

Licence No. EMA/MC/001R2



Smart Energy, Sustainable Future

Electricity Licence for Market Company

granted under
the Electricity Act (Cap. 89A) to

Energy Market Company Pte Ltd

ELECTRICITY LICENCE FOR MARKET COMPANY

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PART I: SCOPE OF THE LICENCE

1. The Energy Market Authority of Singapore (“the Authority”), in exercise of the powers conferred by Section 9 of the Electricity Act (Cap. 89A) (the “Act”), hereby grants to Energy Market Company Pte Ltd (“the Licensee”), a company incorporated in the Republic of Singapore with Registration Number 200101336E, an electricity licence (the “Licence”) authorising it to operate any wholesale electricity market established by the market rules, subject to the conditions of this Licence (the “Conditions”).
2. The Conditions are subject to modification in accordance with their terms or with Section 12 of the Act.
3. Subject to paragraphs 4 and 5 below, this Licence shall be for a term of 10 (ten) years commencing on 1 January 2023. The Licensee may, no earlier than 3½ (three and a half) years and no later than 2½ (two and a half) years prior to the expiry of the Licence, apply to the Authority, in writing, for a renewal of the Licence. The renewal shall be on such terms and conditions as the Authority deems fit and will be notified to the Licensee, in writing, no later than 2 (two) years prior to the date of expiry of the Licence.
4. The Authority may at any time during the term of this Licence revoke or suspend this Licence in accordance with Section 13 of the Act.
5. Any request for the termination of this Licence by the Licensee is subject to the approval of the Authority. The Licensee shall continue to be bound by the terms of this Licence until such time as the Authority notifies the Licensee in writing of such approval.

31 Dec 2020

NGIAM SHIH CHUN
Chief Executive
Energy Market Authority of Singapore

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PART II: CONDITIONS OF THE LICENCE

Condition 1: Interpretation

1. Unless the context otherwise requires, words and expressions used in this Licence shall be construed as if they were in an Act of Parliament and the Interpretation Act (Cap. 1) applied to them and references to an enactment shall include any statutory modification or re-enactment thereof or any legislation substituted therefor after the date when this Licence comes into operation. A reference in this Licence to a body, whether statutory or not, which ceases to exist or whose functions are transferred to another body includes a reference to the body which replaces it or which substantially succeeds to its functions, powers or duties. A reference in this Licence to the word “including” or a grammatical variation thereof means “including but not limited to”.
2. Unless the context otherwise requires or the term is otherwise defined in paragraph 3 of this Condition, all terms defined in the Act shall have the same meaning when used in this Licence.
3. In this Licence, unless the context otherwise requires:
 - “allowed activity” means an activity other than the authorised business in which the Licensee may engage subject to the provisions of paragraphs 2 and 3 of Condition 2;
 - “auditors” means the Licensee’s auditors for the time being holding office in accordance with the requirements of the Companies Act (Cap. 50);
 - “authorised business” means, in respect of the Licensee, the business of the administration and operation of any wholesale electricity market referred to in paragraph 1 of Condition 2 and the performance of the other functions referred to in Section 43(1) of the Act;
 - “director” means any person who is a “director” within the meaning of Section 4(1) of the Companies Act (Cap. 50);
 - “Metering Code” means the code of practice issued by the Authority that describes the minimum standards of performance in accordance with which a metering services provider is required to perform metering services;
 - “Power System Operator” means the Authority acting in its capacity as the person responsible for ensuring the security of supply of electricity to consumers and arranging for the secure operation of the transmission system in accordance with the market rules and applicable codes of practice as described in Section 3(3)(e) of the Act;

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“regulatory contract” means an agreement or arrangement which an electricity licensee is required, by condition of licence, to enter into under Section 9(7)(a)(ii) of the Act;

“related enterprise” in relation to the Licensee or its subsidiary means any company or partnership over which the Licensee or its subsidiary, as the case may be (either directly or through another subsidiary company) is able to exercise control, that is, to direct the decision-making process of the company or partnership, whether through holding issued share capital or voting power of the company or partnership;

“relevant legislation” means the Act and the Energy Market Authority of Singapore Act (Cap. 92B), and includes in each case the regulations made thereunder;

“settlement-ready data” means meter data that has been managed in accordance with the applicable standards prescribed in the Metering Code so as to produce a quantity value that can be used for settlement of transactions, purchase or sales associated with regulated supply service, the retail electricity market or the wholesale electricity market; and

“subsidiary” shall be construed in accordance with Section 5 of the Companies Act (Cap. 50).

4. For the purposes of the restriction on the transfer of this Licence, the provisions of Section 11 of the Act shall apply and, accordingly:
 - (a) this Licence is not transferable without the approval in writing of the Authority; and
 - (b) any purported transfer of this Licence shall be void.
5. Any reference in this Licence to a numbered paragraph is a reference to the paragraph bearing that number in the condition in which the reference occurs.
6. Where in this Licence the Licensee is required to comply with any obligation within a specified time limit, that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit.
7. The provisions of Section 99 of the Act shall apply for the purposes of the service of any document pursuant to this Licence.

Condition 2: Authorised Activities

1. The Licensee shall operate and administer any wholesale electricity market.

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2. The Licensee may, upon approval in writing of the Authority and subject to such conditions as may be imposed by the Authority at the time of approval or at any time thereafter, engage in allowed activities that:
 - (a) use an existing competency of the Licensee; and
 - (b) provide synergies with the activities comprised in the authorised business.
3. In making an application to the Authority for approval to engage in such an activity, the Licensee shall provide an assessment of the extent to which such activity complies with the criteria mentioned in paragraph 2 of this Condition. The Licensee shall inform the Authority of any change in the nature of an allowed activity if such change could reasonably be expected to cause such allowed activity to fail to comply with the criteria listed in paragraph 2 of this Condition, and shall provide such information no later than 2 (two) weeks after any such change being anticipated or taking place.
4. Other than the authorised business and allowed activities, the Licensee:
 - (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and
 - (b) shall procure that each of its subsidiaries and related enterprises do not engage, or seek to obtain from the Authority an electricity licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.
5. This Condition shall not prevent the Licensee from:
 - (a) engaging in any business, undertaking or activity incidental to the performance of its authorised business; or
 - (b) subject to Condition 5, making available to its subsidiaries the services of employees of the Licensee in order that such subsidiaries may provide to third parties such technical services and advice and assistance in respect of the services comprised within the authorised business or allowed activities.
6. The Authority may upon the application of the Licensee, relieve the Licensee from its obligations under paragraph 4 of this Condition in relation to any particular case to such extent and subject to such terms and conditions as the Authority shall specify in writing.

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Condition 3: Separate Accounts for Authorised Business

1. The Licensee shall maintain accounting and reporting arrangements that enable separate accounts to be prepared for and show the financial affairs of:
 - (a) the authorised business; and
 - (b) the businesses of the Licensee in aggregate.
2. The Licensee shall, in respect of the authorised business:
 - (a) keep or cause to be kept for the period referred to in Section 199 of the Companies Act (Cap. 50) and in the manner referred to in that section such accounting records in respect of the authorised business:
 - (i) as would by Section 199 of the Companies Act (Cap. 50) be required to be kept in respect of such business; and
 - (ii) in accordance with such reasonable accounting policies as the Authority may from time to time prescribe or impose;
 - (b) prepare, on a consistent basis from such accounting records, accounting statements which conform to generally accepted accounting practices in Singapore, stating the accounting policies adopted, and in such form and substance as the Authority may from time to time require;
 - (c) procure, in respect of the accounting statements prepared in accordance with this Condition, a report by the auditors of the Licensee addressed to the Authority stating whether in their opinion those statements have been properly prepared in accordance with this Condition and give a true and fair view of revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the authorised business; and
 - (d) deliver to the Authority a copy of the accounting statements required to be prepared by this Condition together with the auditors' report referred to in sub-paragraph (c) above as soon as reasonably practicable and in any event no later than 5 (five) months after the end of the period to which they relate.
3. The Licensee shall:
 - (a) in respect of its financial affairs keep and prepare such accounts and accounting statements for, and as at the end of, each financial year as would be required by the Companies Act (Cap. 50) to be kept by the Licensee if the Licensee were a company which were not a subsidiary of any other company and which did not have any subsidiaries or related enterprises; and

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- (b) procure, in relation to such accounting statements, a report of the auditors of the Licensee addressed to the Authority, and deliver a copy of such accounting statements together with the auditor's report to the Authority, in conformity with the requirements of sub-paragraphs (c) and (d) of paragraph 2 of this Condition, which shall apply *mutatis mutandis* to this paragraph.

Condition 4: Prohibition of Cross-subsidy

1. The Licensee shall, except as the Authority may otherwise approve in writing, procure that the authorised business shall not give any cross-subsidy to, or receive any cross-subsidy from, any other business or allowed activity of the Licensee or of any subsidiary or related enterprises of the Licensee.

Condition 5: Dealings with Subsidiaries

1. The Licensee shall not, without the prior written consent of the Authority, enter into any agreement or arrangement for the supply of goods or services or otherwise deal with any of its subsidiaries or related enterprises except where such agreement or arrangement is entered into on an arm's length basis. The Licensee shall also not unduly discriminate in favour of its subsidiaries or related enterprises.
2. In determining whether any such agreement or arrangement is on an arm's length basis, the Authority shall have regard to whether:
 - (a) the price and other terms affecting the financial value of the agreement or arrangement are in accordance with the market value based on the then current trends and practices to be ascertained by an independent qualified person to be appointed by the Licensee at its own cost and approved by the Authority;
 - (b) the parties are contracting freely and independently of each other;
 - (c) there is any special relationship between the parties; and
 - (d) the terms are made on a "willing buyer and willing seller" basis given the circumstances surrounding the agreement or arrangement, as the case may be.

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Condition 6: Non-discriminatory Access

1. The Licensee shall provide non-discriminatory access to persons similarly situated for services comprised within the authorised business.
2. The Licensee shall have the rights to all information obtained by the Licensee in the operation and administration of any wholesale electricity market pursuant to Condition 2 (“Market Data”).
3. The Licensee shall provide non-discriminatory access in respect of the following information to any person who requests the same:
 - (a) Market Data; and
 - (b) any other information as may be required by the Authority.
4. The Licensee may subject to the Authority’s approval and to such terms and conditions as may be imposed by the Authority in its approval, impose conditions or restrictions in relation to the use of specific Market Data by any third party.
5. Nothing in this Condition shall apply to any:
 - (a) information which is owned by a third party or licensed to the Licensee;
 - (b) proprietary or confidential information which is owned by, licensed to or disclosed to the Licensee; or
 - (c) works or intellectual property created or developed by the Licensee (either on its own or in collaboration with another party) from the information referred to in paragraph 2 of this Condition

(collectively, “Excluded Information”) and the terms and conditions of access to and use of such Excluded Information may be determined by the Licensee, and/or the relevant owner or licensor of such Excluded Information, as the case may be.

6. The Authority may, on such terms as it may specify by written notice to the Licensee, waive or vary any requirement of this Condition for such period as the Authority may determine.

Condition 7: Composition of the Board of Directors

1. The Licensee shall procure that at all times its directors shall not be employed by nor hold any office or engagement with:

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- (a) any person authorised by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in an activity referred to in one or more of subsections (a), (c), (d) or (f) of Section 6(1) of the Act; or
 - (b) any person authorised by a gas licence or exempted from the obligation to hold a gas licence, to engage in an activity referred to in one or more of the subsections (c), (d), (g) or (h) of Section 6(1) of the Gas Act (Cap.116A).
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 8: Prohibition of Acquisition of Shares

1. The Licensee shall not directly or indirectly through its related enterprise acquire or hold any shares in:
- (a) any person authorised by an electricity licence or exempted from the obligation to hold an electricity licence, to engage in an activity referred to in one or more of subsections (a), (c), (d) or (f) or Section 6(1) of the Act; or
 - (b) any person authorised by a gas licence or exempted from the obligation to hold a gas licence, to engage in an activity referred to in one or more of subsections (c), (d), (g), or (h) of Section 6(1) of the Gas Act (Cap.116A).
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

Condition 9: Purchase of Electricity

1. The Licensee shall not procure or purchase electricity except to the extent required to conduct the authorised business or any allowed activity.
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition.

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Condition 10: Purchase of Goods and Services

1. The Licensee shall, in the conduct of the activities comprised in the authorised business:
 - (a) purchase such goods and/or services as may be reasonably required by the Licensee upon the most economically advantageous terms reasonably obtainable by the Licensee at the relevant time having regard to all relevant business criteria including an assessment of the performance, reliability, quality, terms of delivery, price and ongoing cost (if applicable) of such goods and/or services; and
 - (b) not unduly discriminate between suppliers of the goods and/or services.
2. This Condition shall not apply to the purchase of any goods and/or services in respect of which the terms and conditions of purchase are prescribed or imposed by this Licence, the market rules, any applicable code of practice or arrangement approved by the Authority.

Condition 11: Compliance with Market Rules

1. The Licensee shall at all times comply with the provisions of the market rules applicable to the Licensee.

Condition 12: Codes of Practice

1. The Licensee shall be subject to and shall comply with:
 - (a) the Metering Code; and
 - (b) any other relevant codes of practice and standards of performance issued or approved by the Authority under Section 16 of the Act.
2. The Licensee shall be required to participate in the development of any code of practice and standard of performance to be issued by the Authority if such code of practice or standard of performance will directly or indirectly affect the authorised business of the Licensee.
3. The Licensee may propose modifications to a code of practice or standard of performance that is in force at the relevant time by notifying the Authority in writing of the proposed modification. The Authority may :
 - (a) review the proposed modification to a code of practice and determine whether the proposed modification should be made, in accordance with the code modification process set out in the relevant code; and

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- (b) review the proposed modification to a standard of performance to determine whether the proposed modification should be made.
- 4. The Authority may by written notification, exempt the Licensee from compliance with any code of practice, in whole or in part, and subject to such terms and conditions as the Authority may determine.
- 5. (1) The Licensee shall not:
 - (a) with regard to its authorised business or the electricity industry,
 - (i) make, prepare, attest to or certify, orally or in writing, any representation or statement that is false, incorrect or misleading or open to misconstruction by any person; or
 - (ii) make any representation or statement, orally or in writing, or give any answer, orally or in writing, or otherwise conduct itself in a manner that is likely to mislead any person; or
 - (b) mislead or otherwise create any confusion in the mind of a person about its authorised business.
- (2) If the Authority is satisfied that the Licensee is contravening or has contravened any provision of paragraph (1), the Authority may, by notice in writing to the Licensee, direct the Licensee to take such steps as are specified in such direction, to correct such false, incorrect or misleading representation, statement or answer or to correct such confusion, including without limitation, by requiring the Licensee to publish a correction or to write to such persons to set out the correct facts within a specified period of time as directed by the Authority.
- (3) The Authority may take enforcement action against the Licensee in accordance with the provisions of the Act if the Licensee fails to comply with the direction of the Authority issued under paragraph (2) above.

Condition 13: Regulatory Contracts

- 1. The Licensee shall enter or shall have entered into the following regulatory contracts:
 - (a) the agreement referred to in paragraph 2 of this Condition;
 - (b) if so requested by the Power System Operator, the contracts referred to in Condition 16;
 - (c) an agreement with a market support services licensee to provide metering services; and

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- (d) an agreement between the Licensee and the Power System Operator to agree to perform and observe the market rules so far as they are applicable to each of the Licensee and the Power System Operator.
- 2. The Licensee shall, if so directed by the Authority, prepare for the approval of the Authority an agreement to be entered into by the Licensee and a market support services licensee respecting the activities of the market support services licensee in facilitating access to any wholesale electricity market operated by the Licensee for the purposes of obtaining supply of electricity for contestable consumers and retail electricity licensees, in providing other services related to access to any such wholesale electricity market, and for procuring electricity for supply and sale to non-contestable consumers.
- 3. The agreement referred to in paragraph 2 of this Condition shall provide:
 - (a) for each of the Licensee and the market support services licensee to agree to perform and observe the market rules so far as they are applicable to each of the Licensee and the market support services licensee;
 - (b) for liability provisions that are consistent with the liability provisions contained in the market rules; and
 - (c) for all disputes under the agreement to be resolved in accordance with the dispute resolution provisions of the market rules.
- 4. The Licensee shall be required to participate in the preparation of any regulatory contract to which the Licensee will be a party.
- 5. If after a period which appears to the Authority to be reasonable, or such period agreed to between the parties and approved by the Authority, or such other period as stipulated by the Authority from time to time, the Licensee has failed to enter into a regulatory contract, the Authority may, at the request of the Licensee or of the person aggrieved by such failure, determine any terms of the regulatory contract in such manner as appears to the Authority to be reasonable. The Licensee shall thereafter enter into the regulatory contract on the terms as determined by the Authority.
- 6. Paragraph 5 of this Condition shall not apply to any regulatory contract under which the Authority or an entity that is operated by or to which the Authority has a shareholding is a party, in which case an independent third party shall be appointed to negotiate any terms that remain unresolved as between the Authority or the aforesaid entity, as the case may be, and the Licensee.

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7. Any dispute arising under a regulatory contract to which the Licensee is a party shall be resolved in accordance with the dispute resolution provisions of the market rules or the regulatory contract.

Condition 14: Discretion in Operation of any Wholesale Electricity Market

1. The Licensee shall exercise any discretion given to it under the market rules or any market manual adopted pursuant to the market rules in such manner as may be determined by the Licensee as being reasonable in the circumstances having regard to:
 - (a) the nature of the discretion being exercised; and
 - (b) any restrictions, conditions or parameters set forth in the market rules or the applicable market manual in respect of the discretion being exercised.
2. The Licensee shall, prior to exercising any discretion given to it under the market rules or any market manual adopted pursuant to the market rules, which discretion if exercised would, in the opinion of the Licensee, be likely to materially adversely affect market participants or market support services licensees generally or a class of market participant specifically, consult with the market participants or market support services licensees likely to be so affected. Such consultation shall be effected in the manner determined appropriate by the Licensee.
3. Nothing in this Condition shall require the Licensee to consult prior to:
 - (a) registering a person as a market participant or authorising a market support services licensee to participate in any wholesale electricity market operated by the Licensee;
 - (b) registering or cancelling the registration of the facilities of a market participant;
 - (c) approving the transfer of a registered facility of a market participant;
 - (d) imposing a default levy;
 - (e) imposing fees or charges on market participants or market support services licensees where such fees or charges have been:
 - (i) approved by the Authority;
 - (ii) calculated in accordance with a methodology approved by the Authority; or
 - (iii) calculated in accordance with the market rules;

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- (f) accepting an offer or offer variation submitted by or on behalf of a registered facility;
- (g) taking any action while:
 - (i) the power system is in a high-risk operating state or an emergency operating state; or
 - (ii) during an emergency; or
- (h) taking any action that is required by the market rules or the applicable market manual to be taken within a prescribed period of time that does not allow for such consultation,

each of which shall be effected by the Licensee in accordance with the applicable provisions of the market rules or the applicable market manual, and with the exception of subsections (e) and (f) of this paragraph shall be notified to the Authority by the Licensee.

- 4. Nothing in this Condition shall require the Licensee to consult in respect of:
 - (a) any matter where the market rules or the applicable market manual already provide for consultation or for an opportunity to make comments in respect of that matter; or
 - (b) any matter where the market rules or the applicable market manual provide for the involvement, absolutely or at the discretion of the Licensee or the Board of Directors of the Licensee, of the rules change panel.
- 5. For the purposes of this Condition, the terms “market manual”, “registered facility”, “default levy”, “offer”, “offer variation”, “high-risk operating state” and “emergency operating state” shall have the meaning ascribed respectively thereto in the market rules.

Condition 15: Settlement-Ready Data

- 1. The Licensee shall at the appropriate times obtain settlement-ready data from the appropriate market support services licensee. The Licensee shall use such settlement-ready data for the purpose of calculating applicable settlement amounts in any applicable wholesale electricity market operated by the Licensee under and in accordance with the market rules.

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Condition 16: System Security and Reliability

1. The Licensee shall, if so requested by the Power System Operator and acting on behalf of the Power System Operator, negotiate and enter into regulatory contracts designed to support the reliable operation of the power system. These regulatory contracts, if applicable, may include ancillary services contracts for the provision of ancillary services as defined in the market rules.
2. A regulatory contract referred to in paragraph 1 of this Condition shall comply with all applicable provisions of the market rules and shall, when so required by the Authority in accordance with the market rules, be on such terms and conditions as may be approved by the Authority.
3. Any disputes arising under a regulatory contract referred to in paragraph 1 of this Condition shall be resolved in accordance with the dispute resolution provisions of the market rules.

Condition 17: Preparation for Emergencies and Security Arrangements

1. The Licensee shall take such action as the Authority may reasonably require, taking into consideration the provisions of the market rules related to emergency preparedness and restoration of the power system, to plan and prepare for emergencies, including taking part in tests and exercises.
2. The Licensee shall develop and implement such arrangements as are prudent to ensure the safety and, where reasonably practicable, the continuity of its operations in the event of an emergency taking into consideration the provisions of the market rules relating to emergency preparedness and restoration of the power system.

Condition 18: Prices for Services

1. The Licensee shall at all times maintain sufficiently detailed records of its actual and budgeted expenditure and revenue requirements for the purpose of developing a schedule of fees or a statement of methodology for the calculation of the fees and charges for the various activities comprised in the authorised business for each financial year. The fees and charges of the Licensee for providing the various services for the authorised business shall be determined in accordance with the applicable provisions of the market rules.
2. The Licensee shall, no less than 60 (sixty) days before the beginning of the Licensee's fiscal year, prepare, in accordance with the methodology, if any,

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approved by the Authority pursuant to paragraph 3 of this Condition, and submit to the Authority the Licensee's proposed expenditure and revenue requirements for the following fiscal year to the Authority for review and approval. The Licensee shall submit its proposed expenditures and revenue requirements and fees for review in the manner and to the extent, if any, required by the market rules.

3. The Licensee shall, develop a cost recovery methodology ("methodology") setting out the basis upon which the fees or charges for the provision of services in the conduct of the authorised business shall be made. The methodology and any proposed revisions thereto shall be submitted to the Authority for approval together with:
 - (a) a schedule of proposed fees and charges ("schedule"); and
 - (b) a statement of the effects of the application of the methodology and schedule on users of the services comprised in the authorised business.
4. The information referred to in paragraph 3 of this Condition shall be submitted by the Licensee to the Authority for approval no less than 60 (sixty) days prior to the date on which the proposed fees and charges set forth in the schedule are proposed to be first levied.
5. The methodology, and any proposed revisions thereto, shall be developed in accordance with, including in particular, but not limited to, the following objectives or considerations:
 - (a) the recovery of costs, together with a reasonable return to be determined by the Authority to the Licensee having regard for the capital and operating costs incurred by the Licensee and any inherent risks associated with providing the applicable services;
 - (b) the establishment of prices that reflect the underlying cost structure of the services provided (e.g., fixed prices to recover fixed costs and usage-based prices to recover variable costs);
 - (c) separate prices for commodities and services and separate prices for separate services; and
 - (d) subject to Condition 19, such additional principles as the Authority may determine from time to time for the purpose of facilitating an effective Performance-Based Regulation regime.
6. The Licensee shall ensure that the fees and charges set forth in the schedule or in any revision thereto do not discriminate between any persons or class or classes of persons similarly situated.

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7. Nothing in this Condition shall be construed as requiring the Licensee to obtain the approval of the Authority in respect of any fees or charges levied by the Licensee:
 - (a) that are calculated on the basis of a formula set forth in the market rules, including the price of any physical service and monthly energy uplift charges, as those terms are defined in the market rules, but excluding the Licensee's administrative costs;
 - (b) that are levied to recover the administrative costs of the Power System Operator;
 - (c) that are levied to recover amounts paid under the regulatory contracts referred to in Condition 13; or
 - (d) that are levied in respect of vesting contracts, as that term is defined in the market rules.

Condition 19: Performance Based Regulation

1. The Licensee shall, at the request by the Authority, in conjunction with the process for obtaining approval of the matters referred to Condition 18, and in accordance with any process or principles the Authority may issue, submit to the Authority a proposal respecting the performance measures for performance-based regulation indicators against which the performance of the Licensee in conducting the authorised business may be measured.
2. The Licensee shall collect and report statistics of other performance measures in such form and with such frequency as may be requested by the Authority in writing.
3. The Licensee shall, no later than 90 (ninety) days after the end of each financial year, submit to the Authority a report providing details of the performance of the Licensee in respect of the authorised business during the previous financial year against the agreed measures established pursuant to paragraphs 1 to 2 of this Condition.

Condition 20: Risk Management and Insurance

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance (including self-insurance) of risks associated with the authorised business.

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Condition 21: Confidential Information

1. The Licensee shall take reasonable measures to ensure that all information that the Licensee generates, owns, develops or acquires in the course of or in relation to its authorised business (including but not limited to any Market Data obtained):
 - (a) shall not be disclosed or otherwise made available to any person or used by the Licensee except in the following circumstances:
 - i. where such disclosure or use is permitted or required by the Authority, this Licence, any applicable code of practice, the market rules, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction;
 - ii. where the disclosure of such information is to the Licensee's directors, officers or employees and is necessary for the due performance of their lawful duties and functions, or is disclosed to an agent, service provider or partner of the Licensee who has agreed in writing to ensure the confidentiality of such information;
 - (b) is not used by the Licensee for any purpose other than that for which it was provided or for a purpose other than as permitted by this Licence (including the purposes set out in (a) above), any applicable code of practice, the market rules, any applicable law, regulations, directives or requests of any government, statutory or regulatory body or any court or tribunal of competent jurisdiction; and
 - (c) subject to Condition 6, is not used by the Licensee for any commercial advantage in the provision of any service other than a service comprised in the authorised business.
2. The Licensee shall take such other action, including complying with restrictions upon the transfer, engagement, or re-engagement of employees, as the Authority may from time to time require to ensure that the information acquired by it in connection with the authorised business is, except as otherwise permitted by the Authority, this Licence, any applicable code of practice or the market rules, kept confidential by the Licensee and not dealt with in a manner which may restrict, distort or prevent competition in any of the industries to which it provides its services.
3. The Licensee shall, if requested by the Authority, procure that a certificate is issued by its auditors, in such form as the Authority may require, which confirms that the Licensee is complying with the requirements of this Condition.

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4. Nothing in this Condition shall be construed as requiring the Licensee to keep confidential any information that is or becomes generally and publicly available other than as a result of a breach by the Licensee of paragraph 1 or 2 of this Condition.

Condition 22: Research and Development

1. The Authority may from time to time give directions to the Licensee requiring the Licensee to perform research and development activities, or to co-operate with other electricity licensees to perform research and development activities in relation to the conduct of the authorised business, and the Licensee shall comply with any such directions.
2. Where the Authority gives directions to the Licensee pursuant to paragraph 1 of this Condition for major research and development work, or the Licensee, on its own volition initiates major research and development work, the Licensee shall prepare a fully developed business case for the approval of the Authority prior to commencing any research and development activity.
3. Such a business case shall fully detail the nature of the research and development work to be undertaken, the benefits being sought from the research and development activity along with the economic costs and benefits of the proposed research and development work, the proposed sources of funding and cost recovery mechanism, and the proposed arrangements for the handling of any intellectual property developed during the course of the approved work.

Condition 23: International Obligations

1. The Licensee, together with or at the direction of the Power System Operator, shall work with responsible authorities beyond the jurisdiction of Singapore to co-ordinate the operation of any wholesale electricity market operated by the Licensee with the operation of any electricity system interconnected with Singapore.
2. In accordance with the market rules and the terms of any interjurisdictional agreement entered into by or on behalf of the Government or by a transmission licensee, the Licensee shall establish and enforce necessary standards and conditions relating to the import or export of electricity.
3. The Licensee shall exercise its rights and powers and perform its duties and obligations under this Licence in a manner which is consistent with the Government's obligations:

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- (a) by virtue of the Government being a member of an international organisation or a party to an international agreement; or
- (b) to attain or facilitate the attainment of that which is requisite and expedient in view of the Government being a member of such an organisation or a party to such an agreement,

to the extent that the Licensee has notice of such membership or agreement pursuant to paragraph 4 of this Condition.

- 4. The Authority shall notify the Licensee from time to time of any membership or agreement to which paragraph 3 of this Condition applies.
- 5. The Licensee may apply to the Government for compensation or grant to offset any loss or damage sustained as a result of complying with paragraph 3 of this Condition based on an audited claim submitted by the Licensee for such loss or damage.

Condition 24: Investigation of Offences

- 1. The Licensee shall monitor its activities with respect to compliance with this Licence and shall report any suspected non-compliance to the Authority. The licensee shall also submit annually, or at such other frequency as notified by the Authority in writing, a compliance statement to the Authority that it has complied with the requirements in this Licence or describing any cases of any suspected non-compliance.
- 2. Where it comes to the attention of the Licensee that another electricity licensee participating in any wholesale electricity market operated by the Licensee may have breached relevant legislation or its electricity licence, the Licensee shall report such suspected non-compliance to the Authority.
- 3. Where the Licensee reports suspected non-compliance by itself or another electricity licensee, or requests the Authority to institute a prosecution against any person for contravening a provision of relevant legislation in relation to the authorised business, the Licensee shall furnish to the Authority as soon as reasonably practicable:
 - (a) a written report on the suspected non-compliance or contravention; and
 - (b) any relevant information and evidence in the possession or control of the Licensee and requested by the Authority.
- 4. Where the Authority receives any information from any person other than the Licensee indicating that an offence under relevant legislation or a contravention of the market rules may have been committed in respect of activities or property

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belonging to or managed by the Licensee, the Authority may, subject to Section 5 of the Act, inform the Licensee of such information and the Licensee shall furnish to the Authority as soon as reasonably practicable:

- (a) a written report on the suspected offence or contravention; and
 - (b) any relevant information and evidence in the possession or control of the Licensee and requested by the Authority.
5. The Licensee and its directors and officers shall give full assistance and co-operation to the Authority and its prosecuting officer or counsel in connection with any prosecution proceedings arising from paragraphs 1 through 4 of this Condition.

Condition 25: Information, Access and Audit Rights of the Authority

1. The Licensee shall promptly inform the Authority of any circumstances that result, or are likely to result, in a change in the information provided to the Authority, and shall provide updated information to the Authority in a timely manner.
2. Without prejudice to the powers of the Authority to call for information under or pursuant to any other conditions in this Licence or relevant legislation, the Licensee shall furnish to the Authority, at the Licensee's cost, such information as the Authority requires pursuant to Section 4 of the Act and in such form as the Authority requires.
3. Without limiting the generality of paragraph 2 of this Condition, the Licensee shall, unless it is required by this Licence to do otherwise:
 - (a) notify the Authority of any material change in circumstances that adversely affects or is likely to adversely affect the Licensee's ability to comply with this Licence, its financial integrity or its ability to carry out its responsibilities under the Act, as soon as practicable but in any event within 15 (fifteen) days of the date upon which such material change becomes known to the Licensee;
 - (b) provide the Authority with any information that is required by the market rules to be provided to the Authority by the Licensee or by a panel established by the Licensee, including reports of the Licensee or of any such panel; and
 - (c) following the establishment of the market rules by the Authority, provide the Authority with any proposed modifications to the market rules in accordance with the procedure prescribed in Section 46 of the Act.

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4. The Licensee shall conduct, or have conducted by such independent third party as the Authority may specify such audits of the Licensee's financial records, systems or procedures pertaining to the authorised business as the Authority may from time to time require and shall submit to the Authority such reports as the Authority may direct in respect of such audits.
5. The Licensee shall conduct or have conducted such audits of its systems or procedures pertaining to the authorised business as may be required by the market rules.

Condition 26: Special Administration Order

1. In accordance with any special administration order made by the Minister under Section 29 of the Act, the Authority may directly or indirectly manage the affairs, business and property of the Licensee in accordance with Section 28 of the Act. In such an event, the Licensee shall allow the Authority such access to or control of its property as required to permit the Authority to meet its obligations under the special administration order during the period for which the order is in force.

Condition 27: Payment of Fees

1. The Licensee shall, at the times stated hereunder, pay to the Authority fees in the amount specified in, or determined under, paragraphs 2 to 4 of this Condition.
2. The Authority shall notify the Licensee on or before the 1st of April of each year in which this Licence is in effect of the fee to be paid and the Licensee shall pay such fee to the Authority on or before 30th April of the year.
3. Without prejudice to any other powers of the Authority under this Licence or the Act, if the Licensee shall fail to pay in full any fee due pursuant to this Condition on or before the due date for payment thereof the Licensee shall pay to the Authority interest at the Prescribed Rate described in paragraph 4 below, which interest shall accrue daily on the amount unpaid on and from such due date to the date of actual payment and shall be compounded monthly at the end of each calendar month.
4. The Prescribed Rate shall be the rate which is four percentage points (4%) above the arithmetic average of the rates quoted in Singapore by DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (or such other banks as the Authority may specify in writing from time to time) as being the respective prime lending rates of such banks for each day of the period for which interest accrues, and in respect of any day during such period

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which is not a day for which such a rate is quoted the last preceding rate quoted shall apply.

Condition 28: Equity Interest and Interest in Undertaking

1. The Licensee shall not permit or allow:

- (a) any equity interest in the Licensee; or
- (b) any interest in the undertaking of the Licensee.

to be created, acquired or disposed of without the prior written approval of the Authority.
