

Media Factsheet

Electricity Contracting Support for Large Consumers

In December 2021, the Energy Market Authority (EMA) introduced the Temporary Electricity Contracting Support Scheme (TRECS) to provide large electricity consumers¹ with a viable option to reduce their exposure to the volatile wholesale electricity prices through fixed price contracts with electricity retailers. The scheme will be in place until May 2022. EMA also worked with the power generation companies (gencos) and electricity retailers to offer additional contracts with significant fixed price components as options for large consumers.

Why the Need for Electricity Contracting Support?

2 Since September 2021, global gas prices have risen to record levels due to unanticipated demand for gas and reductions in global gas supply. At its peak, the price of liquefied natural gas (LNG) was more than triple the levels at the start of 2021. This was compounded by piped natural gas (PNG) supply disruptions to Singapore, leading to unprecedented volatility in the Singapore Wholesale Electricity Market (SWEM). The volatility resulted in several electricity retailers choosing to exit from the market. The volatile gas and electricity prices and the risk of PNG supply disruptions have also limited the electricity retailers' ability to offer fixed price contracts to consumers.

3 Most consumers are not affected by the price volatility in the SWEM as they are on standard price plans (i.e. those on fixed price and discount-off-tariff plans) with retailers or on the regulated tariff rate. Only around 1% of consumers buy electricity directly from the SWEM and are exposed to the volatile prices. EMA had received feedback that some large businesses were facing difficulties in renewing their contracts or obtaining new contracts. The volatile gas and electricity prices, and risk of PNG disruptions, have limited the retailers' ability to offer fixed price contracts.

What Are the Electricity Contracting Options?

4 Under the Temporary Electricity Contracting Support Scheme (TRECS) scheme, participating gencos are able to draw on EMA's Standby LNG Facility (SLF) to offer monthly retail contracts to large electricity consumers. The SLF is replenished with gas purchased from the spot LNG market, which means the plans will be re-priced to reflect the cost of replenishment. With monthly plans, consumers can also avoid being locked into long-term contracts and allow them to consider other offers upon the

¹ Refers to those with an average monthly electricity consumption of 4 megawatt-hour (MWh) or more.

expiry of their contracts. EMA has also worked with gencos to offer additional retail plans with significant fixed price components.

5 Large consumers (with an average monthly consumption of at least 4 MWh) who wish to obtain retail electricity contracts for March 2022 can approach the following retailers:

- a) Geneco (by Seraya Energy)
- b) Keppel Electric
- c) PacificLight Energy Pte Ltd
- d) Sembcorp Power Pte Ltd
- e) Senoko Energy Supply Pte Ltd
- f) Tuas Power Supply

6 In particular, consumers with an average monthly consumption of 4 to 8 MWh are able to obtain fixed price contracts at preferred rates from Sembcorp Power Pte Ltd.

7 Interested consumers can visit go.gov.sg/electricity-contracting-options to find out more about the participating electricity retailers and their offers.

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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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