



CONSULTATION PAPER

MODIFICATION TO THE PSO BUDGET AND FEES REVIEW

Closing date for submissions of comments and feedback:

17 Feb 2020

15 Jan 2020 ENERGY MARKET AUTHORITY
991G Alexandra Road #01-29
Singapore 119975
www.ema.gov.sg

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1 Introduction

- 1.1 Under the Market Rules Chapter 2 Section 12.1.1, the Power System Operator (PSO) is required to publish its proposed expenditure and revenue requirements, and a schedule of the fees that the PSO proposes to charge for the recovery of the PSO's administrative costs, at the beginning of each consecutive period of 5 consecutive fiscal years. Such period is referred to as "5-fiscal year period".
- 1.2 To ensure long-term financial sustainability, reducing fee rate fluctuations and managing the impact of increase, it is prudent to review fees and charges regularly at a shorter frequency.

2 Proposed modification

- 2.1 EMA thus proposes to review the PSO budget and fees at a frequency of at least once every three years, instead of the current five years. The words, "5-fiscal year period" is to be changed to "3-fiscal year period".
- 2.2 The proposed modification is to reduce the uncertainty faced by Market Participants over fee rate changes and allow them to plan ahead better.

3. Request for Written Representations

- 3.1 EMA invites written comments and feedback on the proposed modification to the Market Rules as set out in Appendix 1. Please use the form in Appendix 2 for your submission.
- 3.2 Please send your submission by email to EMA_PSO_ADMIN@ema.gov.sg

Alternatively, you may also send your submission by post or fax to the following address:

Ms Chung Puay Noi or Mr Loh Poh Soon
Power System Operation Division
Energy Market Authority
36 Ayer Rajah Crescent #03-00
Singapore 139945

- 3.3 Anonymous submissions will not be considered.
- 3.4 All submissions must reach EMA by 5pm on 17 Feb 2020.
- 3.5 EMA will acknowledge receipt of all submissions electronically. Please contact Ms Chung Puay Noi at 6872 7317 or Mr Loh Poh Soon at 6872 7338 if you do not receive an acknowledgement of your submission within two business days.

- 3.6 EMA reserves the right to make public all or parts of any written submissions made in response to this Consultation Paper and to disclose the identity of the source. Any part of the submission, which is considered by respondents to be confidential, should be clearly marked and placed as an annex. EMA will take this into account regarding disclosure of the information submitted.

– End –

Proposed Modification to the PSO Budget and Fees Review

Modification Ref No: 2020/1

Clause in Market Rules	Original Text	Modified Text	Reason
Chapter2, Section 12.1.1	The <i>PSO</i> shall, no less than 60 days before the beginning of each consecutive period of 5 consecutive fiscal years of the <i>Authority</i> (each such period referred to as “5-fiscal year period” and each fiscal year of the <i>Authority</i> referred to as “ <i>Authority</i> fiscal year” respectively, in this section 12 and in section 4.2.3 of Chapter 7), publish on the <i>Authority’s</i> web site:	<u>The <i>PSO</i> should review their fees and charges regularly, at a frequency of at least once every three years.</u> The <i>PSO</i> shall, no less than 60 days before the beginning of each consecutive period of up to <u>3 consecutive fiscal years</u> of the <i>Authority</i> (each such period referred to as “ <u>3-fiscal year</u> period” and each fiscal year of the <i>Authority</i> referred to as “ <i>Authority</i> fiscal year” respectively, in this section 12 and in section 4.2.3 of Chapter 7), publish on the <i>Authority’s</i> web site:	To change 5 consecutive fiscal years to up to 3 consecutive years.
Chapter2, Section 12.1.1.1	the <i>PSO’s</i> proposed expenditure and revenue requirements, and a schedule of the fees that the <i>PSO</i> proposes to charge for the recovery of the <i>PSO’s</i> administrative costs, in respect of that 5-fiscal year period, and	the <i>PSO’s</i> proposed expenditure and revenue requirements, and a schedule of the fees that the <i>PSO</i> proposes to charge for the recovery of the <i>PSO’s</i> administrative costs, in respect of that <u>3-fiscal year period</u> , and	To change 5 consecutive fiscal years to up to 3 consecutive years.
Chapter2, Section 12.1.2	The <i>PSO</i> and the <i>Authority</i> shall consider, but shall not be bound by, the written submissions made pursuant to in section 12.1.1 in finalising the <i>PSO’s</i> expenditure	The <i>PSO</i> and the <i>Authority</i> shall consider, but shall not be bound by, the written submissions made pursuant to in section 12.1.1 in finalising the <i>PSO’s</i> expenditure	To change 5 consecutive fiscal years to up to 3 consecutive years.

Clause in Market Rules	Original Text	Modified Text	Reason
	and revenue requirements and schedule of fees for any 5-fiscal year period to which the written submissions relates.	and revenue requirements and schedule of fees for any <u>3-fiscal year period</u> to which the written submissions relates.	
Chapter2, Section 12.1.3	Once the Authority has finalised the PSO's expenditure and revenue requirements and schedule of fees for a given 5-fiscal year period, the PSO shall, prior to the start of that 5-fiscal year period, publish on the Authority's web site such finalised expenditure and revenue requirements and schedule of fees and provide a copy of such published schedule of fees to the EMC.	Once the Authority has finalised the PSO's expenditure and revenue requirements and schedule of fees for a given <u>3-fiscal year period</u> , the PSO shall, prior to the start of that <u>3-fiscal year period</u> , publish on the Authority's web site such finalised expenditure and revenue requirements and schedule of fees and provide a copy of such published schedule of fees to the EMC.	To change 5 consecutive fiscal years to up to 3 consecutive years.
Chapter2, Section 12.1.5	If there is any under-recovery or over-recovery as described in section 12.1.4, the PSO shall seek recovery of the under-recovery through increased PSO's fees, or seek to apply the over-recovery towards reduction of PSO's fees, over the remainder of the current 5-fiscal year period, or such longer period of time as the Authority may approve. If the prevailing schedule of fees for the remainder of the current 5-fiscal year period is required to be revised for this purpose, the PSO shall, as soon as reasonably practicable, with the Authority's approval, revise and publish on the Authority's web site, the PSO's revised expenditure and revenue requirements and	If there is any under-recovery or over-recovery as described in section 12.1.4, the PSO shall seek recovery of the under-recovery through increased PSO's fees, or seek to apply the over-recovery towards reduction of PSO's fees, over the remainder of the current <u>3-fiscal year period</u> , or such <u>shorter</u> period of time as the Authority may approve. If the prevailing schedule of fees for the remainder of the current <u>3-fiscal year period</u> is required to be revised for this purpose, the PSO shall, as soon as reasonably practicable, with the Authority's approval, revise and publish on the Authority's web site, the PSO's revised expenditure and revenue requirements and	To change 5 consecutive fiscal years to up to 3 consecutive years.

Clause in Market Rules	Original Text	Modified Text	Reason
	<p>schedule of fees. The PSO shall provide a copy of such published revised schedule of fees to the EMC. Each such revised schedule of fees shall, when published by the PSO, take effect with respect to the remainder of the relevant 5-fiscal year period and shall, for the remainder of the relevant 5-fiscal year period, supersede any prior schedule of fees published by the PSO in respect of the remainder of the relevant 5-fiscal year period.</p>	<p>schedule of fees. The PSO shall provide a copy of such published revised schedule of fees to the EMC. Each such revised schedule of fees shall, when published by the PSO, take effect with respect to the <u>remainder</u> of the relevant <u>3-fiscal year period</u> and shall, for the remainder of the relevant <u>3-fiscal year period</u>, supersede any prior schedule of fees published by the PSO in respect of the remainder of the relevant <u>3-fiscal year period</u>.</p>	

Representations on the Proposed Modification to the PSO Budget and Fees Review

Name: _____ Designation: _____

Company: _____ Email: _____

Role (Market Participant / Consumer / Others): _____

Submission Date: _____(dd/mm/yy)

Modification Ref. No.	Clause in Market Rules*	Comments

*With reference to the Market Rules published on the EMC website.