

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL  
MSCP/2024/D2**

**Market Surveillance and Compliance Panel**

Professor Walter Woon, Chairman  
Professor Euston Quah  
Mr. Philip Chua  
Dr. Stanley Lai  
Mr. Yeo Yek Seng

**Date of Determination**

1 July 2024

**Party**

ExxonMobil Asia Pacific Pte. Ltd.

**Subject**

ExxonMobil's appeal for refund of financial penalty for non-compliance event on 23 February 2024

**FACTS AND CIRCUMSTANCES**

1. ExxonMobil Asia Pacific Pte. Ltd. ("ExxonMobil") submitted an appeal on 22 March 2024 to the Market Surveillance and Compliance Panel ("MSCP") for a refund of the financial penalty incurred under the Automatic Financial Penalty Scheme ("AFPS") due to a non-compliance event regarding its embedded generator, EXON G3, on 23 February 2024, period 30.
2. The table below sets out the sequence of incidents that led ExxonMobil to be unable to comply with the dispatch instructions from the Power System Operator ("PSO") for EXON G3 on 23 February 2024.

<b>Time/Period</b>	<b>Description of Incident</b>
14:50 hrs (Period 30)	<p>Prior to the incident, EXON G3 was loading in accordance with the scheduled dispatch quantity.</p> <p>The steam drum level transmitter malfunctioned and misread that the steam drum level was increasing. This resulted in the feedwater inlet control valve pinching down to maintain the steam drum level. In actuality, the steam drum level was decreasing due to lower inlet feedwater flow that was caused by the malfunctioned transmitter.</p>
14:56 hrs (Period 30)	<p>The backup steam drum transmitter picked up the actual low steam drum level readings and caused EXON G3 to runback to reduce the steam production.</p>

Time/Period	Description of Incident
14:59 hrs (Period 30)	The steam drum low level alarm was triggered. This alerted the console operator to perform troubleshooting.
15:01 hrs (Period 31)	The console operator identified the inconsistent transmitter readings and the EXON G3 runback. The console operator then swapped the inlet control with the backup transmitter for control and EXON G3's output subsequently recovered to the scheduled dispatch quantity.

3. The deviation between PSO's dispatch instruction and the actual output of EXON G3 was above the margin of 10 MW established under the AFPS in accordance with the Singapore Electricity Market Rules ("Market Rules"). Therefore, a financial penalty was automatically imposed on ExxonMobil for such deviation.
4. ExxonMobil indicated that it did not comply with dispatch instructions from PSO as EXON G3's runback response was triggered automatically by the safety controls of the facility. If ExxonMobil was to bypass these safety controls so as to comply with the dispatch instruction, it could have caused damage to the equipment as subsequent reduction in feed-water level may have led to a forced outage of EXON G3. Therefore, the control system's response prevented a forced outage of EXON G3, minimising the impact to the power grid.
5. As the alarm sounded 1 minute before the end of the period, the time was not sufficient for the console operator to identify the cause of the runback to make the necessary corrective actions. However, the console operator managed to restore the power production within 2 minutes and prevented the forced outage of EXON G3.
6. On 13 May 2024, the MSCP requested for further evidence to support the claim that compliance with the dispatch instruction from the Power System Operator ("PSO") on 23 February 2024, period 30 may have led to substantial damage to the equipment, as established under section 9.6.3 of Chapter 5 of the Singapore Electricity Market Rules.
7. On 12 June 2024, ExxonMobil responded that they have decided not to continue further assessment of the appeal, and will not be submitting additional supporting documents.

## APPLICABLE MARKET RULES

8. Section 3.7.3 of Chapter 5 provides that

If a *generation registered facility* deviates, in the manner and to the extent described in section D.3.1 of Appendix 5D, from its *real-time dispatch schedule* or its *short-term schedule* (as the case may be) which is deemed to be or is otherwise issued as the *dispatch instructions* issued by the *PSO*, such *generation registered facility* shall be deemed to be a deviating *generation registered facility* unless the deviation occurred in respect of *dispatch period(s)* where the *generation registered facility*:

- 3.7.3.1 was at all relevant times operating under *AGC*;
- 3.7.3.2 had been issued *dispatch instructions* to deviate from its aforesaid *real-time dispatch schedule* or *short-term schedule* (as the case may be), and such *dispatch instructions* in respect of the *generation registered facility* were complied with;
- 3.7.3.3 was undergoing re-commissioning test(s) which had been approved by the *PSO*;

- 3.7.3.4 experienced a *forced outage*, which caused the *generation registered facility* to *automatically disconnect* from the *transmission system*;
- 3.7.3.5 had experienced a *forced outage* in the immediately preceding *dispatch period*, which caused the *generation registered facility* to *automatically disconnect* from the *transmission system* in that immediately preceding *dispatch period*;
- 3.7.3.6 was being *start-up* or *shut-down* in accordance with its aforesaid *real-time dispatch schedule* or *short-term schedule* (as the case may be); or
- 3.7.3.7 was performing a fuel changeover as required under the *transmission code*.

The automatic financial penalty scheme described in Appendix 5D shall apply to the *market participant* of such deviating *generation registered facility*.

9. Section 9.6.3 of Chapter 5 provides that

Compliance with a *dispatch instruction* for a *registered facility* is not required if such compliance would endanger the safety of any person, substantially damage equipment, or violate any *applicable law*. Subject to section 9.3.5, the *dispatch coordinator* for a *registered facility* that departs from *dispatch instructions* for any such reason shall so notify the *PSO* in accordance with section 9.6.2.

10. Section 9.6.2 of Chapter 5 provides that

A *dispatch coordinator* that expects its *registered facility* to operate in a manner that differs materially from the *dispatch instructions* issued to it shall so notify the *PSO* as soon as possible. The *PSO* shall *publish* in the *system operation manual* guidelines defining when a difference is material and how notice shall be provided for the purposes of sections 9.6.2 and 9.6.3.

11. Section D.5.1 of Appendix 5D of Chapter 5 provides that

The *market participant* of a deviating *generation registered facility* may appeal to the *market surveillance and compliance panel* for a refund of any financial penalties paid or required to be paid by it under the automatic financial penalty scheme detailed in this Appendix 5D if it can demonstrate to the satisfaction of the *market surveillance and compliance panel* that compliance with a *dispatch instruction* was not required pursuant to one or more of the conditions in section 9.6.3 of Chapter 5. Such appeal shall be made in writing in such form and manner as may be prescribed by the *market surveillance and compliance panel* and shall:

- D5.1.1 contain the name and address of the *market participant* submitting the appeal;
- D5.1.2 contain the particulars of the appeal;
- D5.1.3 contain all information, facts and evidence supporting the appeal; and
- D5.1.4 be accompanied by a copy of the final financial penalty statement setting out the financial penalty which is the subject of the appeal.

A *market participant* shall not submit, and the *market surveillance and compliance panel* may dismiss, an appeal to the *market surveillance and compliance panel* if more than

twenty *business days* have elapsed since the date of the issuance of such final financial penalty statement.

12. Section D.5.3 of Appendix 5D of Chapter 5 provides that

For the avoidance of doubt, and notwithstanding section D.5.2, it shall remain the responsibility of the *market participant* which submitted an appeal under section D.5.1 to ensure that all information, facts and evidence supporting the *market participant's* appeal are duly and promptly made available to the *market surveillance and compliance panel* in accordance with section D.5.1 (and if applicable section D.5.2), and the *market surveillance and compliance panel* shall not be required to conduct its own investigations to obtain any or further information, facts or evidence in support of such appeal. Nothing in this Appendix 5D shall prevent the *market surveillance and compliance panel* from exercising its investigative powers under the *market rules* in an appropriate case.

13. Section D.5.4 of Appendix 5D of Chapter 5 provides that

If the *market surveillance and compliance panel* determines that the *market participant* referred to in section D.5.1 was not required to comply with a *dispatch instruction* for any given *dispatch period* on the ground that at least one of the conditions in section 9.6.3 of Chapter 5 applies, the *market surveillance and compliance panel* shall:

D5.4.1 allow the *market participant's* appeal in respect of that *dispatch period* submitted under section D.5.1; and

D5.4.2 direct the EMC to refund such market participant of the relevant financial penalty received by the EMC from such market participant for that dispatch period. Such financial penalty shall be refunded to the market participant without interest.

If the *market surveillance and compliance panel* determines that none of the conditions in section 9.6.3 of Chapter 5 applies to the non-compliance with a *dispatch instruction* by a *market participant* referred to in section D.5.1, the *market surveillance and compliance panel* shall dismiss the appeal submitted under section D.5.1. The *market surveillance and compliance panel* shall notify the EMC and such *market participant* of its determination under this section D.5.4 and give its reasons for such determination. The EMC shall *publish* such determination of the *market surveillance and compliance panel* and its reasons for such determination.

## **MSCP'S DETERMINATION**

14. Based on the information, facts, and evidence provided by ExxonMobil, the MSCP is unable to conclude that the potential damage that may have been caused as a result of compliance with the PSO's dispatch instruction could constitute "substantial" damage of the equipment. The onus is on the appellant to provide conclusive evidence to support such a claim.
15. Under the circumstances, the MSCP determines that none of the conditions established under section 9.6.3 of Chapter 5 of the Market Rules applies to EXON G3's failure to comply with the dispatch instruction from the PSO for period 30 on 23 February 2024.

16. The MSCP hereby dismisses the appeal submitted by ExxonMobil and directs it to pay costs fixed at \$3,800.

A handwritten signature in blue ink, appearing to read 'Walter Woon', with a long, sweeping underline.

Professor Walter Woon  
Chairman, Market Surveillance and Compliance Panel