

CLARIFICATIONS ON FIRST REQUEST FOR PROPOSAL (RFP1)

17 December 2021

General Questions

- 1. Will the import capacity under approved pilot projects count towards the import capacity to be proposed for RFP1 and RFP2?**

The import capacity under approved pilot projects will not count towards the capacity to be proposed for RFP1 or RFP2, though the capacities could be from the same development.

Questions Pertaining to Paragraph 2.16 of EMA's RFP1 Document

- 2. Will the Bid Bond and Performance Bond be pro-rated? For example, if a Participant plans to import 101 MWac of electricity, is the Bid Bond and Performance Bond based on 101 MWac or 200 MWac of electricity?**

The Bid Bond and Performance Bond are calculated on a pro-rated basis. In the example stated, the Bid Bond and Performance Bond will be based on 101 MWac.

Questions Pertaining to Paragraph 3.3 of EMA's RFP1 Document

- 3. How will the import capacity be computed into the market cap? Will the import capacity (in MWac) be added to the current numerator and denominator for each Genco? Is 25% market cap evaluation based on the expected total electricity supply capacity published in Section 3.1 of the 2021 Singapore Electricity Market Outlook? Will the import capacity to be computed be pro-rated if the Genco is part of a Consortium, e.g. if the Genco only has 20% share in an import project, will the full capacity of the import**

project be counted towards the Genco's cap, or only 20% of the total capacity?

Yes, the import capacity being proposed will be added to the numerator and denominator for the calculation of the capacity market share cap. While the Singapore Electricity Market Outlook can be used as a reference, the actual market share would be calculated at the time of issuance of licence. If the Genco is part of a Consortium, the full capacity will be counted towards the Genco's market share.

Questions Pertaining to Paragraph 4.4 of EMA's RFP1 Document

4. On Supply Profile, what is the minimum required load factor for the first operation year?

EMA does not have a minimum load factor requirement for the first year of operation for the reason stated in paragraph 4.4d of the RFP1 document.

5. With reference to the load factor calculation, does the rated capacity refer to the installed capacity?

Rated capacity is the maximum instantaneous power that is delivered to Singapore, measured at the point of injection (i.e. the Importer's SPPA meter) into Singapore's grid.

6. What are the exclusion clauses when calculating the load factor?

Load factor is calculated based on delivered energy over a quarter. The 75% load factor should cater for planned and unplanned outages.

7. If the load factor of 75% is not fulfilled after 5 years of commercial operation, what is the amount of penalty that would be imposed on the importer?

EMA will provide more information on the penalty framework for electricity imports when ready.

Questions Pertaining to Paragraph 4.10 of EMA's RFP1 Document

8. What is the calculation methodology of Carbon Emissions (tCO₂e/MWh) for each energy source?

For the numerator i.e. carbon emissions computation, EMA accepts the calculation methodologies that are substantiated and commensurate with international standards for the respective energy source. The denominator, i.e. MWh, is measured based on the energy measured at the point of injection (i.e. the Importer's SPPA meter) into Singapore's grid.

Questions Pertaining to Paragraph 4.12 of EMA's RFP1 Document

9. Are importers allowed to use existing generation assets in Singapore to complement imports for the first five years? For example, can generation assets in Singapore be used to firm the intermittency of renewable generation?

As indicated in paragraph 3.7 of the RFP1 document, EMA requires imported electricity to be non-intermittent, i.e. constant and stable during each half-hourly dispatch period. This non-intermittency will be evaluated at the point of injection (i.e. the Importer's SPPA meter) of the electricity into Singapore grid. Importers proposing to use existing generation assets to complement imports would need to demonstrate to EMA that this would meet our requirements and the relevant Electricity Market Rules.

Questions Pertaining to Paragraph 4.17 of EMA's RFP1 Document

10. Is EMA open to accepting Memorandum of Understanding (MOU) in place of binding retail contract for the initial bid?

As MOUs are typically not legally binding, it would be difficult for EMA to assess whether the MOUs will eventually materialize into Power Purchase Agreement (PPAs).

As indicated in paragraph 4.18 of the RFP1 document, EMA will require Participants demonstrate commitment from consumers support in the form of binding commercial PPAs that are submitted to EMA for review. The binding commercial PPAs can have appropriate conditions precedent.

11. Is EMA open to accepting Virtual PPAs with contract for differences (CfD) structure between the importer and the corporate energy buyer in place of the binding retail PPAs?

As indicated in paragraph 4.18 of the RFP1 document, EMA is looking for binding retail PPAs. Given that there are a range of financial instruments for hedging, and to ensure that there is no double counting or offsetting of volumes, EMA will only accept such structures if the consumer provides a declaration that apart from the proposed contract (e.g. CfD arrangement), there are no other financial instruments used for the purpose of hedging the said volumes in the submitted PPAs.

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