

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2023/D6**

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

19 July 2023

Party

Diamond Electric Pte. Ltd.

Subject

Failure to comply with gate closure rules on 21 March 2023

FACTS AND CIRCUMSTANCES

1. Diamond Electric Pte. Ltd. (“Diamond Electric”) submitted a self-report on 28 March 2023 regarding its offer variations after gate closure for REC01 for periods 24 and 25 on 21 March 2023.
2. On 21 March 2023, there was a market advisory issued at 11:03 hrs (period 23) stating that the power system was operating under an Emergency Operating State commencing at 11:01 hrs (period 23) and that there was a contingency reserve shortfall. At 11:12 hrs (period 23), Diamond Electric submitted offer variations after gate closure to remove its offer quantity for contingency reserve for periods 24 and 25. Subsequently at 11:21 hrs (period 23), offer variations after gate closure were submitted to provide for energy.
3. Diamond Electric stated that the offer variations after gate closure for periods 24 and 25 were submitted with the intent to respond to the emergency operating state condition in the market by contributing additional resource to the market so as to support a timely recovery of the power system out from the emergency condition.
4. On 1 June 2023, the Market Surveillance and Compliance Panel (“MSCP”) wrote to inform Diamond Electric that it considered them to be in *prima facie* breach of section 10.4.1 of Chapter 6 of the Singapore Electricity Market Rules (“Market Rules”) for REC01 for periods 24 and 25 on 21 March 2023.

5. On 16 June 2023, Diamond Electric submitted its written representations to the MSCP, reiterating its view that the combination of the energy and contingency reserve offer variations after gate closure represented a net positive increase of resource made available to the market, which it considers to have positively contributed to the resolution of the emergency operating state.
6. Diamond Electric indicated that a hearing was not required.

APPLICABLE MARKET RULES

7. 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

8. Based on the facts referred to above, the MSCP determined that Diamond Electric had breached section 10.4.1 of Chapter 6 of the Market Rules for the offer variations submitted for REC01 for periods 24 and 25 on 21 March 2023.
9. The incidents were self-reported. The MSCP notes that the offer variations after gate closure to remove the contingency reserve offer were submitted in the context of an existing contingency reserve shortfall. Further, the MSCP notes that the offer variations after gate closure for periods 24 and 25 did not serve to alleviate the shortfall situation or cause any impact on the Uniform Singapore Energy Price and the ancillary services prices.
10. The MSCP hereby issues a letter of non-compliance and directs Diamond Electric to pay costs fixed at \$2,000.



Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel