

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2023/D8**

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

12 October 2023

Party

Senoko Energy Pte. Ltd.

Subject

Failure to comply with gate closure rules on 26 June 2023

FACTS AND CIRCUMSTANCES

1. Senoko Energy Pte. Ltd. (“Senoko Energy”) submitted a self-report regarding its offer variations after gate closure for SNKCCP3 on 26 June 2023.
2. On 26 June 2023, SNKCCP5 experienced a forced outage at 20:36 hrs (P42) which led to the activation of a scheduled contingency reserve from the load facilities. Subsequently, at period 43, the system was declared in high-risk operating state due to a contingency reserve, energy, and regulation shortfall, followed by an emergency operating state declared at period 44 due to the continuous contingency reserve and regulation shortfall. The system returned to the normal operating state at period 45.
3. Due to the forced outage of SNKCCP5, as well as of SERCCP1, and following the high-risk and emergency operating state conditions, the Power System Operator (“PSO”) enquired whether Senoko Energy would be making changes to its schedule for the subsequent periods.
4. In view of the PSO’s communication, and the forced outage of SNKCCP5, Senoko Energy’s duty trader considered running up other facilities and consulted the shift manager. Upon consultation, the shift manager recommended to run SNKCCP3 at a loading range, subject to confirmation from the onsite commissioning engineer as the unit was on commissioning and was initially due to shut down at period 42 to have its temporary strainer removed.
5. Given that the unit was continuing its operation with a temporary strainer in place, the onsite commissioning engineer recommended the shift manager to run SNKCCP3 at a stable load. The requirement was confirmed and communicated by Senoko Energy’s shift manager to the duty trader at 21:32 hrs (P44).

6. Senoko Energy stated that, due to the series of events happening concurrently (information from the forced outage of SNKCCP5, communication with the shift manager, establishing a safe operating mode for SNKCCP3, the communication with PSO on the critically tight supply situation, and SNKCCP3's continuous operation), the submission of SNKCCP3's offers was made under time pressure to promptly reflect its availability in the market while protecting the integrity of the unit.
7. At 21:38 hrs (P44), the duty trader submitted offer variations for SNKCCP3 from period 45 on 26 June 2023 to period 48 on 27 June 2023.
8. The changes to offer variations for periods 45 and 46 which were submitted within gate closure on 26 June 2023 are as explained below:
 - a. **Period 45:** The offer quantity increased with no change in the offer price.
 - b. **Period 46:** While the total offer quantity remained the same, there were price changes involved.
9. On 5 September 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 10.4.1.2 of Chapter 6 of the Market Rules for SNKCCP3 for period 46 and invited Senoko Energy to submit written representations by 18 September 2023. With regard to the offer variation submitted after gate closure for SNKCCP3 for period 45, the MSCP determined that there was no breach of the Market Rules as the submission falls under exemption 10.4.1.1f of Chapter 6 of the Market Rules.
10. On 18 September 2023, Senoko Energy submitted written representations to the MSCP. In their written representations, Senoko Energy acknowledged that they were in breach of the relevant rules as the offers were submitted after gate closure including price changes for SNKCCP3. Senoko Energy also submitted the remedial actions taken after the incident was identified.
11. As part of the remedial actions, Senoko Energy has engaged an IT vendor for the implementation of an additional warning message in its trading system to prevent such incidents from reoccurring.
12. Senoko Energy did not require a hearing.

APPLICABLE MARKET RULES

13. 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

14. Based on the facts referred to above, the MSCP determined that Senoko Energy breached section 10.4.1 of Chapter 6 of the Market Rules for the offer variation submitted after gate closure for SNKCCP3 for period 46 on 26 June 2023.
15. The incident was self-reported and did not have a significant impact on the National Electricity Market of Singapore. Furthermore, Senoko Energy submitted remedial actions to ensure that changes made to the offer variations going forward are compliant with the provisions established under the Market Rules.

16. The MSCP hereby issues a letter of non-compliance and directs Senoko Energy to pay costs fixed at \$2,000.

A handwritten signature in blue ink, appearing to read 'Walter Woon', with a stylized flourish extending from the end.

Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel