



Smart Energy, Sustainable Future

MEDIA RELEASE

16 June 2022

EMA Extends Measures to Enhance Singapore's Energy Security and Resilience

In view of the ongoing volatilities in global energy markets and the conflict in Ukraine, the Energy Market Authority (EMA) will be further extending its measures to enhance Singapore's energy security and resilience until 31 March 2023. EMA will monitor the situation and consider extending the measures further if necessary, depending on the global energy situation and its impact on Singapore.

Tight Gas Supply and Market Uncertainties Remain

2. Since September 2021, the world has been facing an energy crunch. Global gas prices have increased significantly due to high demand and tight gas supply. Energy markets are expected to remain volatile with the protracted conflict in Ukraine coupled with the seasonal increase in energy demand during the coming winter months. Countries in Asia and Europe have started to secure fuel supplies, including gas, in preparation for the winter.

3. With Singapore relying on imported natural gas to generate around 95% of its electricity, the volatilities in global energy markets will spill over into our domestic market. Higher fuel prices globally will push up domestic electricity prices.

Extension of EMA's Measures to Secure our Energy Supply and Stabilise Energy Markets

4. While we cannot shield consumers from higher electricity prices, it is vital that the global volatility does not disrupt our electricity supply and impair the functioning of our energy markets. Since October 2021, EMA has put in place a set of measures to secure Singapore's energy supply, and ensure the orderly functioning of the wider energy sector:

- a. Established a Standby LNG facility (SLF), which power generation companies (gencos) can draw from to generate electricity when their natural gas supplies are disrupted.

- b. Directed gencos to maintain sufficient fuel for power generation, based on their available generation capacity¹ for power generation. This is in addition to the existing requirement of having fuel reserves that gencos are required to maintain under their licences.
- c. Modified Market Rules to enable EMA to direct gencos to generate electricity using the gas from the SLF pre-emptively, if there are potential shortages in energy supply in the Singapore Wholesale Electricity Market (SWEM), to maintain power system security and reliability.

5. These measures have helped to ensure sufficient fuel and electricity supply and stabilised the Uniform Singapore Energy Price (USEP) to around the cost of electricity production – an average of \$350/MWh for the first five months in 2022.

6. EMA has also worked with electricity retailers and generation companies to help large consumers secure fixed price plans and retail contracts with significant fixed price components through the Temporary Electricity Contracting Support Scheme (TRECS).

7. In view of the protracted volatilities in the global energy market, EMA will extend all measures in **para 4 and TRECS**, until **end-March 2023**. Sembcorp Power and Keppel Electric will continue to offer longer-term fixed price plans for consumers with average monthly consumption from 4MWh to 50MWh. EMA will continue to monitor the situation closely and introduce new measures if necessary.

Sign-up Window for July 2022 TRECS

8. The contracting window for July 2022 will open on **17 June 2022**. More information about the electricity contracting options available can be found at <https://go.gov.sg/electricity-contracting-options>.

Support for Consumers

9. The Government will continue to support eligible consumers as they face rising cost pressures. The Household Support Package introduced as part of Budget 2022 will help eligible households – which will receive double the quantum of their quarterly U-Save vouchers in 2022 – defray the costs of higher electricity bills. Businesses which need financing support can tap on loan programmes offered by Enterprise Singapore.

¹ Refers to a genco's available combined cycle gas turbine (CCGT) generation capacity, excluding capacity on planned maintenance.

10. We also urge consumers to do their part to conserve energy. Households can reduce their energy consumption by using energy-efficient appliances and adopting energy saving habits.

11. EMA is committed to ensuring that Singapore's power supply remains secure and reliable, and to supporting consumers through this period.

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About the Energy Market Authority

The Energy Market Authority (EMA) is a statutory board under the Singapore Ministry of Trade and Industry. Through our work, we seek to forge a progressive energy landscape for sustained growth. We aim to ensure a reliable and secure energy supply, promote effective competition in the energy market and develop a dynamic energy sector in Singapore. Visit www.ema.gov.sg for more information.

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