

**MINUTES OF THE RULES CHANGE PANEL
147th MEETING
HELD ON FRIDAY, 4 APRIL 2025 AT 10.00AM
VIA VIDEO-CONFERENCING**

Present: Toh Seong Wah (Chairman) Henry Gan
Soh Yap Choon Koay Yi Jing
Andrew Tan Sherman Toh
Wong Yew Chung Calvin Quek
Teo Chin Hau Teo Swee Teng

Absent with Apologies: Dallon Kay Matthijs Jan Guichelaar
Cheong Zhen Siong Dr Toh Mun Heng
Fong Yeng Keong

In Attendance: Lau Chee Kiong, EMC, SVP (Technology)
Tan Li Liaun, EMC, VP (Technology)
Eugene Goh, EMC, Manager (Finance)
Jonathan Low, EMC, Assistant Manager (Finance)
Candice Tia, EMC, Chief Operating Officer
Natalie Siew, SGX VP (Human Resources)

	Minutes of 147th RCP Meeting – 4 April 2025	Action						
1.	Notice of Meeting The Chairman called the meeting to order at 10.05am. The Notice and Agenda of the meeting were taken as read.							
2.	Budget for FY2026							
2.1	The Chairman, Mr Toh Seong Wah and Mr Henry Gan declared conflict of interests and abstained in the discussion on EMC's budget and will not be taking part directly in the discussion except to answer any related questions.							
2.2	Mr Eugene Goh, Manager of Finance presented details of the key timeline, budget assumptions, FY2026 Budget and FY2026 Capital Expenditure.							
2.3	<p>Key Assumptions for the Budget</p> <ul style="list-style-type: none"> NEMS revenue is based on the allowed revenue under the economic regulation framework for 1 July 2023 to 30 June 2028 with price cap assumptions are as follows :- <table border="1"> <thead> <tr> <th>Price Cap (Cents/MWh)</th><th>Forecast FY2025</th><th>Budget FY2026</th></tr> </thead> <tbody> <tr> <td>1 July to 30 June</td><td>36.86</td><td>37.11</td></tr> </tbody> </table> <ul style="list-style-type: none"> EMC is allowed to charge the following categories of fixed fees: <ul style="list-style-type: none"> a) Annual market participant fee of \$10,000 per market participant 	Price Cap (Cents/MWh)	Forecast FY2025	Budget FY2026	1 July to 30 June	36.86	37.11	
Price Cap (Cents/MWh)	Forecast FY2025	Budget FY2026						
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	<p>b) One-off market participant registration fee of \$5,000 per registration</p> <p>c) RSA hardware token fee (from 6th token onwards per MP) of \$350 per token</p> <ul style="list-style-type: none"> • The fixed fees were introduced on 1 July 2018 to ensure a more equitable cost allocation among participants in the NEMS and does not increase EMC's overall revenue • NEMS expenses are supported by specific functions, initiatives and projects approved in the current regime • NEMS headcount is 76 per approved headcount by EMA. This includes 2 additional Ancillary headcount approved by EMA in March 2024. • Payroll budget includes overall 3.2% payroll increase • Depreciation is based on EMC's depreciation policies of 3 – 5 years useful life • NEMS capital expenditure (CAPEX) is largely based on projects approved in the regulatory period by EMA with key focus on resiliency and reliability, extensibility and flexibility, governance, compliance and security and customer satisfaction. 	
2.4	<p>Mr Goh further informed the Panel of the following:</p> <p>As required under the Market Rules Chapter 2, Section 10.1.3 and 10.1.4, RCP shall :</p> <ul style="list-style-type: none"> - provide its view on EMC's Budget for FY2026; - consider any written submissions from interested persons on EMC's Budget; - prepare a report indicating the Panel's views on the Budget and a summary of material submissions filed by interested persons to the EMC Board no later than 16 April 2025; and - authorise EMC to publish the Report and submit the Report to the EMA. 	
2.5	<p>Referring to the Forecast FY25 under FY26 Budget - NEMS, Mr Wong Yew Chung queried how much would the deviation be from the actual forecast when the accounts are finalized. Mr Goh responded there is not much deviation from the forecast and noted only marginal changes.</p>	
2.6	<p>Mr Wong clarified if figures presented represents the entire EMC statutory accounts or only segments of it. Mr Goh informed that it is only a segment of it focusing on NEMS.</p>	
2.7	<p>Chairman clarified that EMC's business comprises of the authorised activities which is the NEMS operations, and allowed activities approved by EMA which is not part of the NEMS activities which is considered as the New Business. Chairman added that the purpose of discussion would be to seek the views and comments of RCP on the proposed NEMS budget.</p>	
2.8	<p>Mr Wong further enquired if there is a basis of allocation on the common costs such as personnel covering more than 1 function under NEMS and other functions. Mr Goh explained that there is tracking done on the work done in the form of timesheet.</p>	

2.9	Chairman added that it is one of the conditions imposed by EMA when approving allowed activities to have clear cross charging mechanism between the 2 accounts and yearly audits are conducted by EMA on the segregation of accounts.	
2.10	Mr Wong clarified if the costs and expenses drive the charges billed to market participants. Chairman explained that the revenue is reset every 5 years based on cost plus approach. EMA will allow the “allowed return” which the cost base plus the allowed return would form the revenue (including the CAPEX projects).	
2.11	Referring to the FY25 under FY26 Budget – NEMS, Mr Wong enquired on the forecast exogenous costs of \$3,750,000. Mr Goh explained that these items are items that we had budgeted to collect from the market. Mr Goh went on to explain that these are amounts which had typically exceeded the control sum per year.	
2.12	Mr Wong further added that there was an increase in \$2,000,000 to \$3,000,000 of expenses compared to what was budgeted for last year. Chairman explained that it is largely due to the under collection of fees arising from last year and the actual demand was lower than what EMA has forecasted previously.	
2.13	Relating to the variance of 3.2% increase under FY26 – NEMS, Mr Andrew Tan asked if this includes salary review. Ms Natalie Siew responded that the review has not been done yet, and the review will be done to ensure that it is in line and will be based on the budget with assumptions to factor in the increments and promotions. Ms Siew added it will be adjusted accordingly with the review and it should be quite close to it.	
2.14	Chairman concluded that the discussion and comments will be summarised in the RCP Budget Report to be submitted to the EMC Board and to the EMA.	

There being no other matters, the meeting ended at 10.34 a.m.

Toh Seong Wah
Chairman

Minutes taken by:
Ivy Leong
Legal, Compliance & Corporate Secretarial Executive