

**MINUTES OF THE RULES CHANGE PANEL
131st MEETING
HELD ON THURSDAY, 8 SEPTEMBER 2022 AT 10.00AM
VIA VIDEO-CONFERENCING**

Present:	Poa Tiong Siaw (Chairman) Henry Gan Teo Chin Hau Rachel Su Huifen Matthijs Jan Guichelaar Fong Yeng Keong	Soh Yap Choon Carol Tan Sean Chan Dr Toh Mun Heng Tan Chian Khong
Absent with Apologies:	Toh Seong Wah (Chairman) Calvin Quek Cheong Zhen Siong	Tony Tan Song Jian En
In Attendance: (EMC)	Wang Jing Lim Chern Yuen	Li Zhenhui Vincent Wise

1. Notice of Meeting

Mr Poa Tiong Siaw, chairing the meeting in Mr Toh Seong Wah's absence, called the meeting to order at 10.05am. The Notice and Agenda of the meeting were taken as read.

1.1 Replacement of Representatives of the Retail Electricity Licensee class of market participant and of the Market Support Services Licensee class of market participant

The Rules Change Panel ("RCP") was informed that the EMC Board has appointed Mr Matthijs Jan Guichelaar from Flo Energy Singapore Pte Ltd and Ms Rachel Su Huifen from SP Group Pte Ltd as representatives of the Retail Electricity class of market participant and of the Market Support Services Licensee respectively.

The Chairman welcomed Mr Matthijs Jan Guichelaar and Ms Rachel Su Huifen to the 131st RCP Meeting.

2. Confirmation of Minutes of the 130th Rules Change Panel Meeting

The Minutes of the 130th RCP meeting, held on 14 July 2022, were approved by the RCP.

3. Monitoring List

The RCP noted the content of the Monitoring List.

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4. Summary of Outstanding Rule Changes

The RCP noted the summary of outstanding rule changes.

5. Rules Change Work Plan Status Update

The RCP noted the update on the Rules Change Work Plan.

6. Clarification of Failure to Synchronise for Gate Closure Exemptions (Paper No. EMC/RCP/131/2022/CP90)

Mr Vincent Wise presented the paper that clarifies the application of the term “failure to synchronise” as used in gate closure exemptions. This involved analysing the proposal to define the timestamp of a facility’s failure to synchronise as: the time of determination that technical faults triggered in facility operation will lead to the facility’s inability to synchronise.

6.1 Mr Vincent Wise informed the RCP that the concept paper was published on 11 August 2022 for consultation. EMC responded to comments received from the MSCP and the PSO.

6.2 Mr Matthijs Guichelaar queried on whether there are exemptions to gate closure for Load Registered Facilities (LRFs), because sometimes loads face outages or production issues as well. Mr Wise responded that there are currently provisions for such cases.

6.3 Mr Teo Chin Hau sought confirmation of desired behaviour for generators when a GRF is potentially unable to synchronise.

6.3.1 Mr Vincent Wise responded that for example, if GRFs detect an issue in period 1, in principle, there should be sufficient time for offer revisions by the end of period 2 (revising offers for period 3 onwards). Having said that, the overall aim is to encourage prompt offer revisions.

6.3.2 Mr Teo Chin Hau contended that if we want to incentivise prompt offer revisions and acknowledge that current rules do not exempt cancelled synchronisation from gate closure breaches, the definition of “failure to synchronise” should be broadened to include cancelled synchronisations when the Genco foresees that the GRF is unable to synchronise.

6.3.3 Mr Vincent Wise then responded that even if we were to broaden the definition of “failure to synchronise”, it would be difficult to write a rule that is sufficiently robust to apply correctly under all scenarios, all the time. Instead, the practical solution is to refer such scenarios to the MSCP’s determination.

6.3.4 Ms Wang Jing further clarified that if generators can demonstrate that there is a technical fault prior to synchronisation, then the incident would qualify as a forced outage, and consequently be given its applicable exemption from gate closure violation. With the Automatic Financial Penalty Scheme (AFPS) in place, a generator will still have the incentive to revise offers so that it can meet its dispatch schedule.

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Having said that, Ms Wang recognised that it is possible for scenarios to occur such that a cancelled synchronisation qualifies for neither failure to synchronise nor forced outage.

6.3.5 Mr Poa Tiong Siaw suggested that instead of broadening the definition of failure to synchronise, the proposal to consider gate closure exemption for cancelled synchronisation can be examined separately. For avoidance of doubt, this examination should undergo the standard rule change prioritisation exercise, in line with other rule change proposals.

6.4 Dr Toh Mun Heng asked about the frequency of such episodes and how often generation facilities fail to synchronise.

6.4.1 Mr Soh Yap Choon responded that as of the first half of 2022, there were 50 such incidents, which is relatively infrequent compared to the total number of periods in six months. Most of the time, generators will try to synchronise units in line with offers made.

6.5 EMC recommended to the RCP that no rule change is required on this matter.

6.5.1 The RCP **unanimously supported** EMC's recommendation above.

7. Matters Arising from the 130th RCP Meeting

- Price Revision When Unanticipated Load Shedding Occur and When PSO Issues Overriding Instruction (Paper No. EMC/RCP/130/2022/CP89)

Mr Lim Chern Yuen recapped that at the 130th RCP meeting, EMC presented the conceptual proposal addressing suggestions for price revision when load shedding occurs and when overriding instructions are issued by the PSO. The RCP then tasked EMC to further study the following:

1. To refine and explicitly explain why price revision is recommended under Issue 1 and not for other Issues.
2. If price revision is proposed, to elaborate on what type of price revision and how it should be conducted, considering if there would be any unintended consequences.
3. To run simulations based on the above 2 action items and update the RCP.

Mr Lim Chern Yuen presented EMC's updates on the above.

7.1 Mr Lim Chern Yuen explained that as the Singapore Wholesale Electricity Market adopts an ex-ante pricing regime, price revisions should be kept to a minimum. Mr Lim Chern Yuen presented the key principles underlying EMC's recommendations on when a price revision may be warranted. Based on these, EMC proposes:

- To conduct price revisions for cases under Issue 1, which concerns periods with unanticipated load shedding

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- To not conduct price revisions for cases under Issue 2, which concerns periods that the PSO overrides the MCE dispatch schedule in real-time
- To not conduct price revisions for cases under Issue 3, which concerns periods that the PSO instructs GRFs to modify offers preemptively
- To not conduct price revisions when there are outages but no load-shedding occurred.

7.2 Mr Henry Gan expressed his concerns that by allowing price reruns under Issue 1, the wrong signal is given to participants. By design intent, offers should have been revised promptly by participants to enable accurate price discovery. Mr Lim Chern Yuen explained that the AFPS remains in place to incentivise compliance with dispatch schedules. This proposal does not affect the AFPS.

7.2.1 Mr Henry Gan further asked about how to encourage the desired offer behaviour from market participants. Ms Wang Jing stressed that there are rules which require generators to revise their offers promptly and that there are penalties if they deviate from dispatch schedule by more than 10MW. Ms Wang Jing explained that EMC’s recommendation is meant to address the rare event when outages happen just before the Market Clearing Engine runs for the next period; to bring the price back to what it ought to have been.

7.2.2 Mr Soh Yap Choon commented that in addressing reruns, more should be done to encourage very prompt re-offering by generators, which current technology should be able to facilitate.

7.2.3 Mr Henry Gan emphasised the importance of prompt re-offering from generators and asked Mr Teo Chin Hau to share the challenges a generator faces regarding re-offers following a forced outage. Mr Teo Chin Hau responded that while Mr Henry Gan’s points are noted, the proposal concerns whether reruns should be conducted to obtain the right price.

7.2.4 Mr Teo Chin Hau further explained that while technology has advanced, the communication between traders and dispatch coordinators is not straightforward. Mr Teo Chin Hau suggested to investigate, in another paper if required, what a reasonable timeline for a generator to resubmit offers should be.

7.3 Mr Lim Chern Yuen presented EMC’s view on how price revision can be conducted for cases under Issue 1, where EMC recommends capping the energy schedule of the outage units at their actual generation output level.

7.3.1 Mr Henry Gan asked about how the price revisions are to be conducted and if EMC is proposing to use the outage unit’s output shown in NWSTAT file. Mr Lim Chern Yuen answered that NWSTAT is one option, but he would prefer if cleaner and more accurate data (of the outage unit’s actual output) can be made available by the PSO or SP Services. Mr Henry Gan stressed to the panel that clarity on how EMC can receive input data is required to facilitate timely price revision. Ms Wang Jing answered that this will be looked into if EMC’s proposal is supported.

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7.4	Mr Toh Mun Heng asked about the cost of conducting a price revision. Mr Henry Gan answered that he does not have the figure on hand.	
7.5	Mr Soh Yap Choon asked about practices in other jurisdictions with respect to price revision during load shedding events. Mr Teo Chin Hau further asked if it would be possible for EMC to study practices in other jurisdictions on compensation for generators under Issues 2 and 3, and if the RCP agrees to defer voting on the proposal and to task EMC to study the issue further.	
7.5.1	Chairman pointed out that while EMC cannot guarantee to be able to find applicable references in other jurisdictions, EMC will endeavour to do so and report back to the RCP with its findings.	
7.6	Chairman summarised the follow up actions tasked to EMC following the panel's recommendation, namely, to study the practices of other jurisdictions on price revision following load shedding events, and on any compensation as a result of system operator's overriding dispatch instructions.	EMC

There being no other matters, the meeting ended at 12.05pm.

Poa Tiong Siaw
Chairman

Minutes taken by:
 Vincent Wise/Lim Chern Yuen
 Market Administration