

Rule modification title	Residual Vesting Scheme Framework
Submitted By: Date:	Energy Market Authority (EMA) 15 Oct 2025
Rules Version/ Chapter/ Section	<p><u>Market Rules</u> (Version 1 January 2025):</p> <ul style="list-style-type: none"> <li>• Chapter 7 section 2</li> <li>• Chapter 7 section 3.6</li> </ul> <p><u>Market Manuals</u> (Version 1 July 2023)</p> <ul style="list-style-type: none"> <li>• Market Operations - Settlement (Chapter 7 Market Rules) section 3</li> <li>• Market Operations - Standing Offers, Standing Bids, Offer Variations, Bid Variations and Standing Capability Data) section 2.5</li> </ul>
Description of Market Rules	<p>Please refer to <b>Annex 1</b> for the proposed modifications to the market rules.</p> <p>Please refer to <b>Annex 2</b> for the proposed modifications to the market manuals.</p>
Reasons for amendment	<p>The EMA launched the new Vesting Regime Framework<sup>1</sup> (“New Framework”) for non-contestable consumer load in 2023.</p> <p>Under the New Framework, the Residual Vesting Scheme is designed to hedge actualised NCC load that was not hedged by the prevailing hedge quantities under the Base Vesting Scheme (“BVS”), Tender Vesting Scheme (“TVS”) and any new scheme that EMA may from time-to-time introduce (“<b>Residual NCC Load</b>”).</p> <p>To facilitate the settlement of Residual Vesting Scheme in SWEM under the New Framework, EMA has directed EMC to make modifications to the Market Rules and Market Manuals to incorporate the settlement of residual vesting contract into the daily settlement in SWEM.</p>
Impact of proposed amendment on MPs, MO, PSO and general public	<p>For the Market Support Services Licensee (“MSSL”) and MPs that have been awarded vesting contracts, the residual vesting contract settlement credit/debits will be included in its daily settlement statement issued by EMC for the trading day that is 75 calendar days after the trading day that the residual vesting contract is associated with. The final settlement statement will be issued on the 10<sup>th</sup> business day after the 75<sup>th</sup> calendar day after the trading day that the residual vesting contract is associated with.</p>

<sup>1</sup> <https://www.ema.gov.sg/content/dam/corporate/regulations/vesting-contracts/CW-Regulations-Vesting-Contracts-VCP-1-Jul-2023-30-Jun-2028.pdf.coredownload.pdf>

EMC's Comments	<p>The proposed modifications are made pursuant to the EMA's directive made under Section 46(3)(b) of the Electricity Act.</p> <p>The modifications have been approved by the EMA and will take effect on 11 March 2026. For the avoidance of doubt, the residual vesting contract will be settled by EMC for trading day 1 January 2026 onwards.</p>
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ANNEX 1: Proposed Changes to Market Rules

Existing Market Rules (1 January 2025)	Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double underlined text)	Reasons for Modification
Chapter 7	Chapter 7	
2 SETTLEMENT DATA	2 SETTLEMENT DATA	
2.5 <u>VESTING CONTRACT DATA</u>	2.5 <u>VESTING CONTRACT DATA</u>	
<p>Explanatory Note: It is assumed that there will only ever be one MSSL that deals with the EMC for the purpose of settling vesting contracts with generators and that no assignment of these contracts will be permitted by the MSSL. This MSSL will be a party to vesting contracts with generators that are intended to hedge non-contestable consumers against “uncontrollable” variations in the USEP. The total vesting contract quantity for each generator may comprise one or more of the following vesting quantity or vesting quantities:</p> <p>(i) base vesting quantity, being the vesting quantity determined by the Authority and subsequently allocated by the MSSL under a vesting contract; and</p> <p>(ii) tender vesting quantity, being the vesting quantity determined by the Authority pursuant to the Authority’s Tender Vesting Scheme and subsequently allocated by the MSSL under a vesting contract.</p> <p>“Base Vesting Scheme” and “Tender Vesting Scheme” means all those agreements and arrangements referred to in the Authority’s paper on the “Procedures for Calculating the Components of the Vesting Contracts for 1 July 2023 to 30 June 2028” on EMA’s website.</p> <p>The MSSL will provide the EMC an electronic file containing vesting quantity and vesting price information for each settlement interval and for each vesting contract generator settlement account for each vesting period (i.e. a calendar quarter).</p> <p>A generator subject to vesting contracts will receive a positive vesting contract settlement credit when its weighted average MEP (or Vesting Contract Reference Price) is “low” relative to the relevant vesting prices in the vesting contract, and the MSSL will receive a corresponding negative vesting contract settlement credit. Conversely, the generator will receive a negative vesting contract settlement credit when its weighted average MEP (or Vesting Contract Reference Price) is “high” relative to the relevant vesting prices in the vesting contract, and the MSSL will receive a corresponding positive vesting contract settlement credit.</p> <p>The MSSL will determine the expected cost of these vesting contract payments to generators before the beginning of the 3 month period, modifying this by any shortfall or surplus between what it expected to pay and what it actually paid in the previous 3 months, and will use this information to determine a uniform price for non-contestable consumers.</p>	<p>Explanatory Note: It is assumed that there will only ever be one MSSL that deals with the EMC for the purpose of settling vesting contracts with <del>generators</del> <u>the holders of vesting contracts</u> and that no assignment of these contracts will be permitted by the MSSL. This MSSL will be a party to vesting contracts with <del>generators</del> that are intended to hedge non-contestable consumers against “uncontrollable” variations in the USEP. The total vesting contract quantity for each <u>holder of vesting contracts</u> <del>generator</del> may comprise one or more of the following vesting quantity or vesting quantities:</p> <p>(i) base vesting quantity, being the vesting quantity determined by the Authority and subsequently allocated by the MSSL under a vesting contract pursuant to the Authority’s Base Vesting Scheme; and</p> <p>(ii) tender vesting quantity, being the vesting quantity determined by the Authority <del>pursuant to the Authority’s Tender Vesting Scheme</del> and subsequently allocated by the MSSL under a vesting contract <u>pursuant to the Authority’s Tender Vesting Scheme.</u></p> <p><u>(iiD) residual vesting quantity, being the vesting quantity calculated by the EMC pursuant to the Authority’s Residual Vesting Scheme.</u></p> <p>“Base Vesting Scheme” <del>and</del> “Tender Vesting Scheme” <del>and</del> <u>“Residual Vesting Scheme”</u> refer to the agreements and arrangements referred to in the Authority’s paper on the “Procedures for Calculating the Components of the Vesting Contracts for 1 July 2023 to 30 June 2028” as published by EMA.</p> <p>The MSSL will provide the EMC an electronic file containing vesting quantity and vesting price information for each settlement interval and for <del>each vesting contract generator</del> <u>the settlement account of each holder of base vesting contract and/or tender vesting contract</u>, for each vesting period (i.e. a calendar quarter).</p> <p><u>Each holder of base vesting contract and/or tender vesting contract is required to participate in the Residual Vesting Scheme. Under the Residual Vesting Scheme, the holder will use up to its excess generation output (if any) that is uncontracted and generated using its own term gas supply (“Uncontracted Excess Generation Quantity”) to hedge any residual non-contestable consumers load. Such vesting quantity for hedging residual non-contestable consumers load is referred to as residual vesting quantity and will be allocated ex-post to all holders in proportion to their respective Uncontracted Excess Generation Quantity on a half-hourly basis.</u></p> <p><u>For each month, the Authority will provide the EMC an electronic file containing the Uncontracted Excess Generation Quantity and the residual vesting price for each holder of a vesting contract for each settlement interval in that month.</u></p>	<p>To update with the Residual Vesting Scheme under the New Vesting Regime, and to align with the intent thereunder.</p>

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The EMC will determine the residual vesting quantity and will allocate the price for each residual tranche, for each holder of a residual vesting contract and each settlement interval on an ex-post basis.

A holder of generator ~~subject to~~ vesting contracts will receive a positive vesting contract settlement credit when its weighted average MEP (or Vesting Contract Reference Price) is “low” relative to the relevant vesting prices in the vesting contract, and the MSSL will receive a corresponding negative vesting contract settlement credit. Conversely, the holder generator ~~will~~ receive a negative vesting contract settlement credit when its weighted average MEP (or Vesting Contract Reference Price) is “high” relative to the relevant vesting prices in the vesting contract, and the MSSL will receive a corresponding positive vesting contract settlement credit.

~~The MSSL will determine the expected cost of these vesting contract payments to generators before the beginning of the 3 month period, modifying this by any shortfall or surplus between what it expected to pay and what it actually paid in the previous 3 months, and will use this information to determine a uniform price for non-contestable consumers.~~

The quarterly tariff to apply to the non-contestable consumers in each quarter will include the expected cost of the base vesting and the tender vesting contracts of the prevailing quarter, the residual vesting contracts payments allocated to the holders of vesting contracts in the previous quarters, and an adjustment to account for the shortfall or surplus in the previous quarters between the amount paid by non-contestable consumers and the amount paid to the holders of vesting contracts.

2.5.2 The MSSL counterparty shall, in accordance with such procedures and at such times as may be specified in the applicable *vesting contract*, determine for each *settlement account* associated with a *market participant* that is subject to a *vesting contract*, each vesting quantity (with its associated vesting price) for that *settlement account* for each *settlement interval* in the *vesting period* as follows:

BVQ<sub>h</sub><sup>a</sup> = base vesting quantity (in MWh) allocated for *settlement interval h* for *settlement account a*

...  
2.5.2 The MSSL counterparty shall, in accordance with such procedures and at such times as may be specified in the applicable *vesting contract*, determine for each *settlement account* associated with a *market participant* that is a holder of ~~subject to~~ a *vesting contract*, each vesting quantity (with its associated vesting price) for that *settlement account* for each *settlement interval* in the *vesting period* as follows:

BVQ<sub>h</sub><sup>a</sup> = base vesting quantity (in MWh) allocated for *settlement interval h* for *settlement account a*

BVP<sub>h</sub><sup>a</sup> = base vesting price (in \$/MWh) associated with a given base vesting quantity allocated for *settlement interval h* for *settlement account a*

TVQ<sub>h,b</sub><sup>a</sup> = tender vesting quantity (in MWh) allocated for *settlement interval h* for *settlement account a*, for tender tranche *b*

TVP<sub>h,b</sub><sup>a</sup> = tender vesting price (in \$/MWh) associated with a given tender vesting quantity allocated for *settlement interval h* for *settlement account a*, for tender tranche *b*

Existing Market Rules (1 January 2025)	Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double underlined text)	Reasons for Modification
<p>BVP<sub>h</sub><sup>a</sup> = base vesting price (in \$/MWh) associated with a given base vesting quantity allocated for <i>settlement interval h</i> for <i>settlement account a</i></p> <p>TVQ<sub>h,b</sub><sup>a</sup> = tender vesting quantity (in MWh) allocated for <i>settlement interval h</i> for <i>settlement account a</i>, for tender tranche b</p> <p>TVP<sub>h,b</sub><sup>a</sup> = tender vesting price (in \$/MWh) associated with a given tender vesting quantity allocated for <i>settlement interval h</i> for <i>settlement account a</i>, for tender tranche b</p> <p>2.5.3 The <i>MSSL counterparty</i> shall, in accordance with such procedures and at such times as may be specified in the applicable <i>market manual</i>, provide the <i>EMC</i> with an electronic data file containing all relevant vesting quantities and prices referred to in section 2.5.2 pertaining to each <i>vesting contract</i> for a given <i>vesting period</i>. Such <i>vesting contract</i> data shall describe, for each <i>vesting contract</i>, each relevant vesting quantity with its associated vesting price for that <i>settlement account</i> for each <i>settlement interval</i> in the <i>vesting period</i>.</p> <p>2.5.4 Following receipt of the <i>vesting contract</i> data referred to in section 2.5.3, the <i>EMC</i> shall confirm receipt of such <i>vesting contract</i> data to the <i>MSSL counterparty</i> in accordance with such procedures and within such time as may be specified in the applicable <i>market manual</i>. The <i>EMC</i> shall use such <i>vesting contract</i> data to determine <i>vesting contract settlement</i> credits in accordance with section 3.6.1.</p> <p>2.5.5 Where required, the <i>MSSL counterparty</i> may, in accordance with such procedures and within such time as may be specified in the applicable <i>market manual</i>, submit to the <i>EMC</i> revisions to any <i>vesting contract</i> data previously submitted by the <i>MSSL counterparty</i> pursuant to section 2.5.3 or this section 2.5.5. Section 2.5.4 shall apply, <i>mutatis mutandis</i>, to any such revised <i>vesting contract</i> data.</p>	<p>2.5.3 The <i>MSSL counterparty</i> shall, in accordance with such procedures and at such times as may be specified in the applicable <i>market manual</i>, provide the <i>EMC</i> with an electronic data file containing all relevant vesting quantities and prices referred to in section 2.5.2 pertaining to each <i>vesting contract</i> for a given <i>vesting period</i>. Such <i>vesting contract</i> data shall describe, for each <i>vesting contract</i>, each relevant vesting quantity with its associated vesting price for that <i>settlement account</i> for each <i>settlement interval</i> in the <i>vesting period</i>.</p> <p><u>2.5.3A The <i>MSSL counterparty</i> shall, no later than 5:00 p.m. of the fifth <i>business day</i> following the end of the day that is 75 calendar days after a <i>trading day</i>, provide the <i>EMC</i> with an electronic data file containing the following information required for the settlement of residual vesting contract associated with that <i>trading day</i>.</u></p> <p><u>MDQ<sub>r(h)</sub></u> ≡ <u>Maximum Daily Contracted Quantity for <i>settlement interval r(h)</i> of that <i>trading day</i></u></p> <p><u>NCC load<sub>r(h)</sub></u> ≡ <u>Actualised Non-contestable Consumers (NCC) load for <i>settlement interval r(h)</i> of that <i>trading day</i></u></p> <p>where:</p> <p><u>r(h)</u> ≡ <u><i>settlement interval h</i> of the <i>trading day</i> that the residual vesting contract is for</u></p> <p>2.5.4 Following receipt of the <i>vesting contract</i> data referred to in section 2.5.3 <u>and 2.5.3A</u>, the <i>EMC</i> shall confirm receipt of such <i>vesting contract</i> data to the <i>MSSL counterparty</i> in accordance with such procedures and within such time as may be specified in the applicable <i>market manual</i>. <del>The <i>EMC</i> shall use such <i>vesting contract</i> data to determine <i>vesting contract settlement</i> credits in accordance with section 3.6.1.</del></p> <p>2.5.5 Where required, the <i>MSSL counterparty</i> may, in accordance with such procedures and within such time as may be specified in the applicable <i>market manual</i>, submit to the <i>EMC</i> revisions to any <i>vesting contract</i> data previously submitted by the <i>MSSL counterparty</i> pursuant to section 2.5.3, <u>2.5.3A</u> or this section 2.5.5. Section 2.5.4 shall apply, <i>mutatis mutandis</i>, to any such revised <i>vesting contract</i> data.</p> <p><u>2.5.6 For each calendar month, the <i>Authority</i> shall, for each <i>settlement account</i> associated with a <i>market participant</i> that is a holder of a <i>vesting contract</i>, determine the following information required for the settlement of residual vesting contract, for each <i>settlement interval</i> in that month.</u></p> <p><u>UEGO<sub>r(h)</sub><sup>a</sup></u> ≡ <u>Uncontracted Excess Generation Quantity (in MWh) for <i>settlement interval r(h)</i> associated with <i>settlement account a</i></u></p>	<p>To set out the obligation and timeline for MSSL and EMA to provide EMC the data file required for the settlement of residual vesting contract.</p> <p>To set out the obligation for EMC to calculate the residual vesting quantity in accordance with the formula.</p>

(Deletions represented by strikethrough text and additions represented by double underlined text)

$RVP_{r(h),1}^a$   $\equiv$  residual vesting price (in \$/MWh) for settlement interval  $r(h)$  associated with first tranche of residual vesting quantity of settlement account a

$RVP_{r(h),2}^a$   $\equiv$  residual vesting price (in \$/MWh) for settlement interval  $r(h)$  associated with second tranche of residual vesting quantity of settlement account a

where:

$r(h)$   $\equiv$  settlement interval  $h$  of the trading day that the residual vesting contract is for

2.5.7 The Authority shall, by no later than 5:00 p.m. in the first business day after the 10<sup>th</sup> calendar day of the second month following the end of the last trading day of a calendar month, provide the EMC with an electronic data file containing the information required for the settlement of residual vesting contract (as referred to in section 2.5.6 above) of that calendar month.

2.5.8 The EMC shall determine for each settlement account associated with a market participant that is a holder of a vesting contract, each residual vesting quantity (associated with its residual vesting price) for that settlement account for each settlement interval in the vesting period.

**Explanatory Note: The residual vesting quantity of a holder of a vesting contract shall be determined based on the residual non-contestable consumers load, in proportion to the holder's uncontracted excess generation quantity, and shall be capped at its uncontracted excess generation quantity.**

2.5.8.1 The share of residual vesting quantity (RVQ) allocated to a market participant that is a holder of a vesting contract shall be determined as follows:

$$RVQ_{r(h)}^a \equiv \text{Min} \left\{ \text{Max} \left( \text{Unhedged NCC load}_{r(h)} \times \frac{UEGQ_{r(h)}^a}{\sum_a UEGQ_{r(h)}^a}, 0 \right), UEGQ_{r(h)}^a \right\}$$

where:

$r(h)$   $\equiv$  settlement interval  $h$  of the trading day that the residual vesting contract is for

2.5.6 The EMC shall be entitled to and shall rely on any *vesting contract* data submitted by the *MSSL counterparty* pursuant to section 2.5.3 or 2.5.5 for determining *settlement amounts* in accordance with this Chapter and, notwithstanding section 13 of Chapter 1:

2.5.6.1 the EMC shall not be required to inform any person of the receipt of such *vesting contract* data other than in the ordinary course of determining and reporting *settlement amounts*;

2.5.6.2 the EMC shall not be liable to any person in respect of or arising from the use of such *vesting contract* data where effected by the EMC in accordance with this Chapter; and

2.5.6.3 the *MSSL counterparty* submitting such *vesting contract* data shall be liable to indemnify and hold harmless the EMC in respect of any and all claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the EMC arising from use of such *vesting contract* data where effected by the EMC in accordance with this Chapter.

a ≡ a settlement account which is associated with a market participant that is a holder of a vesting contract

$$\frac{\text{Unhedged NCC load}_{r(h)}}{\sum_a (\text{BVQ}_{r(h)}^a + \sum_{b=1}^n \text{TVQ}_{r(h),b}^a)}$$

b ≡ a tender tranche as defined in section 2.5.2

Σ<sub>a</sub> ≡ sum over all settlement accounts a

2.5.8.2 Out of the total residual vesting quantity allocated to a market participant that is a holder of a vesting contract, the first tranche of residual vesting quantity shall be determined as follows:

$$\text{RVQ}_{r(h),t}^a \equiv \text{Min}\{\text{RVQ}_{r(h),t}^a, \text{Max}[\text{Min}(\text{UEGQ}_{r(h)}^a, \text{Capped Unhedged NCC load}_{r(h)} \times \frac{\sum \text{BVQ}_{r(h)}^a + \sum \text{TVQ}_{r(h),VC-GS}^a}{\sum_a (\sum \text{BVQ}_{r(h)}^a + \sum \text{TVQ}_{r(h),VC-GS}^a)}), 0]\}$$

where;

r(h) ≡ settlement interval h of the trading day that the residual vesting contract is for

a ≡ a settlement account which is associated with a market participant that is a holder of a vesting contract

Σ<sub>a</sub> ≡ sum over all settlement accounts a

$$\frac{\text{Capped Unhedged NCC load}_{r(h)}}{\sum_a (\text{BVQ}_{r(h)}^a + \sum_{b=1}^n \text{TVQ}_{r(h),b}^a)} \equiv \text{Min}\{\text{Unhedged NCC load}_{r(h)}, [\text{MDQ} - \sum_a (\text{BVQ}_{r(h)}^a + \sum_{b=1}^n \text{TVQ}_{r(h),b}^a)]\}$$

TVQ<sub>r(h),VC-GS</sub><sup>a</sup> ≡ the tender tranche(s) associated with settlement account a, which represents the tender vesting quantities allocated for settlement interval r(h) that involve the use of gas from the Authority's appointed gas supplier under the vesting contract pursuant to the Residual Vesting Scheme for the supply of energy for non-contestable load.

Existing Market Rules (1 January 2025)	Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double underlined text)	Reasons for Modification
	<p><u>2.5.8.3</u> Out of the total residual vesting quantity allocated to a <i>market participant</i>, the second tranche of residual vesting quantity (RVQ) shall be determined as follows:</p> $\underline{RVQ_{r(h),2}^a} \equiv \underline{\text{Max}[(RVQ_{r(h)}^a - RVQ_{r(h),1}^a), 0]}$ <p>where:</p> <p><u>r(h)</u> <math>\equiv</math> <u>settlement interval h of the trading day that the residual vesting contract is for</u></p> <p><u>a</u> <math>\equiv</math> <u>a settlement account which is associated with a market participant that is a holder of a vesting contract</u></p> <p><u>2.5.9</u> The <i>EMC</i> shall use the <i>vesting contract</i> data referred to in section 2.5.2, 2.5.3A, 2.5.6, 2.5.7, and 2.5.8 to determine <i>vesting contract settlement</i> credits in accordance with section 3.6.1.</p> <p><u>2.5.10</u> The <i>settlement statement</i> issued for a trading day shall include the residual vesting contract settlement amount for trading day that is 75 calendar days before the trading day.</p> <p><del>2.5.611</del> The <i>EMC</i> shall be entitled to and shall rely on any <i>vesting contract</i> data submitted by the <i>MSSL counterparty and the Authority</i> pursuant to section 2.5.2, 2.5.3, 2.5.3A, 2.5.6 and 2.5.7 for determining <i>settlement amounts</i> in accordance with this Chapter and, notwithstanding section 13 of Chapter 1:</p> <p><del>2.5.611.1</del> the <i>EMC</i> shall not be required to inform any person of the receipt of such <i>vesting contract</i> data other than in the ordinary course of determining and reporting <i>settlement amounts</i>;</p> <p><del>2.5.611.2</del> the <i>EMC</i> shall not be liable to any person in respect of or arising from the use of such <i>vesting contract</i> data where effected by the <i>EMC</i> in accordance with this Chapter; and</p> <p><del>2.5.611.3</del> the <i>Authority</i> and the <i>MSSL counterparty</i> submitting such <i>vesting contract</i> data shall be liable to indemnify and hold harmless the <i>EMC</i> in respect of any and all claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the <i>EMC</i> arising from use of such <i>vesting contract</i> data where effected by the <i>EMC</i> in accordance with this Chapter.</p>	
3 NET SETTLEMENT INTERVAL CREDITS	3 NET SETTLEMENT INTERVAL CREDITS	

**3.6 VESTING CONTRACT SETTLEMENT CREDITS**

3.6.1 The EMC shall determine the *vesting contract settlement* credit (VCSC) for each *settlement account* for each *settlement interval* in accordance with the following formula:

$$VCSC_h^a = (BVP_h^a - VCRP_h^a) \times BVQ_h^a + \sum_{b=1}^n [(TV P_{h,b}^a - VCRP_h^a) \times TVQ_{h,b}^a]$$

for all  $a \neq k$

where:

$$VCRP_h^a = \sum_{m(a)} MEP_h^{m(a)} \times \text{MAX}[IEQ_h^{m(a)}, 0] / \sum_{m(a)} \text{MAX}[IEQ_h^{m(a)}, 0]$$

= Vesting Contract Reference Price (VCRP) for *settlement interval* h for *settlement account* a, and

if  $\sum_{m(a)} \text{MAX}[IEQ_h^{m(a)}, 0] = 0$ , then  $VCRP_h^a$  equals to the simple average of its MEPs.

$$\text{MAX}[IEQ_h^{m(a)}, 0] = \text{maximum of } IEQ_h^{m(a)} \text{ or } 0$$

a = a *settlement account*

b = a tender tranche as defined in section 2.5.2

h = a *settlement interval*

k = the *settlement account* associated with the *MSSL counterparty*

$\sum_{m(a)}$  = sum over all *GRFs* m(a) and *GSFs* m(a) associated with *settlement account* a

**3.6 VESTING CONTRACT SETTLEMENT CREDITS**

3.6.1 The *EMC* shall determine the *vesting contract settlement* credit (VCSC) for each *settlement account* for each *settlement interval* in accordance with the following formula:

$$VCSC_h^a = (BVP_h^a - VCRP_h^a) \times BVQ_h^a + \sum_{b=1}^n [(TV P_{h,b}^a - VCRP_h^a) \times TVQ_{h,b}^a] + \sum_{i=1}^2 [(RV P_{r(h),i}^a - VCRP_{r(h)}^a) \times RVQ_{r(h),i}^a]$$

for all  $a \neq k$

where:

$$VCRP_h^a = \sum_{m(a)} MEP_h^{m(a)} \times \text{MAX}[IEQ_h^{m(a)}, 0] / \sum_{m(a)} \text{MAX}[IEQ_h^{m(a)}, 0]$$

= Vesting Contract Reference Price (VCRP) for *settlement interval* h for *settlement account* a, and

if  $\sum_{m(a)} \text{MAX}[IEQ_h^{m(a)}, 0] = 0$ , then  $VCRP_h^a$  equals to the simple average of its MEPs.

$$\text{MAX}[IEQ_h^{m(a)}, 0] = \text{maximum of } IEQ_h^{m(a)} \text{ or } 0$$

a = a *settlement account*

b = a tender tranche as defined in section 2.5.2

h = a *settlement interval*

$r(h)$  = *settlement interval* h of the *trading day* that the residual vesting contract is for

i = a tranche of residual vesting quantity as calculated in section 2.5.8.2 and 2.5.8.3

k = the *settlement account* associated with the *MSSL counterparty*

$\sum_{m(a)}$  = sum over all *GRFs* m(a) and *GSFs* m(a) associated with *settlement account* a

To update vesting contract settlement credit (VCSC) calculation in accordance with the New Vesting Regime, to include the Residual Vesting Scheme.

ANNEX 2: Proposed Changes to Market Manual

Proposed Changes (Deletions represented by strikethrough text and additions represented by double underlined text)					Reasons for Modification
<b>Market Manual</b> <b>(Market Operations – Settlement)</b>					
<b>3 VESTING CONTRACT DATA</b>					
<b>3.5 VESTING CONTRACT DATA</b>					
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The elements of the <i>vesting contract</i> data (as illustrated in the above examples) shall be in the format as set out in the table below:					
Data Item	Field Description	Field Type and Length	Mandatory/Optional	Valid Field Values	To specify the data format for vesting data associated with tender vesting contracts that involve the use of gas from the <i>Authority's</i> appointed gas supplier
Reference	<p>A value used to identify the <i>vesting contract</i> data which is being submitted.</p> <p>Each <i>vesting contract</i> data reference would be represented in the form “GGYYMMDD-CCC”, where:</p> <p>GG represents the particular <i>market participant</i> to which the <i>vesting contract</i> data submission relates;</p> <p>YYMMDD represents the given year, month and day of the first day of the <i>vesting period</i> to which the <i>vesting contract</i> data relates;</p> <p>a CCC that starts with a number represents <i>vesting contract</i> data that is being submitted with a base vesting quantity (BVQ) with its associated base vesting price (BVP); <del>and</del></p> <p>a CCC that starts with “L” represents <i>vesting contract</i> data that is being submitted with a tender vesting quantity (TVQ) with its associated tender vesting price (TVP); <u>and</u></p> <p><u>a CCC that starts with “L” followed by number 01-30 represents vesting contract quantity (TVQ<sub>VC-GS</sub>) and vesting contract price (TVP<sub>VC-GS</sub>) associated with tender vesting contracts that involve the use of gas from the <i>Authority's</i> appointed gas supplier under the Vesting Contract pursuant to the Residual Vesting Scheme for the supply of energy for non-contestable load</u></p>	VARCHAR2(12)	Mandatory	GGYYMMDD-CCC	

**Proposed Changes**

**Reasons for Modification**

(Deletions represented by strikethrough text and additions represented by double underlined text)

**3.6 RESIDUAL VESTING CONTRACT DATA**

**3.6.1 Deadline for Maximum Daily Contracted Quantity and Non-contestable Consumers load files**

For the purposes of sections 2.5.3A of Chapter 7 of the market rules, the MSSL counterparty shall, no later than 5:00 p.m. of the fifth business day following the end of the day that is 75 calendar days after a trading day, provide the EMC with an electronic data file containing the maximum daily contracted quantity and non-contestable consumers load files (MNLF) required for the settlement of residual vesting contract associated with that trading day.

To specify the format and timelines for the submission of input data required under the Residual Vesting Scheme.

**3.6.2 Format of submission of Maximum Daily Contracted Quantity and Non-contestable Consumers load files**

The elements of the MNLF shall be submitted in the format as set out in the table below:

<u>Data Item</u>	<u>Field Description</u>	<u>Field Type and Length</u>	<u>Mandatory/Optional</u>	<u>Valid Field Values</u>
<u>Settlement Date</u>	<u>The trading day to which the MDQ data submission relates.</u>	<u>DATE</u>	<u>Mandatory</u>	<u>DD-<del>MMM</del>-YYYY</u>
<u>Settlement Period</u>	<u>The settlement interval on the specified trading day to which the relevant NCC load and MDQ relate. There are 48 such settlement intervals which must be included for each of such trading day.</u>	<u>NUMBER(2)</u>	<u>Mandatory</u>	<u>1 to 48.</u>
<u>MDQ</u>	<u>The Maximum Daily Contracted Quantity (MDQ) in kWh</u>	<u>NUMBER(13,2)</u>	<u>Mandatory</u>	<u>The MDQ can vary across different settlement interval.</u>
<u>NCC load</u>	<u>The non-contestable consumers (NCC) load in kWh</u>	<u>NUMBER(13,2)</u>	<u>Mandatory</u>	<u>The NCC load can vary across different settlement interval.</u>

**3.6.3 Deadline for submission of Residual Vesting Price File**

For the purposes of sections 2.5.6 and 2.5.7 of Chapter 7 of the market rules, the Authority shall, no later than 5:00 p.m. of the first business day after the 10<sup>th</sup> calendar day of the second month following the end of last trading day of a calendar month, provide the EMC with an electronic data file containing the residual vesting price file (RVPF) required for the settlement of residual vesting contract of that calendar month.

**3.6.4 Format of submission of Residual Vesting Price file**

The elements of the RVPF shall be submitted in the format as set out in the table below:

Proposed Changes

Reasons for Modification

(Deletions represented by strikethrough text and additions represented by double underlined text)

	<u>Field Description</u>	<u>Field Type and Length</u>	<u>Mandatory/Optional</u>	<u>Valid Field Values</u>
<u>Settlement Date</u>	<u>The trading day within the calendar month to which the RVPF submission relates.</u>	<u>DATE</u>	<u>Mandatory</u>	<u>DD-<del>MMM</del>-YYYY</u>
<u>Settlement Period</u>	<u>The settlement interval on the specified trading day within the calendar month to which the RVPF submission relates, to which the UEGQ and its associated RVP relate. There are 48 such settlement intervals which must be included for each of such trading day.</u>	<u>NUMBER(2)</u>	<u>Mandatory</u>	<u>1 to 48.</u>
<u>Name</u>	<u>The name of the market participant to which the RVP relates.</u>	<u>VARCHAR2(30)</u>	<u>Mandatory</u>	
<u>Settlement Account</u>	<u>The applicable account identifier for the settlement account of the market participant to which the RVP submission relates.</u>	<u>VARCHAR2(12)</u>	<u>Mandatory</u>	
<u>UEGQ</u>	<u>Uncontracted Excess Generation Quantity (UEGQ) in MWh</u>	<u>NUMBER (13,3)</u>	<u>Mandatory</u>	
<u>RVP<sub>1</sub></u>	<u>The Residual Vesting Prices (RVP) for first tranche of Residual Vesting Quantity (RVQ) in \$/MWh.</u>	<u>NUMBER(13,2)</u>	<u>Mandatory</u>	<u>The RVP<sub>1</sub> is fixed for each calendar month.</u>
<u>RVP<sub>2</sub></u>	<u>The Residual Vesting Prices (RVP) for second tranche of Residual Vesting Quantity (RVQ) in \$/MWh.</u>	<u>NUMBER(13,2)</u>	<u>Mandatory</u>	<u>The RVP<sub>2</sub> is fixed for each calendar month.</u>

**Proposed Changes**

**Reasons for Modification**

(Deletions represented by strikethrough text and additions represented by double underlined text)

**(Market Operations - Standing Offers, Standing Bids, Offer Variations, Bid Variations and Standing Capability Data)**

**2.5 Triggers for standing offer and standing bid submission**

...

A revised standing bid for an LRF with REB must be submitted when any of the following conditions arise:

...

(3) The ~~Balance~~ Base Vesting Price (BVP) is revised for a given calendar quarter, resulting in an increase in REBPriceMin, which is the lower price limit on energy prices in standing bids, for that given calendar quarter. The dispatch coordinator for an LRF with REB shall, to the extent necessary for consistency with such revised lower price limit, revise and re-submit to the EMC all standing bids for that given calendar quarter.

To update with the references used under the New Vesting Regime.