



DECISION PAPER

MODIFICATIONS TO THE CODE OF CONDUCT FOR RETAIL ELECTRICITY LICENSEES

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**MODIFICATIONS TO THE CODE OF CONDUCT
FOR RETAIL ELECTRICITY LICENSEES (“CODE”)**

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Background

1. Since 2001, the Energy Market Authority (“**EMA**”) has progressively opened the retail electricity market to competition. EMA commenced the soft launch of the Open Electricity Market (“**OEM**”) in Jurong, where all business and residential consumers at premises with postal codes starting with 60, 61, 62, 63 and 64 have the choice to buy electricity from retailers based on price plans that best meet their needs. EMA will be extending OEM to the rest of Singapore, to allow the remaining 1.3 million accounts, mainly residential consumers, to enjoy the same choice and flexibility in their electricity purchase options.

Proposed Modifications for OEM

2. In view of the OEM full launch, EMA has reviewed in consultation with the stakeholders to further enhance the policy framework and measures for consumer protection. The key enhancements are set out below:

a. For residential consumers only:

- i. Retailers are allowed to bill household consumers solely based on metered or estimated consumption data provided by the Market Support Services Licensee (“**MSSL**”), i.e. no adjustment is allowed to account for transmission and distribution losses;
- ii. Retailers are required to show and obtain household consumers’ acknowledgement of the relevant Factsheet when contracting (applies to all forms of contracting);
- iii. Retailers are required to show and obtain household consumers’ acknowledgement of the Consumer Advisory when contracting (applies to all forms of contracting);
- iv. Where the contracting consumer is not the utility account holder, retailers are required to verify that the contracting consumer has been duly authorised by the utility account holder to contract on the account holder’s behalf; and
- v. Retailers shall not make changes to contractual terms and conditions without the consent of the relevant household consumers.

b. For both residential and business consumers:

- i. Retailers shall set out in their contracts with consumers the circumstances where the consumers may be transferred to the MSSL under the Default Supply Arrangement (“**DSA**”) during the contract term;
- ii. Retailers shall not unilaterally terminate their contracts with consumers except under the following circumstances: (i) Retailer of Last Resort (“**RoLR**”) event involving the retailers; or (ii) the consumers have breached their contract terms and conditions;
- iii. Retailers can only bill consumers based on: (1) the period for which the consumers are contracted with the retailers; and (2) meter or estimated readings provided by the MSSL;
- iv. Retailers must notify their consumers of: (1) the Supply Effective Date for successful transfers; and (2) the next possible Supply Effective Date (if any) for unsuccessful transfers within 2 business day (“**BD**”) from being notified by the MSSL;
- v. If deemed necessary by EMA to protect the interests of consumers, EMA may make urgent modifications to the Code with a consultation period of 3 BDs; and
- vi. Retailers must issue their final electricity invoices to consumers within 10 BDs from the day the retailers receive the relevant invoice from the MSSL. If this cannot be achieved for good reasons, retailers are to issue a notification (hardcopy or digital) to inform the consumers of the invoice issuance date;

c. Pre-RoLR Framework:

- i. When a retailer becomes aware of an impending RoLR event involving the retailer, the retailer shall:
 1. Immediately cease all marketing activities to retail electricity and not make any further offer to sell to, or enter into any contract with, any consumer;
 2. Carry out the following activities:

Activities to be carried out by the defaulting retailer:	To complete by:
Notify EMA on the impending RoLR event, and halt all retail activities	T-22 BD
Notify affected consumers of plans to exit the market and novation of contracts pending successful takeover by an active retailer in the market	T-21 BD
Commence negotiations with interested retailers on contract novation	T-21 BD
Notify affected consumers of the following: <ul style="list-style-type: none"> - Options available for consumers and effective date: <ul style="list-style-type: none"> o Remain with appointed retailer under a contract novation arrangement (effective on T-1 BD) o Switch to a new retailer (effective on T-1 BD) o Transfer to MSSL under DSA (effective on T+4 BD) - Electricity supply will not be affected - Deadline for consumers to respond shall not be later than T-7 BD. If no decision is received or novation is unsuccessful, the consumer will be transferred to the MSSL under the DSA. 	T-11 BD
Notify appointed retailer of the list of consumers undergoing contract novation	T-6 BD
RoLR Event	T

3. Any novation of the defaulting retailer's contracts with consumers shall be under the same terms and conditions therein.

d. Suspension of retailers from participation in the OEM:

- i. EMA may suspend any retailer from OEM participation if the retailer breaches the terms and conditions for participation.
- ii. The suspended retailer shall:
 - (a) Continue to comply with its obligations under all its subsisting contracts with the consumers;
 - (b) Until such suspension is revoked or lifted, not make any offer to sell to, or enter into any contract with, any OEM consumer¹ and cease all marketing activities to retail electricity to any OEM consumer; and
 - (c) Notify all OEM consumers whose signed contracts have yet to commence of its suspension and to provide them the option to terminate the contract without early termination fees.

3. On 17 Sep 2018, EMA conducted a public consultation on the proposed modifications to the Code to implement the above changes. At the close of

¹ OEM consumer refers to either (a) a residential consumer or (b) a non-residential consumer with an average monthly electricity consumption of 2,000 kWh or less.

consultation on 15 Oct 2018, EMA received feedback from Hyflux Energy Pte Ltd, I Switch Pte Ltd, Keppel Electric Pte Ltd, Ohm Energy Pte Ltd, PacificLight Energy Pte Ltd, Sembcorp Power Pte Ltd, Seraya Energy Pte Ltd, Singnet Pte Ltd, SP Services Ltd, Tuas Power Supply Pte Ltd. **Annex A** sets out EMA's responses to the feedback.

EMA's Decision

4. Taking into account the feedback received, EMA has decided to modify the Code as set out in **Annex B**. The modified Code (as attached in **Annex C**) will take effect on 1 Nov 2018.

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