

Date: 13 August 2004

To: Market Participants

Cc: Market Support Services Licencee, Power System

Operator, Energy Market Company, Energy Market Authority

Subject: Non-compliance with Dispatch Instructions

Under section 9.6 of Chapter 5 of the Singapore Electricity Market Rules (the "market rules"), failure to comply with dispatch instructions other than on a permissible ground is potentially a breach of the market rules.

The Market Surveillance and Compliance Panel ("MSCP") has observed that there have been occasions when a market participant has made an offer of energy, reserve and/or regulation, was scheduled by the market clearing engine in the real-time dispatch schedule but was subsequently unable to comply with the real-time dispatch schedule.

Such behaviour has a potential impact on system security and the fair and efficient operation of the wholesale electricity markets. The MSCP takes a serious view of cases where non-compliance with the dispatch schedule undermines system security or the fair and efficient operation of the wholesale electricity markets. Such cases will be dealt with in accordance with the market rules.

A market participant is expected to be able to comply if, based on the offers it has made, it is scheduled in the real-time dispatch schedule. This applies even if it is not scheduled in a predispatch schedule or short term schedule.

Joseph Grimberg

Chair

**Market Surveillance and Compliance Panel**