

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2023/D9**

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

27 December 2023

Party

Keppel Merlimau Cogen Pte Ltd

Subject

Failure to comply with gate closure rules on 1 August 2023

FACTS AND CIRCUMSTANCES

1. Keppel Merlimau Cogen Pte Ltd (“KMC”) submitted a self-report regarding its offer variations after gate closure for KMCBLK3 for periods 17 and 18 on 1 August 2023.
2. On 1 August 2023, KMCBLK3 experienced a loading freeze and automated governance control deactivation at 06:42 hrs (P14) due to the steam turbine controller card failure. The plant operations team attempted to rectify the fault by resetting the controller card several times, without success.
3. At around 07:01 hrs (P15), the duty trader was informed of the incident and the temporary restriction of KMCBLK3’s loading. After the plant operations team conducted further technical evaluation, it was concluded, at around 07:16 hrs (P15), that the controller card failure could not be resolved by period 15 and that the unit’s loading would have to be restricted for the upcoming periods.
4. The duty trader proceeded to seek clearance from the management for the required breach of gate closure intended to reflect the unit’s revised capacity from the next period, i.e. period 16, which had to be submitted before 07:25 hrs to be valid for the production of the real-time dispatch schedule.
5. Due to the urgency in submitting the offers before 07:25 hrs, the duty trader left the option for “Allow Gate Closure Violation” unchecked. This resulted in rejection of the offer variations. At 07:30 hrs the duty trader noticed the rejected offers on the Energy Market Company Pte Ltd’s website. He then resubmitted the offer variations after gate closure at 07:41 hrs (P16).

6. 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. In this case, the technical incident occurred at 06:42 hrs (P14), therefore, the offer variations submitted for period 18 were not in compliance with the Market Rules.
7. On 7 November 2023, the Market Surveillance and Compliance Panel (“MSCP”) wrote to inform KMC that it considered them to be in *prima facie* breach of section 10.4.1 of Chapter 6 of the Market Rules for KMCBLK3 for period 18 and invited KMC to submit written representations by 20 November 2023.
8. On 20 November 2023, KMC submitted written representations to the MSCP. In its written representations, KMC stated that the rule breach was an unintended outcome due to an accidental de-selection of the option to allow gate closure submission in light of the tight time constraints during the offer submission process. KMC has also taken remedial actions promptly after the incident to prevent future re-occurrences which included closing the gaps in its offer submission procedures as well as its information technology system.
9. KMC did not require a hearing.

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*,

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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 KMC had breached section 10.4.1 of Chapter 6 of the Market Rules for the offer variations submitted after gate closure for KMCBLK3 for period 18 on 1 August 2023.
- 12. The incident was self-reported and did not have a significant impact on the National Electricity Market of Singapore. However, this was due to a human error and could have been avoided if KMC was more careful in its offer submission.
- 13. The MSCP hereby imposes a financial penalty of \$3,000 and directs KMC to pay costs fixed at \$2,000.



Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel