT CHARGE</u></b></p>	<p>Modifications to incorporate the compensation or refund amount into the Monthly</p>

	<p>4.1.1 Prior to the beginning of each calendar month, the <i>EMC</i> shall calculate for that calendar month the monthly amount for compensation and other payments (MACP), which shall be the sum of:</p> <p>...</p> <p>4.1.1.4C an estimate of the costs and expenses (including legal costs and taxes) that are or may be incurred by the <i>EMC</i> to make any claims against, or defend any claims made by, a counterparty to any <i>ancillary service contract, tripartite agreement</i> and/or the <i>framework agreement</i> under, arising out of or in connection with any of these contracts (including in connection with any consolidation of proceedings or joinder to any proceedings); and</p> <p>4.1.1.4D save to the extent that such costs and expenses are set out in the other sub-paragraphs of this section 4.1.1, an estimate of the costs and expenses that are or may be incurred by the <i>EMC</i> in connection with the performance of its obligations (including any payment obligations)</p>	<p>4.1.1 Prior to the beginning of each calendar month, the <i>EMC</i> shall calculate for that calendar month the monthly amount for compensation and other payments (MACP), which shall be the sum of:</p> <p>...</p> <p>4.1.1.4C an estimate of the costs and expenses (including legal costs and taxes) that are or may be incurred by the <i>EMC</i> to make any claims against, or defend any claims made by, a counterparty to any <i>ancillary service contract, tripartite agreement</i> and/or the <i>framework agreement</i> under, arising out of or in connection with any of these contracts (including in connection with any consolidation of proceedings or joinder to any proceedings); and</p> <p>4.1.1.4D save to the extent that such costs and expenses are set out in the other sub-paragraphs of this section 4.1.1, an estimate of the costs and expenses that are or may be incurred by the <i>EMC</i> in connection with the performance of its obligations (including any payment obligations)</p>	<p>Energy Uplift Charge (MEUC) in relation to the measures introduced by EMA to secure and stabilise the power system and market.</p>
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	<p>under any <i>ancillary service contract, tripartite agreement</i> and/or <i>framework agreement</i> including the costs and expenses (including legal costs and taxes) incurred by the <i>EMC</i> in connection with the preparation, negotiation, printing, and execution of any <i>ancillary service contract, tripartite agreement</i> and/or the <i>framework agreement</i>,</p> <p>Less the aggregate of:</p> <p>...</p> <p>4.1.1.7 the amount of insurance monies received by the <i>EMC</i> for any compensation claims awarded against the <i>EMC</i> under these <i>market rules</i>, and</p> <p>4.1.1.8 the amount of fixed market-related charge received by the <i>EMC</i> under sections 5.4B.2 and 5.4B.4 of Chapter 2.</p>	<p>under any <i>ancillary service contract, tripartite agreement</i> and/or <i>framework agreement</i> including the costs and expenses (including legal costs and taxes) incurred by the <i>EMC</i> in connection with the preparation, negotiation, printing, and execution of any <i>ancillary service contract, tripartite agreement</i> and/or the <i>framework agreement</i>,<u>and</u></p> <p><u>4.1.1.4E the compensation amount referred to under section 3.11A of Chapter 3;</u></p> <p>Less the aggregate of:</p> <p>...</p> <p>4.1.1.7 the amount of insurance monies received by the <i>EMC</i> for any compensation claims awarded against the <i>EMC</i> under these <i>market rules</i>;<del>and</del></p> <p>4.1.1.8 the amount of fixed market-related charge received by the <i>EMC</i> under sections 5.4B.2 and 5.4B.4 of Chapter 2;<u>and</u></p>	
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		<u>4.1.1.9 the refund amount referred to under section 3.11A of Chapter 3.</u>	
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