

**RESPONSE TO COMMENTS ON RC384**

Submitted by	Reference	Comments	Response
PacificLight Power Pte Ltd	Market Rules Chapter 7 Section 2.5	<p>Under the EMA Information Paper dated 15 Mar 2023, para 2(a)(vii) states that Total Vesting Contract Quantity (TVCQ) = Base Vesting Quantity (BVQ) + Residual Vesting Quantity (RVQ) as BVQ and Tender Vesting Quantity (TVQ) holders are also required to participate in the Residual Vesting Scheme.</p> <p>However, the current proposed modifications to the Market Rules only recognise BVQ and TVQ. We would therefore recommend that the current modifications take into account RVQ as a component of the TVCQ under the new Vesting Regime Framework.</p>	<p>The primary focus of this consultation is to address the Market Rules changes related to the implementation of the Base Vesting Scheme and Tender Vesting Scheme under the new vesting regime.</p> <p>A separate consultation will be released to specifically cover the changes to the Market Rules pertaining to the Residual Vesting Scheme in due course.</p>
PacificLight Power Pte Ltd	General comments	<p>The proposed rule modifications do not operationalise the process timeline as well as procedures to calculating RVQ as described under Chapter 6 of the “Procedures for Calculating the Components of the Vesting Contracts for 1 Jul 2023 to 30 June 2028”. The process timeline pertains to the timeline for RVS participants, and in particular highlights the EMC’s role in the issuance of the Final Statement for daily settlement purposes which are not captured in the proposed modifications.</p> <p>We therefore recommend that the current rule modifications be appropriately amended to account for the role of EMC in issuance of the statement for settlement purposes and its associated process timeline and calculation.</p>	
Diamond Electric Pte Ltd	Impact of proposed amendment	<p>This section of the EMC’s document was left blank. Please note that doing so does not in any way mean that there is no impact. The proposed change will significantly impact Demand Response Aggregators</p>	<p>Both the Balance Vesting Price in the current regime and the Base Vesting Price in the new regime reflect the</p>

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	on MPs, MO, PSO and general public	by increasing the minimum floor price for energy bids which will displace Demand Response capacity from the market. On the surface this is discriminatory towards Demand Response Aggregators and anti-competitive to the energy market. We request that EMC conduct simulation modelling and adjust the current 1.5 Base Vesting Price threshold to a lower value such as 1.25 Base Vesting Price such that the impact of the proposed change is fully neutralised.	LRMC of a theoretical new F-class entrant. The key difference is the fuel cost component which will be based on refreshed gas contracts.
Diamond Electric Pte Ltd	Market Rules Chapter 7 Section 2.5, Explanatory Note	The reference to the intention being to “hedge non-contestable consumers against “uncontrollable” variations in the USEP” is misleading. Non-contestable consumers do not have a direct exposure to USEP and are not exposed to “uncontrollable” variations in USEP.	Non-contestable consumers (“NCCs”) currently do not have direct exposure to the uniform Singapore electricity price (“USEP”) because the NCC load is hedged through vesting contracts. Without vesting contracts, SP Services would only be able to serve NCCs through purchasing electricity directly from the Singapore Wholesale Electricity Market, which is subject to USEP fluctuations.
Diamond Electric Pte Ltd	Procedures for Calculating the Components of the Vesting Contracts for 1 July 2023 to 30 June 2028, Section 7, 7.2 Consultative Process	The reference to “EMA shall take into account the comments of the Vesting Contract holders and may take any other advice as it thinks fit in making its final decision” is a concern as Demand Response Aggregators are directly impacted by the proposal and have not been prior consulted. The industry may be better served if consultations are not conducted in secret with only Vesting Contract holders. We request such consultations to involve all MPs.	Your comment is duly noted. While the subject raised falls outside the scope of this consultation, we welcome Diamond to direct further comments (if any) on the policy review to EMA.