

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2023/D7**

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

Keppel Electric Pte Ltd

Subject

Failure to immediately submit offer variations for LTMS1 on 27 July 2022, 12 September 2022, 20 October 2022 and 21 February 2023

FACTS AND CIRCUMSTANCES

1. On 2 March 2023, a Market Participant (“MP”) submitted a referral report to the Market Surveillance and Compliance Panel (“MSCP”) regarding the alleged breach of section 5.1.5 of Chapter 6 of the Singapore Electricity Market Rules (“Market Rules”) by Keppel Electric Pte Ltd (“Keppel Electric”) for its failure to immediately submit offer variations for LTMS1 on 27 July 2022, 12 September 2022, 20 October 2022 and 21 February 2023.
2. The LTMS1 was suspended due to upstream disturbances on 27 July 2022, 12 September 2022, 20 October 2022 and 21 February 2023. The upstream parties only notified Keppel Electric and PSO after the affected trading periods commenced. Therefore, it was not possible for Keppel Electric to submit offer variations for periods 26 to 32 on 27 July 2022, periods 21 to 23 on 12 September 2022, periods 7 to 15 and period 35 on 20 October 2022 and periods 32 to 35 on 21 February 2023, as Keppel Electric was not aware of the LTMS suspension events.
3. PSO confirmed that the abovementioned LTMS1 suspension/ forced outage events had no impact on Singapore’s power system.
4. On 1 June 2023, the MSCP wrote to Keppel Electric informing of its *prima facie* breach of section 5.1.5 of Chapter 6 of the Market Rules for periods 26 to 22 on 27 July 2022, periods 21 to 23 on 12 September 2022, periods 7 to 15 and period 35 on 20 October 2022 and periods 32 to 35 on 21 February 2023. and invited Keppel Electric to submit written representations by 15 June 2023.

5. On 15 June 2023, Keppel Electric submitted its written representations to the MSCP detailing the incidents, as well as mitigating circumstances for the MSCP's consideration. Keppel Electric also highlighted that it was only notified of the LTMS1 forced outage events after the affected trading periods commenced. Therefore, it was not possible for Keppel Electric to submit offer variations for the affected trading periods as Keppel Electric was not aware of the LTMS suspension events. Nevertheless, Keppel Electric has committed to improve the communication and coordination process with the upstream parties and PSO.
6. Keppel Electric indicated that a hearing was not required.

APPLICABLE MARKET RULES

7. Section 5.1.5 of Chapter 6 provides that
 - 5.1.5 Subject to section 10.4.1, for any *dispatch period* in the current *market outlook horizon*, if the quantity currently *offered* in a valid *offer* for a *registered facility* exceeds the relevant quantity that its *dispatch coordinator* reasonably expects to be available from the *registered facility* by more than:
 - 5.1.5.1 10 MW; or
 - 5.1.5.2 5 percent of the quantity currently *offered*,

whichever is greater, then that *dispatch coordinator* shall immediately submit an *offer variation* for that *registered facility* for that *dispatch period* to the *EMC*.

ENFORCEMENT

8. Based on the facts referred to above, the MSCP determined that Keppel Electric is technically in breach of section 5.1.5 of Chapter 6 of the Market Rules on the relevant periods on 27 July 2022, 12 September 2022, 20 October 2022 and 21 February 2023.
9. As an Import Registered Facility ("IRF") Keppel Electric is obliged to comply with its obligations under the Market Rules. However, the MSCP understands that the non-compliance in this matter was due to the delayed notifications from the upstream parties, which made it challenging for Keppel Electric to comply. In view of the foregoing, the MSCP decided to waive the costs of the investigation.
10. The MSCP hereby issues a non-compliance letter to Keppel Electric and waives the investigation costs.



Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel