

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2023/D4**

Market Surveillance and Compliance Panel

Professor Walter Woon, Chairman

Professor Euston Quah

Mr. Philip Chua

Dr. Stanley Lai

Mr. T P B Menon

Mr. Yeo Yek Seng

Date of Determination

20 April 2023

Party

Senoko Energy Pte. Ltd.

Subject

Failure to comply with gate closure rules on 10 December 2022

FACTS AND CIRCUMSTANCES

1. Senoko Energy Pte. Ltd. (“Senoko Energy”) submitted a self-report regarding its offer variations after gate closure for SNKCCP7 and SNKCCP5 on 10 December 2022, on 3 January and 5 January 2023 respectively.
2. On 10 December 2022 at 16:57 hrs (P34), there was a “low-pressure drum level low” notification triggered for SNKCCP7 instructing the operator to perform an onsite verification. Upon verification, the Duty Shift Manager discovered a heat recovery steam generator (“HRSG”) tube leak in the facility.
3. At 17:05 hrs (P35), the Duty Shift Manager informed the Duty Trader via tele-communication that SNKCCP7 required an urgent shutdown. However, the Duty Trader misheard SNKCCP7 as SNKCCP5 due to the ambient noise at the site of the Duty Shift Manager. As a result, at 17:14 hrs (P35), the Duty Trader made the wrong offer variation after gate closure submissions to shut down SNKCCP5 for periods 36 and 37.
4. The Duty Shift Manager noticed the error when the real-time schedule for period 36 was published. At 17:41 hrs (P36), in view of the shortfall conditions observed in the forecast schedules for the upcoming periods, the Duty Trader submitted the offer variations after gate closure to reinstate SNKCCP5’s offer for periods 37 and 38. While ensuring that the submission was done successfully, the Duty Shift Manager inadvertently made a duplicate offer variation after gate closure submission at 17:42 hrs (P36).

5. At 17:45 hrs (P36), the Duty Trader submitted offer variations after gate closure to remove the offers for SNKCCP7 for periods 37 and 38. According to section 10.4.1.1b of Chapter 6 of the Singapore Electricity Market Rules (“Market Rules”), offer variations after gate closure are only allowed for the three consecutive dispatch periods immediately following the forced outage. Given that the technical incident for SNKCCP7 occurred at 16:57 hrs (P34), the offer variation made for period 37 is exempted. However, the offer variation submitted for period 38 is not in compliance with section 10.4.1 of Chapter 6 of the Market Rules.
6. As part of Senoko Energy’s remedial action to prevent recurrence, a secondary confirmation from the Duty Shift Manager in the form of text message(s) will be sent whenever oral communication is unclear. As regards the duplicate offer submission, Senoko Energy’s current trading system does not allow it to submit offer variations after gate closure to run up a unit and its Duty Trader will have to use the EMC system for such offer variations. Senoko Energy is in the process of enhancing its current trading system to allow the Duty Trader to submit offer variations after gate closure to run up a unit in unique situations, e.g. under the Power System Operator’s directed supply scheme. With this enhancement, the Duty Trader will be able to avoid the double submission incident.
7. On 6 March 2023, the Market Surveillance and Compliance Panel (“MSCP”) wrote to inform Senoko Energy that it considered them to be in *prima facie* breach of section 10.4.1 of Chapter 6 of the Market Rules for SNKCCP5 for periods 36, 37 and 38 and SNKCCP7 for period 38 on 10 December 2022, and invited Senoko Energy to submit written representations by 20 March 2023.
8. On 20 March 2023, Senoko Energy submitted written representations to the MSCP. In their written representations, Senoko Energy admitted that they were in breach of the relevant rules when they incorrectly removed the offers for SNKCCP5 instead of SNKCCP7. As to the offer variation after gate closure for SNKCCP7 in period 38, Senoko Energy expressed the view that the forced outage occurred at 17:05 hrs (P35) when the assessment and decision to shut down SNKCCP7 was made, instead of 16:57 hrs (P34) when the notification was triggered.
9. Senoko Energy indicated that a hearing was not required.

APPLICABLE MARKET RULES

10. Section 10.4.1 of Chapter 6 provides that
 - 10.4.1 Notwithstanding sections 5.1.5, 5.1.6 and 5.1.7, no *offer variation* or revised *standing offer* shall be submitted by or for a *market participant* within 65 minutes immediately prior to the *dispatch period* to which the *offer variation* or revised *standing offer* applies, except:
 - 10.4.1.1 where it is intended:
 - a. for a *generation registered facility*, to reflect its expected ramp-up and ramp-down profiles during periods following *synchronisation* or preceding *desynchronisation*; or
 - b. for a *generation registered facility*, to reflect its revised capability for the three consecutive dispatch periods immediately following a *forced outage* or its failure to *synchronise*; or

- c. for an *import registered facility*, to reflect its revised capacity for the three consecutive *dispatch periods* immediately following a *forced outage* of the *interties* connecting the *import registered facility* to the *transmission system*; or
- d. to contribute positively to the resolution of an *energy surplus* situation pertaining to which the *EMC* has issued an *advisory notice* under section 9.3.1, by allowing for decreased supply of *energy*; or
- e. to contribute positively to the resolution of *energy, reserve* or *regulation* shortfall situations pertaining to which the *EMC* has issued *advisory notices* under section 9.3.1, by allowing for increased supply of *energy, reserve* or *regulation*; or
- f. to contribute positively to the resolution of *energy, reserve* or *regulation* shortfall situations in that *dispatch period*, where:
 - i. the shortfall situations were indicated in a system status *advisory notice* issued by the *EMC* in respect of a *high-risk operating state* or *emergency operating state* declared by the *PSO*; and
 - ii. at the time of submission of such *offer variation* or revised *standing offer*, the *EMC* has not yet withdrawn, in respect of that *dispatch period*, such system status *advisory notice*, by allowing for increased supply of *energy, reserve* or *regulation*,

by allowing for increased supply of *energy, reserve* or *regulation*; and
- g. for a load registered facility, to reflect its revised capability during a forced outage or following a decrease in energy withdrawal under sections 9.3.3 and/or 9.3.4 of Chapter 5; and

10.4.1.2 where the price so *offered*, other than for additional quantities of *energy, reserve* or *regulation*, is the same as that previously *offered* for that *dispatch period*.

ENFORCEMENT

11. Based on the facts referred to above, the MSCP determined that:
- a. the offer variations after gate closure submitted to remove the offer for SNKCCP5 for periods 36 and 37, do not fall under any of the exemptions in section 10.4.1.1 of Chapter 6 of the Market Rules;
 - b. with regard to the offer variations after gate closure submitted to reinstate the offers for SNKCCP5 for periods 37 and 38, no further action will be taken;
 - c. with regard to the duplicate offer variations after gate closure submitted for SNKCCP5 for periods 37 and 38, there has been no breach of the Market Rules.

12. With regard to the offer variations after gate closure submitted for SNKCCP7 for periods 37 and 38, after consideration of the representations made by Senoko Energy, the MSCP decided that the relevant time to determine when the facility's forced outage began is the time of the "low-pressure drum level low" notification at 16:57 hrs (P34), and not the decision made by Senoko Energy at 17:05 hrs (P35) to shut down SNKCCP7. Accordingly, the MSCP determined that there was no breach of the Market Rules for the offer variation after gate closure submitted for period 37, while the offer variation after gate closure submitted for period 38 fell outside of the allowable three-period window and was therefore not allowed under the Market Rules.
13. In view of the above, the MSCP determined that Senoko Energy had breached section 10.4.1 of Chapter 6 of the Market Rules for SNKCCP5 for periods 36 and 37, (see paragraph 11 above), and for SNKCCP7 for period 38 on 10 December 2022(see paragraph 12 above).
14. The incidents were self-reported. However, the breach of the Market Rules was due to a human error and resulted in a significant impact on the market, as evidenced by the high prices and the declaration of the respective high-risk and emergency operating states during the relevant periods on 10 December 2022:

Period	USEP	System condition
36	\$756.63/MWh	High-risk operating state. There is a primary reserve and contingency reserve shortfall.
37	\$4,238.52/MWh	Emergency operating state. There is a primary reserve, contingency reserve and regulation shortfall.
38	\$1,505.15/MWh	Emergency operating state. There is a primary reserve, contingency reserve and regulation shortfall.

15. The MSCP hereby imposes a financial penalty of \$160,000 and directs Senoko Energy to pay costs fixed at \$2,000.



Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel