

**MINUTES OF THE RULES CHANGE PANEL
150th MEETING
HELD ON THURSDAY, 15 JANUARY 2026 AT 10.00AM
AT ENERGY MARKET CO. PTE LTD
4 SHENTON WAY #03-01
SGX CENTRE 2, SINGAPORE 068807**

Present: Toh Seong Wah (Chairman) Andrew Tan
 Soh Yap Choon Sherman Toh
 Dallon Kay Teo Swee Teng
 Wong Yew Chung Fong Yeng Keong
 Dr Toh Mun Heng Cheong Zhen Siong
 Tan Jian Hui Calvin Quek

Absent with Henry Gan
Apologies: Teo Chin Hau
 Matthijs Jan Guichelaar

In Attendance: Poa Tiong Siaw Li Zhenhui
(EMC) Alicia Poh Alfred Toh
 Vincent Wise Feng Ruili
 Candice Tia

	Minutes of 150th RCP Meeting – 15 January 2026	Action
1.	Notice of Meeting The Chairman called the meeting to order at 10.00am. The Notice and Agenda of the meeting were taken as read.	
2.	Confirmation of Minutes of the 149th Rules Change Panel Meeting The Minutes of the 149 th Rules Change Panel (“RCP”) meeting, held on 18 September 2025 were approved by the RCP.	
3.	Update of Monitoring List, Summary of Outstanding Rules Change Submissions, and RCP Work Plan Status Update Mr Li Zhenhui presented the Update of Monitoring List, Rule Change Submission, and RCP Work Plan Status Update.	
4.	CP99: Multiple Settlement Accounts for Market Participants with Diversified Portfolios	
4.1	Ms Alicia Poh presented the background, identified issues for CP99, EMC’s analysis on allowing Market Participants (MPs) to hold additional settlement accounts, EMC’s initial proposal and consultation comments received from PacificLight Power Pte Ltd and Sembcorp Cogen Pte Ltd. Ms Poh acknowledges that MPs may have reasonable use cases beyond what was initially proposed and presented EMC’s	

	<p>revised proposal – to allow MPs to apply for additional settlement accounts:</p> <ul style="list-style-type: none"> • Provided that the facility(s) under the additional settlement account meets a minimum generation or curtailment capacity of 1 MW. • Provision of additional settlement accounts is subjected to EMC’s system capacity. 	
4.2	<p>Mr Dallon Kay commented that while he sees benefits in allowing MPs to have more settlement accounts, the 1 MW threshold may disadvantage MPs with smaller facilities. Mr Kay noted that the 1 MW cut-off is arbitrary, and asked if EMC would consider removing the 1 MW condition but instead impose a fee for additional settlement accounts to keep the number of accounts manageable.</p>	
4.3	<p>Mr Calvin Quek commented that the 1 MW threshold is sufficiently low. Mr Quek also queried if there are additional costs to be incurred to effect EMC’s current proposal, and if so, whether it is necessary to introduce further cost allocation or structural changes at this stage.</p> <p>Mr YK Fong pointed out if there is a need for a system refresh, there is a need to be sensitive about the costs to be allocated to consumers, accounting for any benefits the consumers receive from this change.</p> <p>Mr Soh Yap Choon asked if there is already a need presently to consider the next steps when EMC’s settlement system capacity reached its maximum capacity.</p> <p>Mr Poa Tiong Siaw clarified that EMC’s current proposal is premised on the assessment, with some assumptions, that it is manageable within EMC’s current system capacity and will not significantly affect settlement run times. EMC further proposes to monitor the growth in number of settlement accounts and to suspend provision of additional settlement accounts when the system capacity reaches 70%. At that juncture, EMC will assess the cost recovery mechanism to upgrade EMC’s systems accordingly.</p> <p>Chairman asked if allocation of costs incurred for market systems should be a matter left to the rule change process, or if it is operational in nature and ought to be something for EMC to discuss with the Regulator. Mr Poa responded that it ought to be the latter.</p>	
4.4	<p>Mr Kay queried if EMC can also consider arrangements for another settlement bank in parallel with this workstream. Mr Poa responded that it has not been considered.</p>	
4.5	<p>Dr Toh Mun Heng queried if EMC has a sense of the industry demand for additional settlement accounts.</p> <p>Mr Poa responded that it is difficult to ascertain this given it is currently not allowed by the rules. Mr Poa clarified that EMC’s</p>	

	<p>projection is based on the assumption that each facility with a capacity of 1MW and above is allocated an additional settlement account.</p> <p>Mr Vincent Wise clarified that the MPs who have asked about this are typically MPs that have multiple projects that are linked to different entities, who would appreciate the separation of accounts for operational cleanliness.</p>	
4.6	<p>Mr Soh queried if EMC would need to assess whether the MP applying for additional settlement accounts are authorised to do so.</p> <p>Ms Poh clarified that EMC intends to put in place a rigorous process for MPs to justify the additional settlement account.</p>	
4.7	<p>Ms Poh also shared remarks received from Mr Henry Gan (not present at this meeting) that the provision of additional settlement accounts shall be contingent on the availability of funds approved by EMA to upgrade the market systems when the system capacity reaches 70%. It is important to make this clear in the market rules.</p>	
4.8	<p>Mr Wong Yew Chung opined that if there is existing spare system capacity, we should endeavour to allow it to be utilised by the market. Mr Wong also asked if EMC plans to retrospectively take back settlement accounts in future if system capacity is tight.</p> <p>Mr Poa responded that EMC presently has not considered reclaiming additional settlement accounts that has been allocated. Instead, capping allocation of additional accounts at 70% of system capacity provides a buffer for new Market Participants coming into the market.</p> <p>Mr Wong suggested the panel consider a proposal that first imposes a fee for each additional settlement account. These fees are then waived on an annual basis if system capacity remains sufficient. This would ensure that (i) MPs benefit from having multiple settlement accounts, (ii) there is transparency on the costs involved and (iii) it allows flexibility for cost recovery should system capacity constraints arise.</p>	
4.9	<p>Mr Soh queried when EMC's settlement module would be due for refresh.</p> <p>Chairman clarified, on behalf of Mr Gan, that EMC has various interconnected components in EMC's systems, and it may be challenging to carve out the impact and costs to refresh only the settlement module.</p> <p>Mr Soh clarified that his intent was to suggest that, at the next system refresh, EMC could factor the need for more capacity to support more settlement accounts.</p>	

4.10	<p>Mr Toh queried if there will be delays to settlement or operations if the number of settlement accounts hits a certain threshold.</p> <p>Chairman responded that it is possible, but that EMC's Market Operations and Technology teams would monitor this closely to pre-empt any unacceptable impact.</p> <p>Mr Kay queried if this may result in any lengthening of the payment cycle. Mr Poa responded that it would not, as the payment cycle schedule is mandated by the rules.</p>	
4.11	<p>Ms Poh provided EMC's conclusion and recommendation for this proposal.</p> <p>Mr Poa noted that while the Panel was generally supportive of utilising current system capacity to provide additional settlement accounts to aid MPs with their operations, there are several views on the approach, how EMC needs to consider what happens when the number of accounts reach system limits, on future demand for additional settlement accounts and the need to appropriately allocate potential additional cost of system upgrades.</p> <p>Mr Poa suggested that EMC conduct further studies and report back to the Panel on these issues.</p> <p>Chairman noted that EMC would report back to the Panel in due course.</p>	EMC
5.	<p>CP101: Review of the Need for Additional Mitigation Mechanism to Address Residual Credit Default Risks</p>	
5.1	<p>Ms Feng Ruili presented the introduction and the background to CP101, which is a follow-up to sub-proposal 4 of CP94 "<i>Holistic Review of Current Prudential Requirement Obligations and its Enforcement Process under the Market Rules</i>".</p> <p>Ms Feng also shared EMA's introduction of other measures such as the Performance Bonds (PB) regime and their impact on the prudential framework.</p>	
5.2	<p>Ms Feng noted that with more clarity on the PB regime, EMC is now able to assess whether the current prudential framework is sufficient to mitigate the residual default risk. Ms Feng shared EMC's approach to this which involved a back-test to simulate whether the prevailing prudential requirements are adequate during the volatile market conditions in 2021.</p> <p>Ms Feng shared EMC's assessment that while residual default risk may still exist, depending on the retailer's business strategies and hedging position, that there is no compelling case to introduce a new mechanism to specifically address residual default risk as the risks are sufficiently infrequent and deliver limited marginal risk mitigation, with additional costs for the market.</p>	

	<p>Ms Feng shared that EMC instead proposes to focus on enhancing the existing prudential framework, by working on the other sub-proposals of CP94:</p> <ol style="list-style-type: none"> 1. Proposal 1: reducing the settlement cycle; and 2. Proposal 2: examining Average Daily Exposure calculations 	
5.3	<p>Dr Toh Mun Heng queried if any tail-end insurance is currently implemented in the market.</p> <p>Ms Feng clarified that it is currently not being implemented – it is a potential instrument being considered should there be a need for additional prudential safeguards, as is being assessed in this paper.</p>	
5.4	<p>Mr Cheong Zhen Siong sought to clarify if scenario 4 of EMC's back-tests is the worst-case scenario because the study assumed that EMC does not take any intervening actions, such as issuing a margin call. Mr Poa Tiong Siaw affirmed his understanding. Mr Cheong commented that if EMC's intervention were considered, retailer 4's residual default risk would have been further mitigated.</p> <p>Mr Cheong also asked if the market conditions in 2021, used in the back-tests, was the most volatile observed in the market, and Mr Poa affirmed it.</p>	
5.5	<p>Ms Feng then shared the comments received from PacificLight Power from industry consultation and EMC's responses.</p> <p>Mr Dallon Kay sought to clarify if one issue PacificLight identified for a fully hedged retailer with no PB is that because the hedge contracts are not held by EMC, EMC potentially has limited recourse to make claim upon them to offset any residual defaults. Ms Feng affirmed this understanding.</p> <p>Mr Vincent Wise also opined that it is possible that there is a time lag between EMC's settlement cycles and the time the hedge contracts can be called upon.</p> <p>Mr Kay and Mr Wong Yew Chung raised further concerns regarding the use of hedge contracts in the PB regime:</p> <ol style="list-style-type: none"> 1. Liquidity risk: Depending on the type of hedge instrument used, the settlement cycle between the hedge contract and EMC's margin call/payment timeline may have mismatch. A retailer can encounter cashflow issue if it cannot liquidate its hedge contract in time to satisfy EMC's margin calls within required time. 2. Counterparty risk: It is important to assess the credit quality of the counterparty and determine if the hedge provider is reliable. 3. Basis risk: When the hedge instrument does not move in alignment with the movement of the electricity market. 	

	<p>Mr Kay highlighted that the issue of liquidity risk specifically may be exacerbated given EMC's upcoming proposal to shorten the settlement cycle. It is important to look into the issue of potential liquidity risk arising from hedge contracts to ensure that Market Participants have sufficient cashflow to respond to EMC's margin calls in a timely manner.</p> <p>Chairman clarified that the hedge contracts are governed under the PB regime, which is administered by the EMA. Mr Li Zhenhui added that EMC is not privy to the details of the hedge contracts as they are monitored by the EMA. Mr Kay noted that the scrutiny of retailers' hedge contracts is conducted by the EMA.</p>	
5.6	<p>Mr Sherman Toh queried if there are different prudential requirements for different kinds of MPs.</p> <p>Mr Poa responded that a MP's prudential requirements is calculated based on the MP's exposure to the market, and this is applied universally. However, EMC's Market Operations team does have some discretion to impose stricter prudential requirements where necessary under the Market Rules.</p>	
5.7	<p>Ms Feng provided EMC's recommendation that the RCP <u>support</u> the proposal to:</p> <ul style="list-style-type: none"> ▪ not introduce any new mechanism to address residual default risk; and ▪ focus on reviewing existing prudential requirements with the intent to update exposure calculation and lower potential market exposure. 	
5.8	<p>Chairman called for a vote and the RCP unanimously supported the EMC's recommendations listed in 5.7.</p>	
6.	<p>CP102: Gate Closure Exemptions for the Cancellation or Delaying of, and Bringing Forward of Synchronisation</p>	
6.1	<p>Mr Vincent Wise presented the introduction and background to CP102, covering the relevant gate closure exemptions and brief details on synchronisation processes.</p>	
6.2	<p>Mr Wise shared a brief scan on gate closure exemptions in other jurisdictions, and EMC's analysis on the paper's first sub-proposal on gate closure exemptions for cancellation/delaying of synchronisation. Mr Wise presented that EMC recommends establishing a new gate closure exemption for such cases.</p> <p>Mr Dallon Kay queried if the market would be informed of a facility voluntarily cancelling their synchronisation.</p> <p>Mr Wise responded that it is unlikely that there will be any advisories, unless this occurs during a high-risk system situation. In normal circumstances, another facility is expected to be scheduled in its place.</p>	

	<p>Mr Soh Yap Choon sought to clarify the processes from PSO's perspective for the different synchronisation events.</p> <ul style="list-style-type: none"> • For a failure to synchronise, the facility would have already been scheduled, with the failure only discovered in real-time that it could not synchronise as planned. They may inform PSO accordingly, and PSO would issue a non-compliance notice. • For a voluntary cancellation of synchronisation, as discussed in this paper, PSO would not have visibility should a facility operator remove their offers to reflect this. 	
6.3	<p>Mr Soh sought to clarify the process for a facility operator making offer variations within gate closure to reflect a cancellation of synchronisation.</p> <p>Mr Poa Tiong Siaw shared that offer variations are monitored by the Market Surveillance and Compliance Panel (MSCP), with any offer variation within gate closure flagged as a violation. The onus is then on the facility operator to establish, to the MSCP's satisfaction, that the violation is consistent with an existing gate closure exemption, or face potential penalties.</p>	
6.4	<p>Mr Soh also sought to confirm whether the facility operator would have to justify to the MSCP that every instance of such offer variations is consistent with a potential exemption. Mr Wise affirmed his understanding.</p>	
6.5	<p>Mr Kay queried how often a cancellation of synchronisation would occur.</p> <p>Mr Wise responded that EMC does not have a ready estimate on hand, especially as EMC is not privy to all gate closure cases examined by the MSCP.</p>	
6.6	<p>Mr Wise then provided EMC's analysis on the second sub-proposal discussed in the paper, on gate closure exemptions to bring forward synchronisation. Mr Wise shared EMC's recommendation to not establish an exemption for this as there is no compelling argument for it.</p> <p>Mr Wise also shared the comments received during industry consultation from Keppel Merlimau Cogen, Sembcorp Cogen and PSO, and EMC's responses to them.</p>	
6.7	<p>Mr Soh sought clarification on a section in page 5 of the paper which stated "in the potential absence of supporting documentation from the PSO (in the case of a cancelled synchronisation)...", and noted that the PSO definitively does not have visibility over such events, and consequently, would not be able to provide supporting evidence.</p> <p>Mr Soh also reiterates that the onus would be on the facility operator to justify to the MSCP that offer variations are consistent with the spirit of the exemptions to discourage undesirable behaviour.</p>	

	<p>Mr Calvin Quek responded that to his knowledge, if a facility operator were to cancel synchronisation, they would be required to provide information and supporting evidence to the Market Assessment Unit (MAU) and the MSCP. If the MAU/MSCP needs further expertise, they may seek PSO for technical advice, thereby ensuring that PSO is informed of such events in due course. Mr Quek adds that if the MAU/MSCP finds that the evidence provided is insufficient, a hearing may be conducted, with potential costs and penalties imposed. These measures would serve as natural disincentives for a facility operator to make wrongful offer variations within gate closure.</p> <p>Mr Soh responded that if the MAU/MSCP requests for information from the PSO, the PSO would try their best to acquiesce, but as PSO has no visibility on such events means there may be limits to what information PSO can provide.</p>	
6.8	<p>Mr Wise concluded EMC's assessment that:</p> <ul style="list-style-type: none"> • The cancellation/delaying of synchronisation has significant system security implications and merits similar gate closure exemptions to those for forced outages and failure to synchronise – subject to the facility operator providing evidence to MSCP's satisfaction to support this. • However, EMC does not find a significant argument to extend this for the bringing forward of synchronisation. <p>Therefore, EMC recommends that the RCP <u>support</u> the proposal to establish a gate closure exemption for cancelled/delayed synchronisation, and task EMC to draft the relevant rule modifications.</p>	
6.9	<p>Chairman proceeded to call for a vote on EMC's recommendations.</p> <p>The RCP by majority vote supported EMC's recommendations as above.</p> <p>The following RCP members supported EMC's recommendations:</p> <ol style="list-style-type: none"> 1. Mr Sherman Toh (Representative of Transmission Licensee) 2. Ms Teo Swee Teng (Representative of the Market Support Services Licensee) 3. Mr Cheong Zhen Siong (Representative of Wholesaler Electricity Market Trader) 4. Mr Calvin Quek (Representative of the Generation Licensee Class of Market Participant) 5. Mr Tan Jian Hui (Representative of the Generation Licensee Class of Market Participant) 6. Mr Andrew Tan (Representative of Retail Electricity Licensee) 7. Mr Fong Yeng Keong (Representative of Consumers of Electricity in Singapore) 	

	<p>8. Dr Toh Mun Heng (Representative of Consumers of Electricity in Singapore)</p> <p>9. Mr Wong Yew Chung (Person experienced in Financial Matters in Singapore)</p> <p>The following RCP members did not support EMC's recommendations:</p> <p>10. Mr Soh Yap Choon (Representative of the PSO)</p> <p>11. Mr Dallon Kay (Representative of Retail Electricity Licensee)</p>	
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There being no other matters, the meeting ended at 12.20 p.m.

Toh Seong Wah
Chairman

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