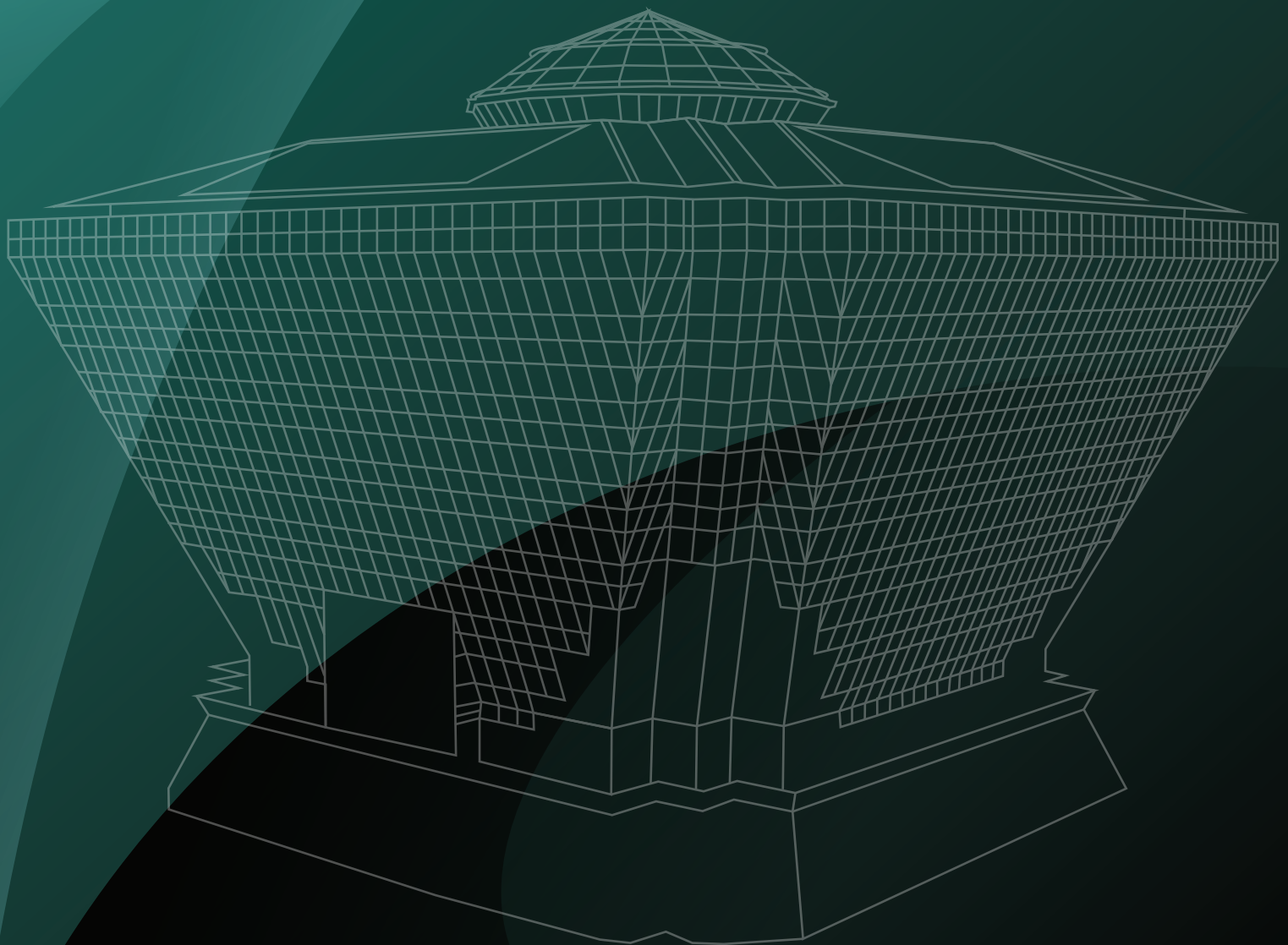


GUIDELINES FOR SINGLE BUYER (FEDERAL TERRITORY OF LABUAN) 2023





GUIDELINES FOR SINGLE BUYER (FEDERAL TERRITORY OF LABUAN) 2023

[GP/ST/No.32/2023 (Pin. 2025)]

Registration Record

Reg. No	Revision Date	Remarks
GP/ST/No.32/2023 (Pin. 2025)	27 January 2025	-



ELECTRICITY SUPPLY ACT 1990

[Act 447]

GUIDELINES FOR SINGLE BUYER (FEDERAL TERRITORY OF LABUAN) 2023

Guidelines/ST/No.32/2023 (Pin. 2025)

IN exercise of the powers conferred by section 50C of the Electricity Supply Act 1990 [Act 447], the Commission issues the following guidelines:

Purposes

1. These guidelines set the principles, rules and mechanism for the implementation of ring-fencing arrangement of the Single Buyer for the purposes of procurement of electricity and related services, which includes planning scheduling, procuring and settlement.

Citation and commencement

2. These guidelines may be cited as the Guidelines for Single Buyer (Federal Territory of Labuan) 2023.
3. These Guidelines comes into operation on 27 January 2025.

Application

4. These Guidelines shall apply to any person or a unit, department or division which has been authorized by the Order published in the *Gazette* to be the Single Buyer.

Dated: 27 January 2025

DATO' IR. TS. ABDUL RAZIB BIN DAWOOD
Chief Executive Officer
Energy Commission

Contents

1.0	Introduction	27
1.1	Guidelines for Single Buyer	27
1.2	Standing of these Guidelines	27
1.3	Determination for existing contracts or agreements	27
2.0	Single Buyer Market Participants	28
2.1	Purpose	28
2.2	Participants	28
2.3	Generator	28
2.4	GSO	29
2.5	Grid Owner	29
2.6	Distributor	29
2.7	Nominated Gas Supplier	29
2.8	Single Buyer	29
2.9	Registration	30
2.10	Ceasing to be a Participant	31
3.0	Objectives of the Single Buyer	32
3.1	Purpose	32
3.2	Objectives	32
4.0	Roles and functions of the Single Buyer	33
4.1	Purpose	33
4.2	Roles of the Single Buyer	33
4.3	Role in procuring electricity to meet demand	33
4.4	Role in facilitating security of electricity supply	34

4.5	Role in monitoring the adequacy of the supply of fuel	34
4.6	Role in promoting transparency	35
4.7	Role in facilitating competition in the generation sector	35
4.8	Role in promoting confidence in the electricity industry	36
5.0	Ring-fencing	37
5.1	Purpose	37
5.2	Non-discrimination	37
5.3	Ring-fencing of operations	37
5.4	Ring-fencing of accounts	38
5.5	Cost allocation	39
5.6	Limits on sharing information	39
5.7	Compliance with ring-fencing obligations	39
6.0	Single Buyer governance	41
6.1	Purpose	41
6.2	Appointment of the Head of the Single Buyer	41
6.3	Single Buyer Oversight Panel	41
6.4	Compliance with the Guidelines	42
6.5	Generator Contracts	43
6.6	Single Buyer Working Groups	43
7.0	Least Cost Dispatch Scheduling Methodology	47
7.1	Purpose	47
7.2	Least Cost Dispatch Scheduling Methodology	47
7.3	Dispatch Scheduling Mode	47

8.0	Three Month Ahead Dispatch Schedule	50
8.1	Purpose	50
8.2	Key Procedural Requirements	50
8.3	Three Month Ahead Dispatch Period	50
8.4	Three Month Ahead Load Forecast	50
8.5	Generation Unit Operating Data	51
8.6	Three Month Ahead Generation Outage Plan	51
8.7	Three Month Ahead Transmission Outage Plan	51
8.8	Other Dispatch Scheduling Model Inputs	51
8.9	Three Month Ahead Dispatch Schedule	52
9.0	Week Ahead Dispatch Schedule	53
9.1	Purpose	53
9.2	Key Procedural Requirements	53
9.3	Weekly Dispatch Scheduling Model Update Date	53
9.4	Week Ahead Load Forecast	54
9.5	Week Ahead Generation Outage Plan	54
9.6	Week Ahead Transmission Outage Plan	54
9.7	Other Dispatch Scheduling Model Inputs	54
9.8	Week Ahead Dispatch Schedule	55
10.0	Day Ahead Dispatch Schedule	56
10.1	Purpose	56
10.2	Key Procedural Requirements	56
10.3	Day Ahead Dispatch Period	56
10.4	Day Ahead Load Forecast	57
10.5	Daily Availability Declaration	57

10.6	Day Ahead Transmission Outage Plan	57
10.7	Other Dispatch Scheduling Model Inputs	57
10.8	Day Ahead Dispatch Schedule	58
10.9	Revised Day Ahead Dispatch Schedule	58
10.10	Review of Revised Day Ahead Load Forecast	59
10.11	Review of Revised Day Ahead Dispatch Schedule	59
10.12	Review of System Marginal Price	60
11.0	Supply Capacity Adequacy Assessment	61
11.1	Purpose	61
11.2	Short-Term Supply Adequacy Assessment	61
11.3	Short-Term Supply Adequacy Plan	61
11.4	Demand Control Plan	61
11.5	One Year Demand and Supply Outlook	62
12.1	Fuel Management	64
12.1	Purpose	64
12.2	Gas Supply Committee	64
12.3	Urgent Gas Procedures	65
13.0	Single Buyer Tariff	67
13.1	Purpose	67
13.2	Single Buyer Tariff Setting Arrangements	67
13.3	Single Buyer Generation Tariff	68
13.4	Single Buyer Operations Tariff	69
13.5	Settlement	69

14.0	Long-Term Supply and Demand	70
14.1	Purpose	70
14.2	Ten Year Demand and Supply Forecast Report	70
15.0	Contracting for New Capacity	73
15.1	Purpose	73
15.2	Role of the Commission	73
15.3	Initiation of Process for Contracting for New Capacity	73
15.4	Development of Tenders for New Capacity	74
15.5	Assessment of Tenders for New Capacity	75
15.6	Finalisation	75
16.0	Dispute Resolution	77
16.1	Purpose	77
16.2	Application of Dispute Resolution Process	77
16.3	Raising a Dispute	77
16.4	Disputes Referred to AIAC	78
16.5	Disputes Heard and Determined by the Commission	78
17.0	Rule Change	80
17.1	Purpose	80
17.2	Role of the Commission	80
17.3	Rule Change Panel	80
17.4	Submission of Rule Change Proposal	81
17.5	Initial Assessment of a Rule Change Proposal	82
17.6	Draft Rule Change Recommendation	82
17.7	Final Rule Change Recommendation	83
17.8	Final Rule Change Decision	83

17.9	Minor Rule Change Procedures	84
17.10	Urgent Rule Change Procedures	85
18.0	Single Buyer Website and Publications	86
18.1	Purpose	86
18.2	Single Buyer Website	86
18.3	Publications	86
18.4	Confidentiality	87
19.0	Appendices	88
19.1	Purpose	88
19.2	Flow Chart of the Three Month Ahead Dispatch Schedule	88
19.3	Flow Chart of the Week Ahead Dispatch Schedule	89
19.4	Flow Chart of the Day Ahead Dispatch Schedule	90

Terms and definitions

Term	Definition
AIAC	The Asian International Arbitration Centre Malaysia established under the auspices of the Asian-African Legal Consultative Organisation (AALCO).
Act 447	The Electricity Supply Act 1990 and any subsidiary legislation made thereunder.
Aggregate Three Month Ahead Dispatch Schedule	The forecast of total generation sent out to meet the Three Month Ahead Load Forecast by each Three Month Ahead Dispatch Interval.
Aggregate Week Ahead Dispatch Schedules	The forecast of total generation sent out to meet the Week Ahead Load Forecast.
Apparatus	Any electrical apparatus and includes the device or fitting in which a conductor is used, or of which it forms part of.
Centrally Dispatched Generating Unit	A Generating Unit subject to dispatch by the GSO.
Charter	A document developed by each Single Buyer Working Group and approved by the Commission, providing the detailed scope and objectives of that Single Buyer Working Group.
Cogeneration Plant	Generating Units where the prime movers and/or driving turbines are driven by excess heat produced as a by-product from another process.
Cogeneration Usage Plan	The forecast of cogeneration output based on contractual obligations between Grid Owner and operators of Cogeneration Plant.
Commencement Date	The date upon which the entirety of these Guidelines comes into operation.

Commission	means the Energy Commission established under the Energy Commission Act 2001.
Customer	A person to whom electricity is provided.
Customer Group	A group or representative of a group, of persons to whom electricity is provided by a Participant.
Daily Availability Declaration	A daily declaration made by each Generator to the GSO and Single Buyer in relation to the level of availability of this Generating Unites for operation, equivalent to the term “Availability Declaration” as defined in the SLGC.
Daily Dispatch Variance Report	A daily report submitted to the Single Buyer and the Commission by the GSO that compares the actual daily dispatch for each Generating Unit to the forecast daily dispatch based on the Revised Day Ahead Dispatch Schedule.
Daily Load Variance Report	A daily report submitted to the Single Buyer and the Commission by the GSO that compares the actual daily load to the Revised Day Ahead Load Forecast.
Daily Operations Review Report	A daily report submitted to the Single Buyer by the GSO that provides updates to key inputs for the Day Ahead Dispatch Schedule and is used by the Single Buyer to produce the Revised Day Ahead Dispatch Schedule.
Day	A calendar day lasting twenty-four (24) hours commencing 00:00 hours and ending at 23:59 hours.
Day Ahead Dispatch Interval	A thirty (30) minute period ending on the hour or on the half hour.
Day Ahead Dispatch Period	The dispatch period for the Day Ahead Dispatch Schedule as defined under Rule 10.3.
Day Ahead Dispatch Schedule	The finalised schedule for the dispatch of each Generating Unit by the Day Ahead Dispatch

	Interval for the Day Ahead Dispatch Period to meet the Day Ahead Load Forecast.
Day Ahead Load Forecast	A day ahead forecast of total electricity sent out to the Grid System to meet the Customers' demand for the following day.
Day Ahead Transmission Outage Plan	A plan prepared by the GSO that specifies the planned transmission outages for the Day Ahead Dispatch Period.
Demand Control Plan	A plan developed by the GSO for demand side response by large Customers or Customer Groups based on the Demand Control procedures set out in Operating Code No. 4 of the SLGC.
Dispatch Schedules	The Day Ahead Dispatch Schedule, the Week Ahead Dispatch Schedule and the Three Month Ahead Dispatch Schedule.
Dispatch Scheduling Model	A computerised model that is capable of calculating the least cost of Week Ahead Dispatch Schedule, Day Ahead Dispatch Schedule and Three Month Ahead Dispatch Schedule, owned and operated by the Single Buyer.
Dispatch Scheduling Model Update Date	The Working Day on which the Single Buyer must update the Dispatch Scheduling Model.
Dispatch Scheduling Working Group	The Single Buyer Working Group established under Rule 6.60 to review, among other things, the efficiency and effectiveness of the dispatch scheduling procedures performed by the Single Buyer and other Participants in facilitating the achievement of the Single Buyer objectives set out in Rule 3.2.
Distribution Code	means the distribution code for Peninsular Malaysia and the Federal Territory of Labuan that sets out the principles governing the relationship between the Distributors, the GSO and all users of the Electricity Distribution Network.
Distributor	A person which is licensed under Act 447, connected to the Grid System, distributes

	electricity for the purpose of enabling a supply to be given to any premises and registered as a Distributor under Rule 2.6.
Draft Day Ahead Dispatch Schedule	A draft schedule for the dispatch for each Generating Unit by the Day Ahead Dispatch Interval for the Day Ahead Dispatch Period to meet the Day Ahead Load Forecast.
Draft Rule Change	A draft document setting out a proposed change to these Guidelines developed by the Commission, which is based on a Rule Change Proposal and reflecting any amendments that the Commission considers necessary to better facilitate the achievement of the objectives as specified in Rule 3.20.
Draft Rule Change Recommendation	A draft recommendation on a Rule Change Proposal provided to the Commission by a Rule Change Panel under Rule 17.6.
Electricity Distribution Network	has the same meaning as assigned to it under the Act 447.
Electricity Tariff	The per unit electricity price charged to Customers in the Federal Territory of Labuan in accordance with the RIG.
Electricity Transmission Network	has the same meaning as assigned to it under the Act 447.
Emergency Condition	The emergency conditions as described in the SLGC.
Export and Import Plan	The plan prepared by the Single Buyer which outlines the export and import of electricity to other jurisdictions or regions connected to the Electricity Transmission Network.
External Interconnection	Apparatus for the transmission of electricity to or from the Electricity Transmission Network or a Electricity Distribution Network into or out of an External System. For the avoidance of doubt, a

	single External Interconnection may comprise several circuits operating in parallel.
External System	In relation to an Externally Interconnected Party means the transmission or distribution system which it owns or operates which is located outside the Federal Territory of Labuan and any apparatus or plant which connects that system to the External Interconnection and which is owned or operated by such Externally Interconnected Party.
Externally Interconnected Party	A person who operates an External System which is connected to the Electricity Transmission Network or a Electricity Distribution Network by an External Interconnection.
Feed-in Tariff	The feed-in tariff available to approved Renewable Plant Generators pursuant to the Renewable Energy Act 2011.
Final Rule Change Decision	A final decision by the Commission, prepared in accordance with Rule 17.8
Final Rule Change Recommendation	A final recommendation on a Rule Change Proposal under Rule 17.7.
Fuel Cost Adjustment	Part of the Imbalance Cost Pass Through Mechanism, which is a six (6) monthly backward-looking adjustment that ensures that the Single Buyer's actual revenue based on its Single Buyer Generation Tariff component equals its actual cost of procuring electricity based on Generator Contracts.
Fuel Price Adjustment	Part of the Imbalance Cost Pass Through Mechanism, which is a six (6) monthly forward-looking adjustment to the Single Buyer Generation Tariff to account for the expected impact of any known changes in gas prices.
Fuel Price Report	A report produced by the Single Buyer for every six (6) month period of the Regulatory Period setting out any proposed amendment to the Single Buyer Tariff based on its expectations of changes in gas prices.

Gas Supply Committee	A committee (being the Gas Taskforce working group) established by the Commission to review and assess the adequacy of gas supply for electricity generation in the Federal Territory of Labuan.
Gas Task Force	The task force convened by the Commission under Rule 12.3.1 to manage and monitor the adequacy of gas supply for electricity generation.
Generating Unit	Any plant capable of producing electricity and connected to either the Electricity Transmission Network or the Electricity Distribution Network in the Federal Territory of Labuan.
Generating Unit Operating Data	A complete set of generating characteristics required to prepare the Week Ahead Dispatch Schedule, Day Ahead Dispatch Schedule and Three Month Ahead Dispatch Schedule for each Generating Unit consistent with the terms and conditions of its relevant Generator Contract.
Generation Schedule	The generation output for each calendar quarter for the Generators prepared and finalised by the Single Buyer before the start of a calendar quarter pursuant to the Generator Contracts between the Grid Owner and the Generators.
Generator	means an entity licensed by the Commission to generate electricity in the Federal Territory of Labuan.
Generator Contracts	An agreement for the sale and purchase of electricity which includes but not limited to power purchase agreements, service level agreements and agreement with Externally Interconnected Parties or Network Operators excluding Renewable Energy.
Generator Daily Dispatch Profile	The forecast daily dispatch by the Day Ahead Dispatch Interval for each Generating Unit of a Generator.

Generator Three Month Ahead Dispatch Profile	The forecast three monthly dispatch by the Three Month Ahead Dispatch Interval for each Generating Unit of a Generator.
Grid System	Electricity Transmission Network with directly connected Generating Units and directly connected customers as defined in the SLGC.
GSO	means the System Operator authorized under section 22A of the Act 447
Grid Owner	means a unit within SESB responsible for the operation and maintenance of a Electricity Transmission Network and its associated plant and apparatus for the purpose of providing transmission services, including access to the Electricity Transmission Network to Generators, Distributors and users of the Grid System in accordance with the provisions of the SLGC and terms and conditions of the licence.
Head of the Single Buyer	A person nominated by SESB and approved by the Commission to oversee the day-to-day operations of the Single Buyer under Rule 6.2.
Imbalance Cost Pass Through Mechanism	The price control mechanism designed by the Commission for making adjustments to the Single Buyer Generation Tariff component of the Single Buyer Tariff and comprising the Fuel Price Adjustment and Fuel Cost Adjustment.
Incentive Based Regulation (IBR)	The tariff setting mechanism as established and will be administered by the Commission.
Independent Power Producer	A Generator, other than SESB Generation, with a Generator Contract.
Least Cost Dispatch Scheduling Methodology	A methodology for developing the Dispatch Schedules such that the lowest cost marginal Generating Unit is forecast to be dispatched first to meet demand followed by the next lowest cost marginal Generating Unit until all demand is met.

Licence	has the same meaning as assigned to it under the Act 447.
Long Term Demand and Supply Working Group	The Single Buyer Working Group established under Rule 6.6 to review, among other things, Ten Year Load Forecast Report and Ten Year Ahead Generation Capacity Report produced by the Single Buyer.
Long Term Demand and Supply Outlook	The Ten Demand and Supply Forecast Report prepared by the Single Buyer.
Main Fuel	Gas, diesel, medium fuel oil or any other fuel used as the main source of fuel for the plant to generate the electricity as defined in the PPA, SLA or Generator Contracts.
Minister	has the same meaning as assigned to it under the Act 447.
Ministry	means the ministry for the time being charged with the responsibility for matters relating to the supply of electricity.
Minor Rule Change Procedures	The procedures undertaken by the Commission under Rule 17.9 to make a Rule Change unilaterally, where the Commission is of the view that the Rule Change or Rule Change Proposal will not materially impact or disadvantage any Participant.
Month	A calendar month.
Network Operator	A person with a User System directly connected to the Electricity Transmission Network to which Customers and/or Generating Units (not forming part of the Grid System) are connected, acting in its capacity as an operator of the system, but shall not include a person acting in the capacity of an Externally Interconnected Party.
Nominated Gas Supplier	A person registered as a Nominated Gas Supplier under Rule 2.7 in accordance with the registration process outlined in Rule 2.9.

Non-Centrally Dispatched Generating Unit	A Generating Unit which is not subject to Dispatched by the GSO.
Non-Working Day	Any day that is not a Working Day.
Offtaker	Sabah Electricity Sdn. Bhd. or any person, unit, department or division forming part of a licensee who is authorised under subsection 22B(1) of Act 447, as the case may be.
One Year Demand and Supply Outlook	A report prepared by Single Buyer to project the generation mix and fuel requirement for the coming year.
Operating Code	That Part of the SLGC identified as the Operational Code(s) or Operating Code(s).
Operating Reserve	The additional output from Generating Plant or the reduction in demand, which must be realisable in real time operation to respond in order to contribute to containing and correcting any System Frequency fall to an acceptable level in the event of a loss of generation or imports or mismatch between generation and demand.
Participant	An entity registered by the Commission as a Participant with consequent obligations under these Guidelines
Petronas	Petroleum Nasional Berhad.
Power Sector Gas Allocation	The daily quantity of gas allocated by the Government and the Nominated Gas Supplier for electricity generation in the Federal Territory of Labuan.
Power Sector Gas Price	The Government determined price for gas specified in RM/mmBtu to be applied for gas based electricity generation in the Federal Territory of Labuan.
PPA	A power purchase agreement between a Generator and the Offtaker for the supply of

	electrical energy and ancillary services by the Generator.
Proposer	Any person proposing an amendment to these Guidelines under Rule 0.
Proposer's Representative	A person authorised to represent a Proposer in matters related to a Rule Change Proposal.
RIG	means the electricity tariff regulatory implementation guidelines issued by the Commission.
Regulatory Period	A period set by the Commission during which the parties as prescribed in the RIG are subject to a control mechanism developed and administered by the Commission.
Related Party	<p>As per the Financial Reporting Standard 124 set by the Malaysian Accounting Standards Board (MASB), a Related Party is a person or entity that is related to the entity that is preparing its financial statements (in the Financial Reporting Standard referred to as the 'reporting entity').</p> <p>(a) A person or a close member of that person's family is related to a reporting entity if that person:</p> <ul style="list-style-type: none"> (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. <p>(b) An entity is related to a reporting entity if any of the following conditions applies:</p> <ul style="list-style-type: none"> (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary

	<p>and fellow subsidiary is related to the others).</p> <p>(ii) One (1) entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</p> <p>(iii) Both entities are joint ventures of the same third party.</p> <p>(iv) One (1) entity is a joint venture of a third entity and the other entity is an associate of the third entity.</p> <p>(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.</p> <p>(vi) The entity is controlled or jointly controlled by a person identified in (a).</p> <p>(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</p>
Renewable Plant	Generating Units that generate power from Renewable Resources, as defined in the Renewable Energy Act 2011.
Renewable Resources	The recurring and non-depleting indigenous resources or technology as set out in the Renewable Energy Act 2011.
Revised Day Ahead Dispatch Schedule	An amended Day Ahead Dispatch Schedule developed and finalised by 10:00 a.m. on the day of the commencement of the Day Ahead Dispatch Period by the Single Buyer based on the Daily Operations Review Report and Revised Day Ahead Load Forecast.

Revised Day Ahead Load Forecast	An updated Day Ahead Load Forecast developed by the Single Buyer by 8:30 a.m. on the day of the commencement of the Day Ahead Dispatch Period.
Rule Change	The process in relation to amending these Guidelines as set out in Rule 170.
Rule Change Panel	A panel convened by the Commission under Rule 17.30 to provide recommendations on Rule Change Proposals.
Rule Change Proposal	A proposal for amending these Guidelines developed in accordance with Rule 17.4.
SLGC	means the Grid Code for Sabah and Labuan (Amendments) 2017 [Kod/ST/No.3/2016 (Pin. 2017)]
SESB	Sabah Electricity Sdn. Bhd. (Company No. 199801006745 (462872-W)), a private limited liability company incorporated in Malaysia, and having its registered place of business at Wisma SESB, Jalan Tunku Abdul Rahman, 88673 Kota Kinabalu, Sabah.
Secondary Fuel	Diesel or distillate or any other fuel used as the secondary source of fuel for the plant to generate the electricity as defined in the PPA, SLA or Generator Contracts.
Secondary Fuel Monthly Price	The relevant Secondary Fuel price declared by SESB and/or the Generators to be used for the purpose of scheduling Secondary Fuel based electricity generation in the Federal Territory of Labuan.
SESB Distribution	means the distribution division of SESB.
SESB Generation	means the generation division of SESB.
Settlement	Those processes and procedures for the calculation of payments under relevant Generator

	Contracts and other agreements for the sale and purchase of electricity.
Short Term Supply Adequacy Plan	A plan developed by the Single Buyer for addressing supply constraints with respect to the development of the Day Ahead Dispatch Schedules and Three Months Ahead Dispatch Schedules.
Single Buyer	means any person authorised to be the Single Buyer in pursuant to Section 22B of the Act 447.
Single Buyer Accounts	Regulatory accounts produced by the Single Buyer in a form and type specified by the Commission and as set out in Rule 5.4.
Single Buyer Generation Tariff	The Single Buyer Generation Tariff component of the Single Buyer Tariff calculated in accordance with Rule 13.3, and comprising all costs to the Single Buyer in purchasing electricity.
Single Buyer Market	The market for supply and procurement of electricity in the Federal Territory of Labuan where the procurement of electricity and related services is managed by the Single Buyer.
Single Buyer Operations Tariff	The Single Buyer Operations Tariff component of the Single Buyer Tariff calculated in accordance with Rule 13.4, and comprising all of the operational costs incurred by the Single Buyer in undertaking its roles and performing its functions not covered by the Single Buyer Generation Tariff.
Single Buyer Oversight Panel	The panel convened and chaired by the Commission under Rule 6.3 to oversee the compliance of the Single Buyer with these Guidelines.
Single Buyer Tariff	The tariff charged by the Single Buyer to the relevant party as prescribed in the RIG calculated in accordance with Rule 130 and comprising the Single Buyer Generation Tariff and Single Buyer Operations Tariff components.

Single Buyer Website	The website that is developed and maintained by the Single Buyer to publish various information concerning the operation of the Single Buyer Market as set out in Rule 18.
Single Buyer Website Working Group	The Single Buyer Working Group established under Rule 6.6 to review, among other things, the format and accessibility of the information published on the Single Buyer Website and timelines for publication of such information.
Single Buyer Working Groups	Working groups established by the Single Buyer under Rule 6.6 to improve transparency of the Single Buyer functions and improve the operation of the Single Buyer market by reviewing Single Buyer processes and outcomes and recommending changes to procedures and these Guidelines.
SLA	A service level agreement between SESB Generation and the Offtaker in respect of SESB Generating Unit for the supply of electrical energy and ancillary services by the Generating Unit.
System Constraint	Limit on the operation of the Electricity Transmission Network due to thermal rating, stability consideration, voltage consideration and other limits.
System Frequency	The number of alternating current cycles per second (expressed in Hertz) at which a Electricity Transmission Network is running.
System Marginal Price	The highest variable cost of dispatching a Generating Unit to meet the: a) Week Ahead Load Forecast for every Week ahead Dispatch Interval; or b) the Day Ahead Load Forecast for every Day Ahead Dispatch Interval.
System Upgrade Plan	An investment plan to upgrade the Dispatch Scheduling Model.

Ten Year Ahead Generation Capacity Report	A report prepared annually by the Single Buyer detailing the adequacy of generation capacity to meet the Ten Year Ahead Load Forecast.
Ten Year Demand and Supply Forecast Report	A report prepared by the Single Buyer that provides an assessment of the adequacy of long term projections of generation capacity to meet demand and any requirements for new capacity based on the Ten Year Ahead Load Forecast Report and Ten Year Ahead Generation Capacity Report.
Ten Year Generation Planning Report	A report prepared by the Single Buyer as outlined in Rule 14.2.5 that specifies the requirement of new generation capacity over a ten (10) year forecast period.
Ten Year Ahead Load Forecast	A ten (10) year ahead forecast of electricity sent out by the Three Month Ahead Dispatch Interval for each Generating Unit connected to the Grid System to meet the corresponding ten year ahead electricity demand of Customers.
Ten Year Ahead Load Forecast Report	A report prepared by the Single Buyer detailing the Ten Year Ahead Load Forecasts and assumptions used in preparing the load forecasts.
Ten-Year System Outlook	A supply and demand outlook for ten (10) years system horizon
Terms of Reference	A document developed by the Single Buyer setting out the proposed scope and objectives of a Single Buyer Working Group.
Three Month Ahead Dispatch Period	A period of three (3) calendar Months.
Three Month Ahead Dispatch Schedule	A schedule for the dispatch of all Generating Units to meet the Three Month Ahead Load Forecast.
Three Month Ahead Generation Outage Plan	A plan prepared by the GSO that specifies the planned outages for each Generating Unit for the Three Month Ahead Dispatch Period.

Three Month Ahead Load Forecast	A three month ahead forecast of total electricity sent out to the Grid System to meet Customers' demand for the next three (3) months.
Three Month Ahead Transmission Outages	A plan prepared by the GSO which specifies the planned Transmission outages for three (3) months ahead.
Urgent Gas Procedures	The procedures undertaken by the Single Buyer under Rule 12.3 in the event of a disruption to planned and expected gas supply.
Urgent Rule Change Procedures	The procedures undertaken by the Commission under Rule 17.10 to make a Rule Change unilaterally, where security of electricity supply, the viability of the Electricity Industry or Participants, or the achievement of the Commission's objectives under <i>Act 447</i> are threatened.
User System	Any system comprising Generating Units and/or systems consisting (wholly or mainly) and/or electric lines used for the distribution of electricity and any apparatus or plant which connects the system as described above or the non-embedded customers' equipment, as defined in the SLGC.
Week	The seven (7) days period commencing 00:00 on Monday and ending at 23:59 hours on Sunday.
Week Ahead Dispatch Schedule	A schedule for the dispatch for each Generating Unit to meet the Week Ahead Load Forecast.
Week Ahead Generation Outage Plan	A plan prepared by the GSO which specifies the planned outages for each Generating Unit for the Week.
Week Ahead Load Forecast	A week ahead forecast of total electricity sent out to the Grid System to meet Customers' demand for the following week.
Week Ahead Transmission Outage Plan	A plan prepared by the GSO which specifies the planned Transmission outages for the Week.

Weekly Scheduling Update Date	Dispatch Model	The day upon which the Dispatch Scheduling Model is updated to produce the Week Ahead Dispatch Schedule, as specified in Rule 9.3.
Working Day		Any day other than a Saturdays, Sundays and public holidays on which commercial banks are open for business in the Federal Territory of Labuan.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 1: INTRODUCTION

1.1. Guidelines for Single Buyer

1.1.1 These Guidelines govern the operation of the Single Buyer and conduct of Participants in the Single Buyer Market.

1.1.2 These Guidelines shall apply in the Federal Territory of Labuan.

1.2 Standing of these Guidelines

1.2.1 These Guidelines apply in conjunction with the following documents:

- (a) the Act 447;
- (b) the Energy Commission Act 2001;
- (c) the SLGC;
- (d) the Distribution Code;
- (e) the regulations, codes, guidelines or directions issued by the Minister or the Commission respectively;
- (f) the Licence; and
- (g) the Generator Contracts.

1.3 Determination for existing contracts or agreements

1.3.1 If any contract, agreement or arrangement exists at the date of these Guidelines come into force, the Commission shall make a determination whether the technical conditions of the specific contract, agreement or arrangement are in line with the provisions of these Guidelines in consultation with the Single Buyer and GSO.

1.3.2 If the technical conditions of the specific contract, agreement or arrangement are not in line with the provisions of these Guidelines, the Commission may determine any variation to the provisions of these Guidelines for the purpose of the compliance of such technical conditions, and such variation may be issued by the Commission through a direction, after the consultation with the Single Buyer and GSO.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 2: SINGLE BUYER MARKET PARTICIPANTS

2.1 Purpose

This Chapter sets out and describes the various categories of Participant in the Single Buyer Market and the registration procedures outlined in Rule 2.9. All Participants have different rights and obligations under these Guidelines and must be registered with the Commission.

2.2 Participants

The different categories of Participant are as follows:

- (a) Generator;
- (b) GSO;
- (c) Grid Owner;
- (d) SESB Distribution;
- (e) Nominated Gas Supplier;
- (f) Single Buyer; and
- (g) any other party approved by the Commission.

2.3 Generator

2.3.1 A person engaged in the activity of owning, controlling or operating a Generating Unit that is connected to the Electricity Transmission Network or Electricity Distribution Network.

2.3.2 As part of the registration process, every Generator shall classify each of its Generating Units as:

- (a) a Centrally Dispatched Generating Unit; or
- (b) Non-Centrally Dispatched Generating Unit.

2.3.3 A Generating Unit with a nameplate rating of not less than 8MW shall be classified as a Centrally Dispatched Generating Unit unless the the Commission approves its classification as a Non-Centrally Dispatched Generating Unit.

- 2.3.4 A Centrally Dispatched Generating Unit shall be scheduled for dispatch based on the Least Cost Dispatch Scheduling Methodology and in accordance with the provisions of these Guidelines.
- 2.3.5 Upon registration as a Centrally Dispatched Generating Unit, a Generator operating a Centrally Dispatched Generating Unit shall provide the Commission with a Generator Contract.
- 2.3.6 A Generating Unit connected to either the Electricity Transmission Network or the Electricity Distribution Network with a nameplate rating of less than 8MW except for canopy generating set of which the rating should not be less than 1MW) shall be classified as a Non-Centrally Dispatched Generating Unit, unless the Commission approves its classification as a Centrally Dispatched Generating Unit.
- 2.3.7 A Non-Centrally Dispatched Generating Unit need not be dispatched based on the Least Cost Dispatch Scheduling Methodology.

2.4 GSO

A person engaged in the activity of real-time scheduling, dispatch and control of the Grid System.

2.5 Grid Owner

A person engaged in the activity of owning, controlling or operating a Electricity Transmission Network.

2.6 Distributor

A person engaged in the activity of owning, controlling or operating a Electricity Distribution Network.

2.7 Nominated Gas Supplier

A person engaged in the activity of supplying gas for electricity generation in the Federal Territory of Labuan.

2.8 Single Buyer

- 2.8.1 A person, unit, department or division authorised by the Commission to be responsible for the management of the procurement of electricity and related services, which includes scheduling, procuring and settlement of electricity.

2.8.2 The Single Buyer shall not incur any liability for an act or omission in the performance, or purported performance, of a function of the Single Buyer in the Single Buyer Market.

2.8.3 All Participants are solely responsible for their operations and participation in these Guidelines and no event shall make the Single Buyer liable for any damage or destruction of property, or any death or personal injury to any person.

2.9 Registration

2.9.1 All Participants that are registered shall comply with the provisions of these Guidelines.

2.9.2 Registration applications shall be submitted to the Commission in a form specified by the Commission and must demonstrate the following:

(a) that the potential Participant is willing and able to comply with the relevant obligations of these Guidelines;

(b) that the potential Participant is not under external administration or a similar form of administration under any laws applicable to it in any jurisdiction; and

(c) such other matters as the Commission may consider necessary.

2.9.3 The Commission shall within twenty-eight (28) Working Days after receiving an application (or reapplication) for registration either:

(a) approve the registration of the applicant if it is satisfied that the applicant is able to comply with the relevant provisions of these Guidelines and meet the requirements specified in Rule 2.9.1; or

(b) not approve the application for registration and seek further clarification and information from the applicant.

2.9.4 Subject to the confirmation from the Commission to the Single Buyer of the registration status of each respective Participant, the Single Buyer shall maintain a list of the Participants on the Single Buyer Website, and list any newly approved Participants on the Single Buyer Website within three (3) Working Days of approving the registration.

2.9.5 The Commission shall have the absolute discretion in determining the eligibility criteria for registration as Participants and reserves the right to reject applications for any reason.

2.10 Ceasing to be a Participant

2.10.1 A Participant shall apply to the Commission in writing for deregistration if it wishes to cease being a Participant.

2.10.2 The Commission shall within twenty-eight (28) Working Days after receiving an application (or reapplication) for deregistration either:

- (a) approve the deregistration of the applicant if it is satisfied that the applicant should no longer be required to comply with the relevant provisions of these Guidelines; or
- (b) not approve the application for de-registration and seek further clarification and information from the applicant.

2.10.3 The Commission shall remove a successful applicant's details from the list of Participants on the Single Buyer Website within three (3) Working Days of approving the application for deregistration.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 3: OBJECTIVES OF THE SINGLE BUYER

3.1 Purpose

This Chapter sets out the objectives that the Single Buyer shall seek to achieve in undertaking its roles and performing its functions under these Guidelines as defined hereinafter.

3.2 Objectives

The objectives of the Single Buyer are as follows:

- (a) to minimise the cost of electricity procurement to meet demand, subject to:
 - (i) consistency with the terms of the contracts with Generators;
 - (ii) generation and Electricity Transmission Network constraints; and
 - (iii) any other requirements relevant to the Single Buyer as specified in the SLGC,
- (b) to promote transparency in the procurement of electricity by ensuring that it undertakes its functions in a transparent manner, subject to any constraints imposed by the terms and conditions of Generator Contracts;
- (c) to facilitate competition in the generation sector and promote confidence in the Electricity Industry by ensuring that it performs its functions in a fair and balanced manner and compliance with these Guidelines; and
- (d) to facilitate security of electricity supply by proactively reporting any issues it identifies that may adversely affect the security of supply to the Commission.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 4: ROLES AND FUNCTIONS OF THE SINGLE BUYER

4.1 Purpose

This Chapter sets out the roles of the Single Buyer and each of the functions performed by the Single Buyer in undertaking its roles. The detailed procedure for performing each of the functions is set out in the following Rule of these Guidelines.

4.2 Roles of the Single Buyer

The roles of the Single Buyer are as follows:

- (a) to procure electricity to meet demand (and related services to meet the Operating Reserve requirements) at the least cost;
- (b) to facilitate security of electricity supply;
- (c) to monitor the adequacy of the supply of fuel to Generators;
- (d) to promote transparency in the performance of its functions;
- (e) to facilitate competition in the generation sector; and
- (f) to promote confidence in the electricity industry.

4.3 Role in procuring electricity to meet demand

4.3.1 The Single Buyer shall purchase electricity from Generators on a least cost basis in accordance with the terms and conditions of the Generator Contracts. In procuring electricity, the Single Buyer must take into consideration the generation and Electricity Transmission Network constraints and configuration and all relevant system security and safety parameters as specified in the SLGC.

4.3.2 The Single Buyer shall perform the following functions in relation to its role in procuring electricity to meet demand:

- (a) produce the Three Month Ahead Dispatch Schedule;
- (b) produce the Week Ahead Dispatch Schedule;
- (c) produce the Day Ahead Dispatch Schedule;
- (d) settle Generators' invoices consistent with the terms and conditions of Generator Contracts; and

- (e) administer the Single Buyer Tariff consistent with the requirements of the regulatory framework for tariff setting administered by the Commission.

4.4 Role in facilitating security of electricity supply

4.4.1 The Single Buyer shall facilitate security of electricity supply by maintaining oversight of demand and supply issues in the performance of its dispatch scheduling functions and in its functions in assessing long-term supply and demand conditions. In the event that the Single Buyer becomes aware of any shortfall in generation capacity, it shall notify the Commission, prepare a generation planning report and work collaboratively with Participants to address any such shortfall.

4.4.2 The Single Buyer shall perform the following functions in relation to its role in facilitating the security of electricity supply:

- (a) identify any shortfall in the short-term adequacy of supply in the preparation of the Three Month Ahead Dispatch Schedule and Week Ahead Dispatch Schedule and notify the Commission as soon as it is aware of such a shortfall;
- (b) develop a Short-Term Supply Adequacy Plan for addressing any short-term supply constraints;
- (c) produce a Ten-Year Demand and Supply Forecast Report;
- (d) identify any projected shortfall in generation capacity, prepare a Ten-Year Generation Planning Report (if required) to identify options for the timing and type of new generation capacity required and immediately notify the Commission of any such shortfall; and
- (e) undertake verification studies to assist the Commission in the verification of transmission development plan submitted by Grid Owner under license condition.

4.5 Role in monitoring the adequacy of the supply of fuel

4.5.1 The Single Buyer shall monitor the adequacy of the supply of fuel to Generators and notify the Commission of any issues identified, including monitoring the adequacy of Secondary Fuel or gas to meet the Week Ahead Dispatch Schedule and the Three Month Ahead Dispatch Schedule and responding to and monitoring any unplanned curtailment or disruption to the planned supply and delivery of forecast

quantities of Secondary Fuel or gas and managing the impact of weather or riparian requirements.

4.5.2 The Single Buyer shall perform the following functions in relation to its role in monitoring the supply of fuel to Generators:

- (a) participate in a Gas Supply Committee to monitor the adequacy and security of gas supply for electricity generation and the efficiency and effectiveness of gas procurement by the Nominated Gas Supplier; and
- (b) develop a plan for the use of Secondary Fuel to make up for the loss of gas-based generation;

4.6 Role in promoting transparency

4.6.1 The Single Buyer shall promote transparency by ensuring that it performs its functions in a transparent and consistent manner. The Single Buyer shall ensure that it publishes information concerning the performance of its functions and ensure that such information is accurate, concise, understandable and readily accessible to Participants, stakeholders and the general public. The Single Buyer shall also perform its functions in a spirit of collaboration with Participants, ensuring that Participants are given the opportunity to participate in any Single Buyer Working Groups and consultations that the Single Buyer considers are necessary to assist it in performing its functions.

4.6.2 The Single Buyer shall perform the following functions in relation to its role in promoting transparency:

- (a) develop and maintain the Single Buyer Website. The Single Buyer Website shall publish information concerning the performance of the Single Buyer functions, as required under Rule 18.3 subject to the confidentiality provisions in the Generator Contracts; and
- (b) establish Single Buyer Working Groups comprising appropriate representatives from Participants and other stakeholder groups. The Single Buyer Working Groups shall review processes and outcomes and recommend Rule Changes where appropriate.

4.7 Role in facilitating competition in the generation sector

4.7.1 The Single Buyer shall facilitate competition in the generation sector by performing its functions concerning the tendering for new capacity in a fair and balanced manner. The Single Buyer shall also ensure that it performs its dispatch functions in a manner that is consistent with

principles of least cost and is also consistent with the terms and conditions of Generator Contracts as required by these Guidelines.

- 4.7.2 The Single Buyer shall ensure that it negotiates the terms and conditions of Generator Contracts in a fair and balanced manner that does not unreasonably discriminate against any party and ensures fair and reasonable terms and conditions for participation in the generation sector for all parties.

4.8 Role in promoting confidence in the electricity industry

- 4.8.1 The Single Buyer shall promote confidence in the electricity industry by performing its functions concerning the tendering for new capacity in a fair and balanced manner and compliance with these Guidelines. The Single Buyer shall identify circumstances where interaction with other divisions and units of SESB may give rise to a conflict of interest, lessening of competition or competitive advantage and implement appropriate operational ring-fencing procedures.
- 4.8.2 The Single Buyer shall perform the following functions in relation to its role in promoting confidence in the electricity industry:
- (a) ensure its compliance with these Guidelines, and notify the Commission if it becomes aware of any non-compliance with these Guidelines, either on the part of the Single Buyer or another Participant to these Guidelines; and
 - (b) monitor compliance with the Generator Contracts.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 5: RING-FENCING

5.1 Purpose

- 5.1.1 This Chapter sets out the ring-fencing requirements to ensure that the Single Buyer is able to meet its obligations under the Act 447 and perform its functions in a fair and non-discriminatory manner, promoting competition in the generation sector and confidence in the electricity industry.
- 5.1.2 The ring-fencing requirements are also a key aspect of the Commission's regulatory framework and are a fundamental requirement for the establishment of the Single Buyer Tariff arrangements set out in Rule 130.

5.2 Non-discrimination

- 5.2.1 Subject to Rule 5.2.2, in performing its functions under these Guidelines the Single Buyer shall ensure that it does not make decision or act in a manner that unreasonably discriminates against any other Participant by:
- (a) offering terms and conditions for a Generator Contract that are less favourable than those available to a Related Party; or
 - (b) favouring a Related Party in developing the Dispatch Schedules.
- 5.2.2 Subject to Rule 5.2.3, the Commission shall decide upon whether the behaviour of the Single Buyer is unreasonably discriminatory on a case-by-case basis. In doing so, the Commission shall have regard to:
- (a) the SLGC;
 - (b) the Generator Contracts;
 - (c) the Single Buyer objectives under Section 3.2; and
 - (d) any other matters it considers relevant.
- 5.2.3 Any action required of the Single Buyer under the SLGC or Generator Contracts shall not be deemed to be discriminatory.

5.3 Ring-fencing of operations

- 5.3.1 So long as the Single Buyer is a unit, department, division, or subsidiary of SESB, then in performing its functions under these Guidelines, the Single Buyer shall implement appropriate operational ring-fencing procedures to address the potential conflict of interest,

lessening of competition or competitive advantage. Such ring-fencing procedures may include, but are not limited to:

- (a) limitations on employees of the Single Buyer participating in committees, working groups, and meetings concerning tendering for new generation capacities and strategic developments of SESB;
- (b) establishing a work area that is separate from the work areas of other divisions and units within SESB that may obtain a competitive advantage from information held by the Single Buyer with access controls that prevent staff of either the Single Buyer or other divisions or departments or units from entering into the work area of the other; and
- (c) access controls for the Single Buyer information technology systems so that other users of information technology systems (other than an outsourced information communication and technology service provider) cannot access information held by the Single Buyer which may give rise to a conflict of interest, lessening of competition or competitive advantage.

5.4 Ring-fencing of accounts

- 5.4.1 The Single Buyer shall establish and maintain a separate set of Single Buyer Accounts relating to the performance of its functions as a Single Buyer.
- 5.4.2 The Single Buyer shall prepare the Single Buyer Accounts, which must be signed off by the Head of the Single Buyer and submitted to SESB for approval before submission to the Commission.
- 5.4.3 The Single Buyer Accounts shall be consistent with the requirements of the Commission's regulatory framework and must, at a minimum, include a profit and loss statement and a statement of assets.
- 5.4.4 The profit and loss statement must comprise the following details:
 - (a) revenue based on the Single Buyer Tariff, comprising the Single Buyer Generation Tariff and Single Buyer Operations Tariff;
 - (b) payments to, and receipts from, Generators based on Generator Contracts and Settlements;
 - (c) payments to, and receipts from, other jurisdictions in relation to imports and exports of electricity;
 - (d) operating expenditure incurred by the Single Buyer in performing its functions;

- (e) allocation of corporate overheads; and
- (f) book depreciation.

5.4.5 The statement of assets must include all Single Buyer's assets, and be able to accurately account for the value, age and useful life of the assets required for the performance of the Single Buyer functions.

5.4.6 The statement of assets must be an automatically generated report from SESB financial systems.

5.4.7 The Single Buyer Accounts shall be subject to audit at least annually and submitted to the Commission.

5.5 Cost allocation

SESB shall ensure that any costs that are shared between the Single Buyer and any other division or business unit within SESB are allocated between these parties in accordance with a cost allocation methodology that is consistent with the Incentive Based Regulation and RIG issued by the Commission or is otherwise consistent with any cost allocation rules developed by the Commission.

5.6 Limits on sharing information

5.6.1 The Single Buyer shall ensure that to the extent that it has access to information about other Participants that may give cause to a conflict of interest, lessening of competition or competitive advantage to SESB in either its existing generation activities or when contracting for additional capacity, the Single Buyer shall not divulge this information to any other party, except to the extent required in the performance of its functions under these Guidelines.

5.6.2 The Single Buyer shall not disclose any information that is confidential to SESB or any other party, except to the extent required in the performance of its functions under these Guidelines.

5.7 Compliance with ring-fencing obligations

5.7.1 The Commission may undertake any such actions that it considers necessary to monitor the compliance of the Single Buyer with the ring-fencing principles set out in this Chapter, including, but not limited to:

- (a) requiring the Single Buyer to prepare a statement of compliance demonstrating how it complies with the ring-fencing principles;

- (b) issuing guidelines which set out detailed ring-fencing requirements in addition to the principles contained in this Chapter; and
 - (c) requiring the Single Buyer to furnish it with any such information necessary to satisfy the Commission that the Single Buyer is compliant with the ring-fencing principles.
- 5.7.2 In the event that the Single Buyer is uncertain about the potential for a conflict of interest, lessening of competition or competitive advantage, the Single Buyer shall consult with the Commission to determine whether or not such potential exists.
- 5.7.3 Where the Single Buyer considers that it is unable to comply with the conditions set out in this Chapter, it shall consult with the Commission to determine an appropriate course of action to address any non-compliance or minimise the potential impacts of any non-compliance.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 6: SINGLE BUYER GOVERNANCE

6.1 Purpose

This Chapter outlines the governance arrangements for the Single Buyer including independent oversight of the Single Buyer, requirements for the Single Buyer to comply with these Guidelines, the establishment of Single Buyer Working Groups to add transparency to the Single Buyer functions and the Single Buyer's role in monitoring compliance with the Generator Contracts.

6.2 Appointment of the Head of the Single Buyer

6.2.1 The appointment of the Head of the Single Buyer shall be undertaken in accordance with the requirements of Act 447, the Licence conditions and any guidelines or directions issued by the Minister or the Commission.

6.2.2 In the event that the position of the Head of the Single Buyer is left vacant due to the departure of the incumbent at short notice, or the processes for the appointment of the Head of the Single Buyer have not been able to be completed for any reason, the Chief Executive Officer of SESB shall appoint a person to act in the position of the Head of the Single Buyer until the appointment process is completed.

6.2.3 SESB shall establish appropriate reporting arrangements for the Head of the Single Buyer which ensure that:

(a) the Single Buyer is empowered to perform its functions under these Guidelines in a manner that does not unduly discriminate against any other Participant as specified in Rule 5.2; and

(b) any potential conflicts of interest are appropriately addressed.

6.2.4 The terms of employment for the Head of the Single Buyer and the staff of the Single Buyer shall be consistent with SESB's employment policy and appropriate the Federal Territory of Labuan benchmarks.

6.2.5 The Head of the Single Buyer shall report directly to the Chief Executive Officer of SESB.

6.3 Single Buyer Oversight Panel

6.3.1 The Commission shall establish and maintain a Single Buyer Oversight Panel to oversee the compliance of the Single Buyer with these Guidelines.

6.3.2 The Single Buyer Oversight Panel shall be chaired by the Commission and shall be comprised of at least one (1) representative from SESB and any suitable member as determined by the Commission.

- 6.3.3 In selecting member of the Single Buyer Oversight Panel, the Commission shall give due consideration to the requisite skills and qualifications of the member, and any conflicts of interest that might arise in performing the functions of the Single Buyer Oversight Panel.
- 6.3.4 The functions of the Single Buyer Oversight Panel shall include, but not be limited to:
- (a) overseeing the compliance of the Single Buyer with these Guidelines;
 - (b) providing advice and issuing guidance to the Single Buyer and Participants on achieving compliance with these Guidelines;
 - (c) reviewing suggestions for amendments to these Guidelines as required by the Rule Change Panel or the Commission;
 - (d) recommending changes to procedures and these Guidelines where it considers that the recommended change would better facilitate the objectives set out in Rule 3.2; and
 - (e) assisting the Commission in selecting and appointing an external auditor to assess compliance under Rule 6.4.2.
- 6.3.5 The Single Buyer shall brief the Single Buyer Oversight Panel from time to time, and as requested by the Single Buyer Oversight Panel, in relation to the operational actions taken and the implementation of the provision in these Guidelines.

6.4 Compliance with the Guidelines

- 6.4.1 The Single Buyer shall ensure that it has appropriate policies, systems and procedures in place to ensure that it is capable of complying with these Guidelines.
- 6.4.2 In the event that the Single Buyer becomes aware that there is a non-compliance by the Single Buyer with these Guidelines, it shall immediately inform the Single Buyer Oversight Panel and the Commission and put in place procedures to address the non-compliance.
- 6.4.3 The Commission shall appoint a suitably qualified auditor to assess the compliance of the Single Buyer with the requirements of these Guidelines:
- (a) twelve (12) Months from the Commencement Date of these Guidelines; or

- (b) at least once every three (3) years thereafter, or as specified by the Commission; or
- (c) when the Commission, with the approval of the Oversight Committee, determines it is necessary.

6.4.4 The Single Buyer shall ensure that the information provided to the auditor is accurate and complete.

6.4.5 The cost of the audit shall be borne by the Single Buyer and treated as recoverable operating expenditure for the purposes of calculating the Single Buyer Operations Tariff.

6.5 Generator contracts

6.5.1 The Single Buyer shall monitor the compliance of parties with the Generator Contracts.

6.5.2 In the event that the Single Buyer becomes aware of any non-compliance with the Generator Contracts that it considers will have a material effect on its ability to achieve its objectives under Rule 3.2, then it shall notify the Commission.

6.6 Single Buyer Working Groups

6.6.1 The objectives of the Single Buyer Working Groups are to:

- (a) review the Single Buyer processes and outcomes and provide recommendations to the Single Buyer, other Participants and the Commission on changes to procedures that it considers would improve the efficiency of the discharge of responsibilities set out in these Guidelines; and
- (b) recommend changes to procedures and these Guidelines where it considers that the recommended change would better facilitate the objectives set out in Rule 3.20:
 - (i) Rule Change proposals made by the Single Buyer Working Groups shall be subject to the Rule Change procedures set out in Chapter 17; and
 - (ii) recommendations on changes to procedures that do not require a Rule Change shall be submitted to the Commission for approval. If the Commission approves a recommendation, the Commission and Single Buyer shall work collaboratively with any relevant Participants to implement the recommendation.

6.6.2 The Single Buyer shall establish the Single Buyer Working Groups as specified in Rule 6.6.3 no later than six (6) months after the Commencement Date.

6.6.3 The Single Buyer Working Groups shall be as follows:

(a) Dispatch Scheduling Working Group comprising members from the Commission, the Single Buyer and the GSO. In meeting its objectives under Rule 6.6.1, the Dispatch Scheduling Working Group shall meet at least quarterly and shall review issues including, but not limited to:

(i) efficiency and effectiveness of the dispatch scheduling procedures performed by the Single Buyer and other Participants in facilitating the achievement of the Single Buyer objectives set out in Rule 3.2;

(ii) appropriateness of timelines in the dispatch scheduling procedures;

(iii) appropriateness of the form and content of Participants' submissions of inputs to the Single Buyer for the purpose of producing the Dispatch Schedules;

(iv) appropriateness of the form and content of information disseminated by the Single Buyer to other Participants; and

(v) any other related issues by the Generators and other Participants.

The Dispatch Scheduling Working Group may invite such Generators and Participants to participate in such meetings.

(b) Long-Term Demand and Supply Working Group comprising members from the Commission, the Ministry, and any other relevant Government agencies or authorities, the Nominated Gas Supplier, the Single Buyer, the GSO and the Grid Owner. In meeting its objectives under Rule 6.6.1, the Long-Term Demand and Supply Working Group shall meet at least once every six (6) Months and shall review issues including, but not limited to, the development and content of:

(i) the Ten Year Ahead Load Forecast Report produced by the Single Buyer as set out in Rule 14.2.3; and

(ii) the Ten Year Ahead Generation Capacity Report produced by the Single Buyer as set out in Rule 14.2.4.

- (c) Single Buyer Website Working Group comprising (at a minimum) members from the Commission, the Single Buyer, the appointed information communication and technology service provider and the GSO. In meeting its objectives under Rule 6.6.1, the Single Buyer Website Working Group shall meet at least twice a year and shall review issues including, but not limited to:
- (i) the information published on the Single Buyer Website, with particular consideration of whether additional information should be published;
 - (ii) the format and accessibility of the information published on the Single Buyer Website; and
 - (iii) appropriateness of timelines in these Guidelines for Participants and the Commission to publish information on the Single Buyer Website.

The Single Buyer Website Working Group may invite other persons including the relevant Generators to participate in such meetings.

6.6.4 The Single Buyer may establish additional Single Buyer Working Groups as a platform to discuss emerging issues. The Single Buyer may determine the scope of each Single Buyer Working Groups and their Terms of Reference from time to time.

6.6.5 The Commission may direct the Single Buyer to establish additional Single Buyer Working Groups to discuss specific matters not covered by the existing Single Buyer Working Groups.

6.6.6 For each Single Buyer Working Group, the establishment will be as follows:

- (a) the Single Buyer shall propose a Terms of Reference;
- (b) the Single Buyer shall seek nominations from the relevant stakeholders specified in Rule 6.6.2 and as deemed appropriate from key stakeholders including, but not necessarily limited to:
 - (i) the Commission;
 - (ii) relevant Government agencies and statutory bodies;
 - (iii) Generators;
 - (iv) the GSO;
 - (v) the Grid Owner;
 - (vi) SESB Distribution;

- (vii) the Nominated Gas Supplier;
 - (viii) Industry bodies; and
 - (ix) Customer Groups; other relevant persons as may be determined by the Single Buyer
- (c) upon receipt of nominations, the Single Buyer shall propose the membership of the Working Group, including a chair to the Commission;
- (d) the Commission shall review the proposed Terms of Reference and the membership of the Working Group and finalise and approve them in consultation with the Single Buyer;
- (e) within three (3) Months of its establishment, each Working Group shall propose a draft Charter for approval by the Commission, which shall include, but not necessarily be limited to, a process for developing and finalising recommendations of the Working Group; and
- (f) in the event that the Working Group requires a secretariat to meet its Terms of Reference and comply with its Charter, the Single Buyer shall provide a secretariat, with any costs incurred by the Single Buyer in doing so recovered via the Single Buyer Tariff.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 7: LEAST COST DISPATCH SCHEDULING METHODOLOGY

7.1 Purpose

This Chapter defines the Least Cost Dispatch Scheduling Methodology which the Single Buyer shall follow to prepare the Day Ahead Dispatch Schedule, the Week Ahead Dispatch Schedule and the Three Month Ahead Dispatch Schedule (collectively referred to as Dispatch Schedules) and the requirements of the Dispatch Scheduling Model.

7.2 Least Cost Dispatch Scheduling Methodology

- 7.2.1 The Single Buyer shall develop the Dispatch Schedules based on a Least Cost Dispatch Scheduling Methodology such that the lowest marginal cost Generating Unit is forecast to be dispatched first to meet demand followed by the next lowest marginal cost Generating Unit until all demand is met. The marginal cost of generation shall comprise all payments that vary with the amount of electricity procured, that are made by the Single Buyer to the Generators, pursuant to Generator Contracts.
- 7.2.2 At all times the Single Buyer shall ensure that the Dispatch Schedules cater adequately for system security, Operating Reserve requirements, transmission constraints, generation constraints, fuel availability and any other factors which could influence the security and reliability of electricity supply as specified by the SLGC or the GSO except under certain unavoidable circumstances which may not permit the fulfilment of the aforementioned requirement.
- 7.2.3 The Single Buyer shall ensure that it has the required data and information to accurately calculate its marginal cost for the procurement of generation from each Generating Unit.
- 7.2.4 In preparing and finalising the Dispatch Schedules the Single Buyer shall ensure that it promotes transparency by publishing key results on the Single Buyer Website and discusses and seeks feedback on the dispatch process and methodology regularly at the meetings of the Dispatch Scheduling Working Group.

7.3 Dispatch Scheduling Model

- 7.3.1 The Single Buyer shall ensure that the Dispatch Scheduling Model used to produce and finalise the Dispatch Schedules minimises the cost of electricity procurement given all transmission and system constraints and the key input data. Specifically, the Single Buyer shall ensure that the Dispatch Scheduling Model is based on the Least Cost Dispatch Scheduling Methodology and is capable of adequately taking the following parameters into consideration in optimising the Dispatch Schedules:

- (a) System Constraints;
- (b) Operating Reserve requirements as set out in the SLGC;
- (c) key input data for the Three Month Ahead Dispatch Schedule as specified in Chapter 8;
- (d) key input data for the Week Ahead Dispatch Schedule as specified in Chapter 9;
- (e) key input data for the Day Ahead Dispatch Schedule as specified in Chapter 10; and
- (f) any other system security measures as deemed appropriate by the GSO in compliance with the SLGC.

7.3.2 If the Dispatch Scheduling Model does not satisfy the conditions as specified in Rule 7.3.1, then the Single Buyer shall prepare a System Upgrade Plan which must specify the time frame and the cost required to upgrade the current Dispatch Scheduling Model such that it is compliant with the requirements as specified in Rule 7.3.1.

7.3.3 The Single Buyer shall submit the System Upgrade Plan to the Commission for approval. Once the System Upgrade Plan has been approved by the Commission, the Single Buyer shall implement the System Upgrade Plan as per the timeline specified in the System Upgrade Plan.

7.3.4 The Single Buyer shall review the Dispatch Scheduling Model in the event of any revision to the Least Cost Dispatch Scheduling Methodology or every twelve (12) Months, whichever is earlier, to ensure that the Dispatch Scheduling Model is compliant with the provisions of Rule 7.3.1. In conducting the review, the Single Buyer shall ensure that:

- (a) the review is finalised no later than two (2) Months after expiration of the twelve (12) Month period;
- (b) the outcomes of the review are submitted to the Commission and the Dispatch Scheduling Working Group within fifteen (15) days after the completion of the review; and
- (c) if the Dispatch Scheduling Model is non-compliant, a System Upgrade Plan to upgrade the model to ensure compliance is to be submitted to the Commission.

7.3.5 The first review and any resultant System Upgrade Plan must be prepared no later than three (3) Months after the Commencement Date of these Guidelines.

- 7.3.6 If at any time the Single Buyer proposes to enhance or upgrade the Dispatch Scheduling Model, then it shall seek prior approval from the Commission and consult with the Dispatch Scheduling Working Group before implementing its proposal.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 8: THREE MONTH AHEAD DISPATCH SCHEDULE

8.1 Purpose

8.1.1 This Chapter sets out the procedures and processes which the Single Buyer shall follow to prepare and finalise the Three Month Ahead Dispatch Schedule, including key principles, inputs and timing for developing the Three Month Ahead Dispatch Schedule.

8.1.2 The purpose of the Three Month Ahead Dispatch Schedule is to provide information to Generators to assist their fuel planning and purchase decisions. For the avoidance of doubt, the Three Month Ahead Dispatch Schedule is merely indicative without any binding effect.

8.2 Key procedural requirements

8.2.1 The Single Buyer shall abide by the following procedural requirements in preparing the Three Month Ahead Dispatch Schedule:

- (a) the Single Buyer shall use the Least Cost Dispatch Scheduling Methodology to prepare and finalise the Three Month Ahead Dispatch schedule;
- (b) in preparing and finalising the Three Month Ahead Dispatch Schedule the Single Buyer shall ensure that Operating Reserve requirements, transmission constraints (as advised by the GSO and the Grid Owner), generation constraints and fuel availability and any other factors that could affect the security and reliability of the system as specified by the SLGC or GSO are adequately taken into consideration and that the resulting dispatch schedule does not compromise the security and reliability of supply;
- (c) the Single Buyer shall specify the form and content of Participants' submissions of inputs to the Single Buyer; and
- (d) the Single Buyer shall perform its functions in a transparent manner.

8.3 Three Month Ahead Dispatch Period

The Three Month Ahead Dispatch Period is three (3) calendar Months.

8.4 Three Month Ahead Load Forecast

The Single Buyer shall prepare the Three Month Ahead Load Forecast before 10:00 a.m. on the third (3rd) Working Day of the Month before the commencement of the Three Month Ahead Dispatch Period.

8.5 Generation Unit Operating Data

The Single Buyer shall ensure that the Dispatch Scheduling Model is updated with the relevant Generating Unit Operating Data by 5:00 p.m. on the seventh (7th) Working Day of the Month preceding the commencement of the Three Month Ahead Dispatch Period.

8.6 Three Month Ahead Generation Outage Plan

The GSO shall submit the Three Month Ahead Generation Outage Plan to the Single Buyer by 10:00 a.m. on the sixth (6th) Working Day of the Month preceding the commencement of the Three Month Ahead Dispatch Period.

8.7 Three Month Ahead Transmission Outage Plan

The GSO shall submit the Three Month Ahead Transmission Outage Plan to the Single Buyer by 10:00 a.m. on the sixth (6th) Working Day of the Month preceding the commencement of the Three Month Ahead Dispatch Period.

8.8 Other Dispatch Scheduling Model inputs

The Single Buyer shall update the Dispatch Scheduling Model by 5:00 p.m. on the seventh (7th) Working Day of the Month preceding the commencement of the Three Month Ahead Dispatch Period for the following inputs applicable for the Three Month Ahead Dispatch period:

- (a) the relevant three (3) month ahead dispatch of all Generators based on the Generation Schedule;
- (b) the relevant three (3) month ahead dispatch of Generating Units using Secondary Fuel based on the Secondary Fuel Usage Plan;
- (c) the relevant three (3) month ahead dispatch of all Cogeneration Plant based on the Cogeneration Usage Plan, where applicable;
- (d) the relevant three (3) month ahead electricity imported or exported to any jurisdiction or region connected to the Electricity Transmission Network based on the Export and Import Plan, where applicable;
- (e) subject to SEDA providing the relevant data and/or information to the Single Buyer, the relevant expected three month ahead electricity generation of all Renewable Plant;
- (f) the daily quantities of gas available for use in electricity generation in the Federal Territory of Labuan based on the Power Sector Gas Allocation Plan;

- (g) the applicable gas price to be used for electricity generation in the Federal Territory of Labuan as per the Power Sector Gas Price; and
- (h) the applicable Secondary Fuel price to be used for electricity generation in the Federal Territory of Labuan as per the relevant Secondary Fuel Monthly Price.

8.9 Three Month Ahead Dispatch Schedule

- 8.9.1 The Single Buyer shall prepare and finalise the Three Month Ahead Dispatch Schedule by 5:00 p.m. on the ninth (9th) Working Day of the Month preceding the commencement of the Three Month Ahead Dispatch Period.
- 8.9.2 The Single Buyer shall by 5:00 p.m. on the tenth (10th) Working Day of the Month preceding the commencement of the Three Month Ahead Dispatch Period:
 - (a) send each Generator their respective Generator Three Month Ahead Dispatch Profile for the Three Month Ahead Dispatch Period;
 - (b) send each Generator, as applicable, their respective Secondary Fuel consumption in tonnes; and
 - (c) update the Single Buyer Website with the Aggregate Three Month Ahead Dispatch Schedule.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 9: WEEK AHEAD DISPATCH SCHEDULE

9.1 Purpose

- 9.1.1 This Chapter sets out the procedures and processes which the Single Buyer shall follow to prepare and finalise the Week Ahead Dispatch Schedule, including key principles, inputs and timing for developing the Week Ahead Dispatch Schedule.
- 9.1.2 The purpose of the Week Ahead Dispatch Schedule is to assist the Single Buyer in optimising weekly scheduling and fuel mix and providing forecast scheduling information to Generators.

9.2 Key procedural requirements

- 9.2.1 The Single Buyer shall abide by the following procedural requirements in preparing the Week Ahead Dispatch Schedule:
- (a) the Single Buyer shall use the Least Cost Dispatch Scheduling Methodology to prepare and finalise the Week Ahead Dispatch Schedule;
 - (b) in preparing and finalising the Week Ahead Dispatch Schedule the Single Buyer shall ensure that Operating Reserve requirements, transmission constraints (as advised by the GSO and the Grid Owner), generation constraints and fuel availability and any other factors that could affect the security and reliability of the system as specified by the SLGC or GSO are adequately taken into consideration and that the resulting dispatch schedule does not compromise the security and reliability of supply;
 - (c) the Single Buyer shall specify the form and content of Participants' submissions of inputs to the Single Buyer; and
 - (d) the Single Buyer shall perform its functions in a transparent manner.

9.3 Weekly Dispatch Scheduling Model Update Date

- 9.3.1 The Weekly Dispatch Scheduling Model Update Date is every Wednesday.
- 9.3.2 If the Dispatch Scheduling Model Update Date falls on a Non-Working Day, then the Weekly Dispatch Scheduling Model Update Date is the earliest preceding Working Day, which can include up to three (3) consecutive Working Days prior to Wednesday.
- 9.3.3 If there are more than three (3) consecutive Working Days as Non-Working Days preceding the Weekly Dispatch Scheduling Model

Update Date, then the Weekly Dispatch Scheduling Model Update Date is the Thursday preceding the Weekly Dispatch Scheduling Model Update.

9.4 Week Ahead Load Forecast

The Single Buyer shall prepare the Week Ahead Load Forecast before 3:00 p.m. on the day of the Weekly Dispatch Scheduling Model Update Date.

9.5 Week Ahead Generation Outage Plan

The GSO shall submit the Week Ahead Generation Outage Plan to the Single Buyer before 10:00 a.m. on the day after the Weekly Dispatch Scheduling Model Update Date and the Single Buyer shall use the most updated Week Ahead Generation Outage Plan made available to it at that particular time in preparing the Week Ahead Dispatch Schedule.

9.6 Week Ahead Transmission Outage Plan

The GSO shall submit the Week Ahead Transmission Outage Plan to the Single Buyer before 10:00 a.m. on the day after the Weekly Dispatch Scheduling Model Update Date and the Single Buyer shall use the most updated Week Ahead Transmission Outage Plan made available to it at that particular time in preparing the Week Ahead Dispatch Schedule.

9.7 Other Dispatch Scheduling Model inputs

The Single Buyer shall update the Dispatch Scheduling Model for the following inputs by 3:00 p.m. on the day of the Weekly Dispatch Scheduling Model Update Date:

- (a) the relevant Generating Unit Operating Data;
- (b) the relevant weekly dispatch of Generators based on the Generation Schedule;
- (c) the relevant weekly dispatch of Generating Units using Secondary Fuel based on the Secondary Fuel Usage Plan;
- (d) the relevant weekly dispatch of all Cogeneration Plant based on the Cogeneration Usage Plan, where applicable;
- (e) the relevant weekly electricity imported or exported to any jurisdiction or region connected to the Electricity Transmission Network based on the Export and Import Plan, where applicable;
- (f) subject to SEDA providing the relevant data and/or information to the Single Buyer, the relevant expected week ahead electricity generation of all Renewable Plant;

- (g) the daily quantities of gas available for use in electricity generation in the Federal Territory of Labuan based on the Power Sector Gas Allocation Plan;
- (h) the applicable gas price to be used for electricity generation in the Federal Territory of Labuan as per the Power Sector Gas Price; and
- (i) the applicable Secondary Fuel price to be used for electricity generation in the Federal Territory of Labuan as per the relevant Secondary Fuel Monthly Price.

9.8 Week Ahead Dispatch Schedule

- 9.8.1 The Single Buyer shall prepare and finalise the Week Ahead Dispatch Schedule by 5:00 p.m. the day after the Weekly Dispatch Scheduling Model Update Date.
- 9.8.2 The Single Buyer shall send the finalised Week Ahead Dispatch Schedule to the GSO by 9:00 a.m. the day after the finalisation on the Week Ahead Dispatch Schedule.
- 9.8.3 The Single Buyer shall send the Week Ahead Dispatch Schedule to the Generators and update the Single Buyer Website with the Week Ahead Load Forecast for the following week by 5:00 p.m. on the last Working Day of each Week.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 10: DAY AHEAD DISPATCH SCHEDULE

10.1 Purpose

10.1.1 This Chapter sets out the procedures and processes which the Single Buyer shall follow to prepare and finalise the Day Ahead Dispatch Schedule, including key principles, inputs and timing for developing the Day Ahead Dispatch Schedule.

10.2 Key procedural requirements

10.2.1 The Single Buyer shall abide by the following procedural requirements in preparing the Day Ahead Dispatch Schedule:

- (a) the Single Buyer shall use the Least Cost Dispatch Scheduling Methodology to prepare and finalise the Day Ahead Dispatch schedule;
- (b) in preparing and finalising the Day Ahead Dispatch Schedule the Single Buyer shall ensure that Operating Reserve requirements, transmission constraints (as advised by the GSO and the Grid Owner), generation constraints and fuel availability and any other factors that could affect the security and reliability of the system as specified by SLGC or GSO are adequately taken into consideration and that the resulting dispatch schedule does not compromise the security and reliability of supply;
- (c) the Single Buyer shall specify the form and content of Participants' submissions of inputs to the Single Buyer; and
- (d) the Single Buyer shall perform its functions in a transparent manner.

10.3 Day Ahead Dispatch Period

10.3.1 The Day Ahead Dispatch Period for the Day Ahead Dispatch Schedule shall be the next Working Day.

10.3.2 If the next day is a Non-Working Day, then the Day Ahead Dispatch Period is defined as the period between the current Working Day and until (and including) the next Working Day restricted to a maximum of four (4) consecutive days, which can include up to four (4) consecutive Non-Working Days.

10.3.3 If there are more than four (4) consecutive Non-Working Days, then the Single Buyer shall prepare a Day Ahead Dispatch for the sixth Day on the fifth (5th) consecutive Non-Working Day.

10.4 Day Ahead Load Forecast

The Single Buyer shall prepare the Day Ahead Load Forecast by 10:00 a.m. on the day preceding the commencement of the Day Ahead Dispatch Period.

10.5 Daily Availability Declaration

10.5.1 Each Generator shall submit its Daily Availability Declaration to the Single Buyer by 10:00 a.m. on the day preceding the commencement of the Day Ahead Dispatch Period.

10.5.2 The Single Buyer shall ensure that the Dispatch Scheduling Model is updated by 10:30 a.m. on the day preceding the commencement of the Day Ahead Dispatch Period with the relevant Generating Unit Operating Data for each Generator based on the Daily Availability Declarations.

10.6 Day Ahead Transmission Outage Plan

10.6.1 The GSO shall submit the Day Ahead Transmission Outage Plan to the Single Buyer by 10:00 a.m. on the day preceding the commencement of the Day Ahead Dispatch Period.

10.6.2 The Single Buyer shall ensure that the Dispatch Scheduling Model is updated by 10:30 a.m. on the day preceding the commencement of the Day Ahead Dispatch Period with the relevant Day Ahead Transmission Outage Plan.

10.7 Other Dispatch Scheduling Model inputs

10.7.1 The Single Buyer shall update the Dispatch Scheduling Model by 11:00 a.m. on the day preceding the commencement of the Day Ahead Dispatch Period, the following inputs for the Day Ahead Dispatch period:

- (a) the relevant daily dispatch of Generating Units using Secondary Fuel based on the Secondary Fuel Usage Plan;
- (b) the relevant daily dispatch of all Cogeneration Plant based on the Cogeneration Usage Plan, where applicable;
- (c) the relevant daily electricity imported or exported to any jurisdiction or region connected to the Electricity Transmission Network based on the Export and Import Plan, where applicable;
- (d) subject to SEDA providing the relevant data and/or information to the Single Buyer, the relevant expected day ahead electricity generation of all Renewable Plant;

- (e) the applicable daily gas price to be used for electricity generation in the Federal Territory of Labuan as per the Power Sector Gas Price; and
- (f) the applicable daily Secondary Fuel price to be used for electricity generation in the Federal Territory of Labuan as per the relevant Secondary Fuel Monthly Price.

10.8 Day Ahead Dispatch Schedule

- 10.8.1 Subject to the Daily Availability Declaration and the Day Ahead Transmission Outage Plan being submitted to the Single Buyer in accordance with the provisions of Rule 10.5 and 10.6, the Single Buyer shall prepare and finalise the Draft Day Ahead Dispatch Schedule by 12:00 p.m. on the day preceding the commencement of the Day Ahead Dispatch Period and submit to the GSO to conduct system reliability checks.
- 10.8.2 The GSO shall provide its feedback to the Single Buyer on the Draft Day Ahead Dispatch Schedule by 3:00 p.m. on the day preceding the commencement of the Day Ahead Dispatch Period.
- 10.8.3 If the GSO fails to provide its feedback by 3:00 p.m. on the Draft Day Ahead Dispatch Schedule, the Single Buyer shall immediately contact the GSO and request for immediate feedback. If no feedback is received from the GSO by 3:30 p.m., then the Single Buyer shall proceed to finalise the Draft Day Ahead Dispatch Schedule and inform the Commission.
- 10.8.4 The Single Buyer shall finalise the Day Ahead Dispatch Schedule by 5:00 p.m. on the day preceding the Day Ahead Dispatch Period and submit the Day Ahead Dispatch Schedule to the GSO.
- 10.8.5 The Single Buyer shall by 5:00 p.m. on the day preceding the commencement of the Day Ahead Dispatch Period send each Generator their respective Generator Daily Dispatch Profile for the Day Ahead Dispatch Schedule. For the avoidance of doubt, the Day Ahead Dispatch Schedule is merely indicative without any binding effect.
- 10.8.6 The Single Buyer shall update the Single Buyer Website with the Daily Ahead Load Forecast used for the Day Ahead Dispatch Schedule by 5:00 p.m. on the day preceding the Day Ahead Dispatch Period.

10.9 Revised Day Ahead Dispatch Schedule

- 10.9.1 The GSO shall submit to the Single Buyer the Daily Operations Review Report by 8:00 a.m. on the day of the commencement of the Day Ahead Dispatch Period. The Daily Operations Review Report must take the following factors into consideration:

- (a) the transmission and generation outages for the day prior to the commencement of the Day Ahead Dispatch period; and
- (b) the actual delivery of gas for the prior Day Ahead Dispatch Period; and

10.9.2 The Single Buyer shall prepare the Revised Day Ahead Load Forecast by 8:30 a.m. on the day of the commencement of the Day Ahead Dispatch Period.

10.9.3 Subject to the Daily Availability Declaration, the Day Ahead Transmission Outage Plan, and the Daily Operations Review Report being submitted to the Single Buyer in accordance with the provisions of Rule 10.5, 10.6, 10.7 and 10.9.1, the Single Buyer shall finalise and send the Revised Day Ahead Dispatch Schedule by 10:00 a.m. on the day of the commencement of the Day Ahead Dispatch Period to the GSO.

10.10 Review of Revised Day Ahead Load Forecast

10.10.1 The GSO shall submit a Daily Load Variance Report to the Single Buyer which compares the actual daily load to the Revised Day Ahead Load Forecast and must explain in detail any variances in excess of two percent (2%) between actual load and the Revised Day Ahead Load Forecast.

10.10.2 The Daily Load Variance Report must be submitted to the Single Buyer and the Commission by 12:00 p.m. on the day which is two (2) Working Days after the expiration of the Day Ahead Dispatch Period.

10.11 Review of Revised Day Ahead Dispatch Schedule

10.11.1 The GSO shall prepare and submit a Daily Dispatch Variance Report to the Single Buyer which compares the actual daily dispatch for each Generating Unit to the forecast daily dispatch based on the Revised Day Ahead Dispatch Schedule and must explain in detail any variances in excess of five percent (5%) between actual daily dispatch and forecast daily dispatch based on the Revised Day Ahead Dispatch Schedule.

10.11.2 The Daily Dispatch Variance Report must be submitted to the Single Buyer and the Commission by 12:00 p.m. on the day which is three (3) Working Days after the expiration of the Day Ahead Dispatch Period.

10.12 Review of System Marginal Price

The Single Buyer shall prepare a report which compares the forecast System Marginal Price to the actual System Marginal Price for each Day Ahead Dispatch Interval and must explain in detail any variances in excess of five percent (5%) between forecast and actual System Marginal Price.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 11: SUPPLY CAPACITY ADEQUACY ASSESSMENT

11.1 Purpose

This Chapter sets out the procedures and processes which the Single Buyer shall follow with respect to the preparation of:

- (a) the Dispatch Schedules if there is a projected shortfall in generation capacity; and
- (b) the One Year Demand and Supply Outlook to project the generation mix and fuel requirement for the coming year.

11.2 Short-term supply adequacy assessment

The Single Buyer shall immediately notify the Commission and take appropriate actions in accordance with the Short-Term Supply Adequacy Plan if there is any short-term and/or medium-term supply constraints resulting in a projected shortfall in generation capacity.

11.3 Short-Term Supply Adequacy Plan

11.3.1 The Single Buyer shall develop a Short-Term Supply Adequacy Plan for addressing any constraints with respect to the Single Buyer's development of the Day Ahead Dispatch Schedules and Three Month Ahead Dispatch Schedules.

11.3.2 The Short-Term Supply Adequacy Plan must outline the steps to be taken by the Single Buyer which should include the assessment of:

- (a) rescheduling any planned transmission or generator maintenance in discussion with the GSO and the Generators; and
- (b) reducing Customer demand based on the Demand Control Plan as defined hereinafter.

11.4 Demand Control Plan

The GSO shall develop a Demand Control Plan for demand side response by large Customers or Customer Groups. The Demand Control Plan shall:

- (a) be based on the Demand Control procedures set out in the Operating Code No. 4 of the SLGC;
- (b) identify persons registered with the GSO as having capacity to participate in demand side response actions;

- (c) set out the procedures that the GSO shall follow in calling for participants in demand side response actions;
- (d) set out the approach to determine any compensation available for participants in demand side response actions;
- (e) be reviewed and updated as required at least once every six months;
- (f) be approved by the Commission; and
- (g) be published on the GSO Website.

11.5 One Year Demand and Supply Outlook

11.5.1 The Single Buyer shall prepare a One Year Demand and Supply Outlook and submit to the Commission by the end of January every calendar year.

11.5.2 In preparing and finalising the One Year Demand and Supply Outlook, the Single Buyer shall ensure that it consults adequately with the GSO and the Dispatch Scheduling Working Group.

11.5.3 In preparing the One Year Demand and Supply Outlook, the Single Buyer shall use the Least Cost Dispatch Scheduling Methodology and the Dispatch Scheduling Model as specified in Chapter 7, updated for the following key inputs, which the Single Buyer shall source from the relevant Participants as required:

- (a) one year of Generating Unit Operating Data for each Generator based on the submissions received from the Generators and the Generator Contracts;
- (b) the dispatch of all Cogeneration Plant based on the Cogeneration Usage Plan, if necessary;
- (c) the electricity imported or exported to any jurisdiction or region connected to the Electricity Transmission Network in the Federal Territory of Labuan, if necessary;
- (d) the most recent applicable Main Fuel prices to be used for electricity generation in the Federal Territory of Labuan; and
- (e) the most recent applicable Secondary Fuel price.

11.5.4 The One Year Demand and Supply Outlook shall consist of:

- (a) the generation mix based on the one (1) year ahead load forecast and dispatch schedule; and

(b) the fuel requirements to meet the one (1) year ahead load forecast and dispatch schedule.

11.5.5 The Single Buyer shall notify and discuss with the Commission if there is any expected shortfall in generation capacity and/or fuel supply to meet the forecast demand based on the One Year Demand and Supply Outlook.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 12: FUEL MANAGEMENT

12.1 Purpose

This Chapter sets out the procedures and processes which the Single Buyer shall follow to monitor the adequacy of gas supply to meet the Week Ahead Dispatch Schedule, the Three Month Ahead Dispatch Schedule and respond to and monitor any unplanned curtailment or disruption to the planned supply and delivery of forecast quantities of gas.

12.2 Gas Supply Committee

12.2.1 The Commission shall establish a Gas Supply Committee to review and assess the adequacy of gas supply for electricity generation in the Federal Territory of Labuan.

12.2.2 The membership of the Gas Supply Committee shall consist of suitable representatives from the following organisations:

- (a) the Ministry of Economy;
- (b) the Ministry of Energy Transition and Water Transformation
- (c) the Commission;
- (d) the Nominated Gas Supplier;
- (e) the representatives from gas Generators;
- (f) the Grid Owner;
- (g) the GSO; and
- (h) the Single Buyer.

12.2.3 The Commission shall be the chair of the Gas Supply Committee and shall invite representatives from other organisations to attend the committee meetings as required.

12.2.4 Any conclusion, decision or recommendation made by the Gas Supply Committee shall be endorsed by the Commission before being finalised. The Commission shall consult with the members of the Gas Supply Committee concerning any conclusion, decision or recommendation.

12.2.5 The Commission shall provide secretariat support to the Gas Supply Committee.

12.2.6 The Gas Supply Committee shall meet at least once every six (6) Months to review the adequacy of gas supply based on the relevant Three Month Ahead Dispatch Schedule and the Power Sector Gas Allocation.

12.2.7 At each Gas Supply Committee meeting:

- (a) the Single Buyer shall present the requirements for gas supply for electricity generation in the Federal Territory of Labuan for the next twelve (12) Months;
- (b) the Nominated Gas Supplier shall provide an update on gas supply availability and reliability for the next six (6) Months and identify any risk to future gas supply;
- (c) the Gas Supply Committee shall discuss the adequacy of long-term gas supply to meet demand; and
- (d) any other relevant matter shall be covered as decided by the Commission.

12.2.8 If pursuant to Rule 12.2.6 based on the Nominated Gas Supplier's update, the Gas Supply Committee concludes that the projected gas supply is at risk, then the Commission shall commence the Urgent Gas Procedures.

12.2.9 If the Nominated Gas Supplier becomes aware of any issues which may adversely impact the supply and reliability of gas for electricity generation in the Federal Territory of Labuan then it shall immediately inform the Commission who shall immediately convene a meeting of the Gas Supply Committee.

12.3 Urgent Gas Procedures

12.3.1 The objectives of the Urgent Gas Procedures are to mitigate and manage the impact of any disruption to planned and expected gas supply.

12.3.2 The Commission shall undertake the following actions as per the Urgent Gas Procedures which are listed below:

- (a) convene meetings of the Gas Supply Committee as required to discuss the impact of the gas supply disruption and present mitigation strategies;
- (b) convene the Gas Task Force to monitor daily gas supply situations and impacts during gas supply disruptions;

- (c) require a mitigation plan from the Nominated Gas Supplier to restore the required supply of gas and request the Nominated Gas Supplier to provide regular updates at the Gas Supply Committee meetings;
- (d) require the Single Buyer to develop a plan to use Secondary Fuel and electricity imports to make up for the loss of gas-based generation, which includes liaising with liquid fuel suppliers and external jurisdictions connected to the Electricity Transmission Network, whichever applicable;
- (e) require the Single Buyer to calculate the impact on the total cost of generation and the impact on Customer electricity prices;
- (f) direct the Single Buyer to take any actions considered necessary in relation to the plan specified in Rule 12.3.2(d); and
- (g) any other actions which might result in facilitating resolution or mitigating the impact of the gas supply disruption.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 13: SINGLE BUYER TARIFF

13.1 Purpose

- 13.1.1 This Chapter sets out principles and mechanism for determining the Single Buyer Tariff. The provisions of this Chapter are designed to enable the Single Buyer to make payments to the Generators in accordance with the Generator Contracts and other agreements for the sale and/or purchase of electricity from its own ring-fenced accounts. The Single Buyer shall also be enabled to cover its own operating costs in accordance with the ring-fencing arrangements set out in Chapter 5.
- 13.1.2 The revenue required to enable the Single Buyer to meet the obligations of the Generator Contracts and other agreements for the sale and/or purchase of electricity and the Single Buyer's operating costs shall be recovered via the Single Buyer Tariff in accordance with the RIG. The two components of the Single Buyer Tariff, the Single Buyer Generation Tariff and the Single Buyer Operations Tariff, operate to enable the Commission to apply separate price control mechanisms to each tariff component. The arrangements provide for a pass-through of fuel and other generation specific costs, with more frequent adjustments to the Single Buyer Generation Tariff to account for the relatively greater level of volatility for fuel related costs.
- 13.1.3 Under the Commission's regulatory framework, the relevant party as prescribed in the RIG shall collect the revenue required to meet Single Buyer Tariff payments as part of the Electricity Tariff charged to Customers.

13.2 Single Buyer Tariff setting arrangements

- 13.2.1 The costs of the Single Buyer shall be recovered in accordance with the RIG.
- 13.2.2 The Commission shall establish Single Buyer Tariff arrangements that enable the Single Buyer to recover its costs.
- 13.2.3 The Single Buyer Tariff shall be designed to recover all of the costs of the Single Buyer and shall be comprised of the following components:
- (a) a Single Buyer Generation Tariff component calculated in accordance with Rule 13.3, and comprising all costs to the Single Buyer in purchasing electricity including:
 - (i) energy payments, available capacity payments, fuel and any other payments from the Single Buyer to the Generators, or from the Generators to the Single Buyer, provided for in the

Generator Contracts and other agreements for the sale and/or purchase of electricity; and

(ii) costs of importing electricity from other jurisdictions, if applicable.

(b) a Single Buyer Operations Tariff component calculated in accordance with Rule 13.4, comprising all of the operational costs incurred by the Single Buyer in undertaking its roles and performing its functions, including:

(i) forecasts of efficient operating costs, excluding any costs incurred or revenues received as part of the Single Buyer Generation Tariff component;

(ii) a return on the Single Buyer's regulatory asset base reflecting an efficient market-based cost of capital;

(iii) forecasts of efficient depreciation;

(iv) forecast tax payments; and an allowance for efficiency carry over amounts.

13.3 Single Buyer Generation Tariff

13.3.1 The Single Buyer Generation Tariff component shall be set by the Commission for the first Regulatory Period and each Regulatory Period thereafter.

13.3.2 In setting the Single Buyer Generation Tariff component, the Commission shall have regard to:

(a) any proposal by the Single Buyer concerning forecasts of the elements listed in Rule 13.2.3.(a), including, but not limited to:

(i) the current prices of Main Fuel;

(ii) expectations of the demand and supply for gas over the Regulatory Period;

(iii) expectations of electricity demand and supply;

(iv) the terms and conditions of the Generator Contracts and other agreements for the sale and/or purchase of electricity; and

(b) any other issues identified by the Commission in its regulatory framework and considered necessary for undertaking its role in regulating the Electricity Industry.

13.3.3 The Commission shall establish a cost pass through mechanism to enable the Single Buyer to recover its costs incurred in purchasing electricity as specified in Rule 13.2.3.(a).

13.3.4 The Single Buyer shall publish the cost pass through regulatory guidelines issued by the Commission on the Single Buyer Website.

13.4 Single Buyer Operations Tariff

13.4.1 The Single Buyer Operations Tariff component shall be set by the Commission for the first Regulatory Period and each Regulatory Period thereafter.

13.4.2 The Single Buyer Operations Tariff shall be based on the methodology consistent with the regulatory framework and rules established by the Commission and will recover all operating costs of the Single Buyer (excluding those already recovered by the Single Buyer Generation Tariff component) including an estimate of working capital requirements.

13.5 Settlement

13.5.1 The Single Buyer shall process invoices from Generators for SESB's settlement based on the terms and conditions of the respective Generator Contracts and other agreements for the sale and/or purchase of electricity.

13.5.2 The Single Buyer shall recover from the relevant party as prescribed in the RIG the actual payments made to the Generators consistent with the RIG.

13.5.3 The Single Buyer may at its discretion arrange for an audit of the payments made to the Generators.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 14: LONG-TERM SUPPLY AND DEMAND

14.1 Purpose

14.1.1 This Chapter sets out the procedures and processes that the Single Buyer shall follow to monitor and assess long-term supply and demand. In meeting its obligations under this Chapter, the Single Buyer shall prepare and publish a Ten Year Demand and Supply Forecast Report and if required, prepare and submit to the Commission a Ten Year Generation Planning Report.

14.1.2 The Ten-Year Demand and Supply Forecast Report are designed to ensure that the Commission, key Government agencies, Participants, the Nominated Gas Supplier and potential investors are informed about the timing of future investments in new generation capacity and the quantities of gas required for electricity generation in the long-term.

14.2 Ten Year Demand and Supply Forecast Report

14.2.1 The Single Buyer shall prepare a Ten-Year Demand and Supply Forecast Report By the end of May every calendar year, which shall comprise:

- (a) a Ten Year Ahead Load Forecast Report prepared in accordance with Rule 14.2.2 and 14.2.3; and
- (b) a Ten-Year Ahead Generation Capacity Report prepared in accordance with Rule 14.2.4.

14.2.2. The Ten-Year Ahead Load Forecast Report should comprise:

- (a) the Ten-Year Ahead Load Forecasts; and
- (b) a clear description of all key assumptions used in preparing the load forecasts such as:
 - (i) economic growth;
 - (ii) population and dwelling growth;
 - (iii) major industrial and commercial developments; and
 - (iv) all other economic, social, Government policy or commercial factors which could impact electricity consumption growth in the Federal Territory of Labuan.

14.2.3 In preparing and finalising the Ten-Year Ahead Load Forecast Report, the Single Buyer shall ensure that it consults adequately with the Grid Owner and the Long-Term Demand and Supply Working Group.

14.2.4 In preparing the Ten Year Ahead Generation Capacity Report, the Single Buyer shall:

- (a) use the existing and available generation capacity of all Generators connected to the Electricity Transmission Network and Electricity Distribution Network;
- (b) incorporate any new generation capacity based on committed generation investments;
- (c) incorporate any new generation capacity based on generation investments that are planned but not yet committed;
- (d) cater for Operating Reserve requirements;
- (e) incorporate all other factors which could affect the security and reliability of supply such as transmission constraints, (as advised by the GSO and the Grid Owner) generation constraints, fuel availability and any other factors that could affect the security and reliability of the system as specified by the SLGC or GSO;
- (f) ensure that there is sufficient consultation with the Long-Term Demand and Supply Working Group; and
- (g) consider any other issues concerning security of supply as directed by the Commission.

14.2.5 Based on the Ten-Year Load Forecast Report and Ten Year Ahead Generation Capacity Report, the Single Buyer shall prepare and finalise the Ten-Year Demand and Supply Forecast Report and submit it to the Commission by the end of May of every calendar year.

14.2.6 In preparing the Ten-Year Demand and Supply Forecast Report the Single Buyer shall undertake an assessment of the adequacy of long-term projections of generation capacity to meet demand and any requirements for new capacity. If in any Ten-Year forecast period there is expected to be a shortfall in generation capacity to meet the Ten Year Ahead Load Forecast, then the Single Buyer shall:

- (a) notify and discuss the issue with the Commission;
- (b) prepare and submit a Ten-Year Generation Planning Report to the Commission by the end of May that shall specify the additional generation capacity required. The Ten-Year Generation Planning Report shall specify the type of new generation capacity required (base load, mid merit or peaking), preferred fuel arrangements for the new generation capacity, the preferred location and timing of new generation capacity, the augmentation required to the Electricity Transmission Network

and any other factors which are considered relevant for investment in new generation capacity; and

(c) undertake any other actions as directed by the Commission to facilitate security of supply.

14.2.7 By the end of June in each calendar year, the Commission shall review and approve the Ten-Year Demand and Supply Forecast Report, subject to any amendments that it may request that the Single Buyer make to ensure consistency with these Guidelines.

14.2.8 Following approval of the Ten-Year Demand and Supply Forecast Report by the Commission, the Commission shall publish the Ten-Year Demand and Supply Report on its website.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 15: CONTRACTING FOR NEW CAPACITY

15.1 Purpose

This Chapter sets out the roles and responsibilities of the Commission, the relevant Participants, and the Government in contracting for new generation capacity, including initiating the process for tendering, developing requests for tender, assessing tenders, selecting a preferred tender and finalising contracts.

15.2 Role of the The Commission

15.2.1 The Commission shall undertake the following functions in relation to contracting for new capacity:

- (a) assess any shortfall in generation capacity identified by the Single Buyer to meet the Ten Year Ahead Load Forecast as per the Ten-Year Generation Planning report under Rule 14.2.5;
- (b) where it considers that new generation capacity is required to meet a projected shortfall, develop requests for tender for new generation capacity, and direct the Single Buyer to assist with developing draft Generator Contracts;
- (c) assess tenders for new generation capacity;
- (d) select preferred tenders for new generation capacity; and
- (e) moderate between parties in the event of any disputes concerning the finalisation of contract terms.

15.2.2 The Commission shall invite representatives from other organisations to assist it in undertaking the functions specified in Rule 15.2.1 as required.

15.3 Initiation of process for contracting for new capacity

15.3.1 When notified by the Single Buyer of any shortfall in generation capacity to meet the Ten Year Ahead Load forecast as per the Ten-Year Generation Planning Report under Rule 14.2.5, the Commission shall:

- (a) consider the requirement for new generation capacity and either:
 - (i) decide that there is a need to tender for new additional capacity, and commence the development of a tender for new capacity required to meet any shortfall in generation capacity; or

(ii) decide that there is not presently a need to tender for new additional capacity;

(b) develop plan to meet any shortfall in generation capacity other than tendering for new capacity as set out in Rule 15.3.1.(a) above pursuant to Rule 15.3.1.

15.4 Development of tenders for new capacity

15.4.1 Pursuant to Rule 15.3.1, following a decision that there is a need to tender for new capacity, the Commission shall develop a draft request for tender for new generation capacity, setting out the following key parameters:

(a) the amount of generation capacity required to meet any forecast shortfall in generation capacity;

(b) generation type, such as peaking or base load;

(c) fuel type considerations;

(d) location;

(e) requirements for ancillary services;

(f) draft terms and conditions for the Generator Contract as provided by the Single Buyer; and

(g) any other factors considered relevant by the Commission.

15.4.2 After developing the draft request for tender under Rule 15.4.1, the Commission shall consult with and request input from the Single Buyer, any other relevant Participants or other parties that it considers appropriate to enable it to undertake its functions and meet its objectives.

15.4.3 Following the development of a draft request for tender under Rule 15.4.1, the Commission shall develop a final request for tender comprising the conditions of tendering and an exhaustive list of criteria governing the selection of tenders and awarding of the contract, which may include:

(a) the key parameters for the requirement for new generation as developed under Rule 15.4.1;

(b) requisite characteristics of the tenderers, such as technical, economic and financial capabilities;

- (c) relevant occupational health and safety, environmental, and employment standards that the tenderers must comply with;
- (d) the key selection criteria by which the Commission will shortlist and select a preferred tenderer;
- (e) procedures and timeframes for the tender process; and
- (f) any other factors considered relevant by the Commission.

15.4.4 In developing the final request for tender under Rule 15.4.2, the Commission shall consult with the Single Buyer. The Commission may also consult with and request input from the other relevant Participants or other parties that it considers appropriate to enable it to undertake its functions and meet its objectives.

15.4.5 Requests for tender for new generation capacity and the tendering criteria under Rule 15.4.2 shall be made publicly available on the Commission's website.

15.5 Assessment of tenders for new capacity

The Commission shall assess tenders in accordance with the procedures, time frames and selection criteria developed under Rule 15.4.2 and identify and recommend a preferred tenderer to the Government for endorsement.

15.6 Finalisation

15.6.1 After endorsement of a preferred tenderer by the Government under Rule 15.5 the Single Buyer shall negotiate the final terms and conditions of the Generator Contract with the winning tenderer.

15.6.2 In negotiating the final terms and conditions of the Generator Contract with the winning tenderer, the Single Buyer shall have regard to its objectives under Rule 3.2.

15.6.3 The final terms and conditions of the Generator Contract as provided by the Single Buyer may be reviewed by the Commission prior to the parties to the Generator Contract entering into the contract, to ensure that the terms and conditions of the Generator Contract are fair and reasonable, and do not unreasonably discriminate against any party as specified in Rule 5.2.

15.6.4 In the event that a tenderer considers that the terms and conditions of any proposed Generator Contract are not aligned to the energy sector and financial acceptability/bankability, it may notify the Commission.

15.6.5 In the event of a notification under Rule 15.6.4, the Commission may attempt to review and make decision to effect the Generator Contract.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 16: DISPUTE RESOLUTION

16.1 Purpose

16.1.1 This Chapter sets out the procedures for raising and resolving disputes concerning the compliance of Participants with these Guidelines. The Commission may decide to hear and determine a dispute itself or refer the dispute to arbitration by the Asian International Arbitration Centre Malaysia (AIAC) for mediation or arbitration.

16.1.2 This Chapter also sets out the processes for the Commission to hear and determine disputes between Participants.

16.1.3 Each mediation and arbitration shall be conducted in accordance with the AIAC Mediation Rules and AIAC Arbitration Rules respectively in hearing and determining disputes.

16.2 Application of dispute resolution process

16.2.1 The dispute resolution process set out in this Chapter does not apply to disputes between Participants concerning the performance of obligations under the Generator Contracts.

16.2.2 Subject to Rule 16.2.1, the dispute resolution process set out in this Chapter relates to disputes that may arise between Participants concerning:

- (a) the application or interpretation of these Guidelines;
- (b) a Participant's view that the Single Buyer has performed its functions or otherwise acted in a manner that is inconsistent with its objectives under Rule 3.2;
- (c) the Single Buyer's view that a Participant has acted in a manner that unreasonably prevents the Single Buyer from achieving its objectives under Rule 3.2; or
- (d) a Participant's view that the Single Buyer has performed its functions or otherwise acted in manner that unreasonably discriminates against a Participant as specified in Rule 5.2.

16.3 Raising a dispute

16.3.1 Subject to Rule 16.2.1 and 16.3.2, a dispute relating to any of the matters set out in Rule 16.2.1 may be raised with the Commission by a Participant by serving a statement to the Commission that sets out:

- (a) a brief history of the dispute and the circumstances giving rise to it;

- (b) a statement of its issues in relation to the dispute, and in particular, how the dispute relates to the matters set out in Rule 16.2.1; and
- (c) a statement of the actions that have been taken by the parties to the dispute in attempting to resolve the dispute prior to raising it with the Commission.

16.3.2 Prior to raising a dispute with the Commission under Rule 16.3.1, a party to a dispute shall ensure that:

- (a) it has raised the dispute with the other Participant or Participants that are party to the dispute; and
- (b) it has made every attempt to negotiate the dispute in good faith and come to an agreement that resolves the dispute without the involvement of the Commission.

16.3.3 Subject to Rule 16.3.1 the Commission shall within appropriate time where it thinks fit elect to:

- (a) hear and determine a dispute itself; or
- (b) refer the dispute for mediation or arbitration by AIAC.

16.4 Disputes referred to AIAC

If the Commission refers the dispute to AIAC for mediation or arbitration, the Commission shall serve a written notice on the parties to the dispute to that effect and the AIAC Mediation Rules and AIAC Arbitration Rules shall apply respectively.

16.5 Disputes heard and determined by the Commission

16.5.1 In hearing and determining a dispute raised under Rule 16.3.1 itself, the Commission may:

- (a) request a meeting of the parties to the dispute, either together or separately; and
- (b) request parties to the dispute to provide it with any information that it considers necessary to assist it in making decision.

16.5.2 A determination on a dispute may be made by the Commission after consideration of the issues raised under Rule 16.3.1, or any other matters considered relevant by the Commission.

16.5.3 A determination on a dispute by the Commission may require a party to do any or all of the following steps:

- (a) take specified action; or
- (b) refrain from taking specified action; or
- (c) pay a monetary amount to another party.

16.5.4 Each party to a dispute that is required to take specific steps set out under Rule 16.5.3 shall ensure that:

- (a) it complies with the period stated in the determination issued by the Commission; and
- (b) report to the Commission as soon as practicable after the steps have been taken in compliant with the determination issued by the Commission.

16.5.5 Where a dispute is heard by the Commission, the costs of a dispute resolution process shall be recovered from one or both parties to the dispute or in a manner otherwise decided by the Commission. In deciding to allocate costs against one or more parties to a dispute, the Commission may have regard to any relevant matters, including (but not limited to) whether the conduct of a party to the dispute unreasonably prolonged or escalated the dispute or otherwise increased the costs of the proceedings.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 17: RULE CHANGE

17.1 Purpose

17.1.1 This Chapter sets out the Rule Change process to be followed in relation to submitting and deciding on Rule Change Proposal.

17.1.2 Any person may submit a Rule Change Proposal, which shall be assessed by either the Commission (in the case of minor or urgent amendments to these Guidelines) or a standing Rule Change Panel (for all other Rule Change Proposals).

17.2 Role of the Commission

17.2.1 The Commission is responsible for the administration and maintenance of these Guidelines.

17.2.2 Subject to Rule 17.2.1, the Commission may amend these Guidelines by activating the Rule Change process.

17.2.3 The Commission may only make a Rule Change:

(a) if a Rule Change Panel has provided a Final Rule Change Recommendation to the Commission in which it declares that it considers that the Rule Change would better facilitate the objectives of the Single Buyer as specified in Rule 3.2;

(b) under the Minor Rule Change Procedures specified under Rule 17.9; or

(c) under the Urgent Rule Change Procedures specified under Rule 17.10.

17.2.4 The Commission may appoint experts as required to assist it in coming to a decision on whether or not to make a Rule Change.

17.3 Rule Change Panel

17.3.1 The Commission shall convene a standing Rule Change Panel to assess and make recommendations on Rule Change Proposals.

17.3.2 The members of the Rule Change Panel shall be appointed by the Commission and shall consist of the following members:

(a) an independent Chair;

(b) a representative of the Single Buyer;

- (c) two (2) members representing the Generators, one of whom shall be a representative of the SESB Generation and the other one shall be representative of the Independent Power Producers;
- (d) a representative of the Grid Owner;
- (e) a representative of the GSO; and
- (f) any other independent expert or experts as deemed appropriate by the Commission.

17.3.3 In order to be eligible to sit on the Rule Change Panel, a person shall understand of the Electricity Industry or has the capacity to readily acquire such an understanding.

17.3.4 The Rule Change Panel may request that the Commission to engage independent experts as required to assist the Rule Change Panel in performing its functions in hearing and making decisions on Rule Change Proposals.

17.3.5 The Commission shall provide secretariat support to the Rule Change Panel.

17.3.6 Any costs incurred by the Rule Change Panel in assessing a Rule Change Proposal are to be borne by the Commission.

17.4 Submission of Rule Change Proposal

17.4.1 Any person can submit a Rule Change Proposal.

17.4.2 Any Rule Change Proposal must be submitted in writing to the Commission for review and assessment.

17.4.3 Each Rule Change Proposal shall:

- (a) set out in sufficient detail the nature and purpose of the Rule Change Proposal;
- (b) set out the basis upon which the Proposer considers that it would better facilitate the achievement of the objectives as specified in Rule 3.2;
- (c) propose suggested texts for the relevant chapters and rules of these Guidelines which are to be amended or otherwise affected by the Rule Change Proposal; and
- (d) state the name of the Proposer and the Proposer's Representative.

17.5 Initial assessment of a Rule Change Proposal

17.5.1 The Commission shall by the end of Working Days after receipt of a Rule Change Proposal, decide whether it has merit for further assessment or should be rejected. The decision issued by the Commission shall be published by the Single Buyer on their website.

17.5.2 Pursuant to Rule 17.5.1, if the Commission decides that a Rule Change Proposal should be rejected, then the Commission shall provide a written response to the Proposer outlining its reasons for rejecting the Rule Change Proposal.

17.5.4 Pursuant to Rule 17.5.1, if the Commission decides that the Rule Change Proposal has merit and should be considered for further assessment, the Commission shall accordingly:

- (a) take any additional steps required to convene a Rule Change Panel in accordance with Rule 17.3 to hear and decide upon the Rule Change Proposal;
- (b) cause the Single Buyer to publish the Rule Change Proposal on the Single Buyer Website; and
- (c) circulate the Rule Change Proposal to Participants and any other parties it considers relevant.

17.6 Draft Rule Change Recommendation

17.6.1 After consideration of the Rule Change Proposal, the Rule Change Panel shall, by the end of twenty (20) Working Days, provide a Draft Rule Change Recommendation to the Commission.

17.6.2 The Draft Rule Change Recommendation shall contain:

- (a) details of the Rule Change Proposal;
- (b) a summary of any submission received on the Rule Change Proposal;
- (c) a recommended change to these Guidelines, based on the Rule Change Proposal and reflecting any amendments that the Rule Change Panel considers necessary to better facilitate the achievement of the objectives as specified in Rule 3.2;
- (d) a statement of reasons setting out how the Rule Change Panel considers that the Draft Rule Change Recommendation would better facilitate the achievement of the objectives as specified in Rule 3.2 ; and

- (e) any other matters the Rule Change Panel considers relevant.

17.6.3 The Draft Rule Change Recommendation shall be published on the Single Buyer Website, circulated to Participants and any other parties considered relevant by the Rule Change Panel and provide a deadline for submission, which must be at least fifteen (15) Working Days from the circulation of the Draft Rule Change Recommendation.

17.7 Final Rule Change Recommendation

17.7.1 After consideration of any submission on the Draft Rule Change Recommendation, the Rule Change Panel shall, by the end of fifteen (15) Working Days, provide a Final Rule Change Recommendation to the Commission.

17.7.2 The Final Rule Change Recommendation shall contain:

- (a) details of the Rule Change Proposal;
- (b) a summary of any submission received on the Draft Rule Change Recommendation;
- (c) a recommended change to these Guidelines, based on the Rule Change Proposal and reflecting any amendment that the Rule Change Panel considers necessary to better facilitate the achievement of the objectives as specified in Rule 3.2;
- (d) a statement of reasons setting out how the Rule Change Panel considers that the Final Rule Change Recommendation would better facilitate the achievement of the objectives as specified in Rule 3.20;
- (e) proposed drafting to amend these Guidelines in accordance with the Rule Change Recommendation; and
- (f) any other matter the Rule Change Panel considers relevant.

17.7.3 The Final Rule Change Recommendation must be provided to the Commission and published on the Single Buyer Website.

17.8 Final Rule Change Decision

17.8.1 After receipt of the Rule Change Panel's Final Rule Change Recommendation, the Commission shall, within ten (10) Working Days:

- (a) produce a Final Rule Change Decision; or

- (b) refer the Final Rule Change Recommendation to the Government.

17.8.2 In the event that the Commission decides to refer a Final Rule Change Recommendation to the Ministry may direct the Commission to make a Final Rule Change Decision.

17.8.3 A Final Rule Change Decision by the Commission under Rule 17.8.1 or 17.8.2 shall be published on the Single Buyer Website and contain:

- (a) details of the Rule Change Proposal and Rule Change Recommendation;
- (b) a summary of any submission or advice from the Ministry received on the Rule Change Recommendation;
- (c) a decision by the Commission, which either:
 - (i) rejects the Rule Change Recommendation; or
 - (ii) accepts the Rule Change Recommendation, either in its current form or with any revisions that it considers are necessary to better facilitate the achievement of the objectives as specified in Rule 3.2;
- (d) in the event that the Commission decides to reject the Rule Change Recommendation, a statement of reason setting out how the Commission considers that the Rule Change Recommendation would not better facilitate the achievement of the objectives as specified in Rule 3.2;
- (e) in the event that the Commission has decided to accept the Draft Rule Change:
 - (i) a statement of reason setting out how the Commission considers that the Rule Change Recommendation would better facilitate the achievement of the objectives as specified in Rule 3.2; and
 - (ii) a revised draft of these Guidelines, amended in accordance with its Final Rule Change Decision.

17.9 Minor Rule Change Procedures

17.9.1 Where the Commission is of the view that a Rule Change or Rule Change Proposal will not materially impact or disadvantage any Participant, it may commence Minor Rule Change Procedures to amend these Guidelines to address the issue identified.

17.9.2 Under Minor Rule Change Procedures, the Commission may unilaterally amend these Guidelines without calling for submission or referring the Rule Change to the Rule Change Panel or the Ministry.

17.9.3 Any Rule Change via the Minor Rule Change Procedures must be published on the Single Buyer Website, accompanied by:

- (a) a statement of reasons setting out the necessity for the Rule Change and how the Commission considers that the Rule Change would address the issue identified; and
- (b) a revised draft of these Guidelines.

17.10 Urgent Rule Change Procedures

17.10.1 In the event that the Commission becomes aware of a material error in these Guidelines, or an event occurs which:

- (a) threatens security of supply;
- (b) threatens the viability of the electricity industry or a Participant; or
- (c) would otherwise materially jeopardise the achievement of the Commission's objectives as set out in the Act 447,

the Commission may commence Urgent Rule Change Procedures to amend these Guidelines to address the issue identified.

17.10.2 Under the Urgent Rule Change Procedures, the Commission may, upon consultation with the Single Buyer, amend these Guidelines without calling for submissions or referring the Rule Change to the Rule Change Panel or Government.

17.10.3 Any Rule Change via the Urgent Rule Change Procedures must be published on the Single Buyer Website, accompanied by:

- (a) a statement of reasons setting out the necessity for the Rule Change and how the Commission considers that the Rule Change would address the issue identified under Rule 17.10.1; and
- (b) a revised draft of these Guidelines.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 18: SINGLE BUYER WEBSITE AND PUBLICATIONS

18.1 Purpose

This Chapter sets out the requirements for the maintenance of a Single Buyer Website including the key reports, data sets and forecasts that shall be published on the Single Buyer Website.

18.2 Single Buyer Website

18.2.1 The Single Buyer shall develop a Single Buyer Website to promote transparency in performing its functions under these Guidelines.

18.2.2 The Single Buyer Website shall be owned, operated and maintained by the Single Buyer.

18.2.3 The Single Buyer shall ensure that the Single Buyer Website:

- (a) is accessible by the general public and secure from cyber threat and/or attacks;
- (b) presents data and information clearly;
- (c) is updated regularly for new reports, market information and data; and
- (d) provides a link to the websites of the Commission and the Ministry.

18.3 Publications

18.3.1 The Single Buyer shall publish the following key reports, data sets and forecasts on the Single Buyer Website:

- (a) the current version of these Guidelines, including all Rule Changes;
- (b) the organisational structure of the Single Buyer;
- (c) the terms of reference and membership of each Single Buyer Working Group;
- (d) a schematic and description of the Dispatch Scheduling Model;
- (e) the current and historical versions of the Aggregate Three Month Ahead Dispatch Schedules;
- (f) the current and historical versions of the Aggregate Week Ahead Dispatch Schedules;

- (g) the Demand Control Plan;
- (h) the Aggregate Power Sector Gas Volume;
- (i) the current and historical Single Buyer Generation Tariff and Single Buyer Operations Tariff;
- (j) any other data, reports or information as required by a Rule Change or at the direction of the Commission; and
- (k) the Ten-Year System Outlook.

18.4 Confidentiality

18.4.1 The Single Buyer shall at all times comply with its confidentiality obligations in publishing any information on the Single Buyer Website, including confidentiality obligations under the Generators Contracts and requirements of the Commission.

18.4.2 The Single Buyer may, subject to the approval of the Commission, limit accessibility to certain information available on the Single Buyer Website, which are published in accordance with the requirement of these Guidelines.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

CHAPTER 19: APPENDICES

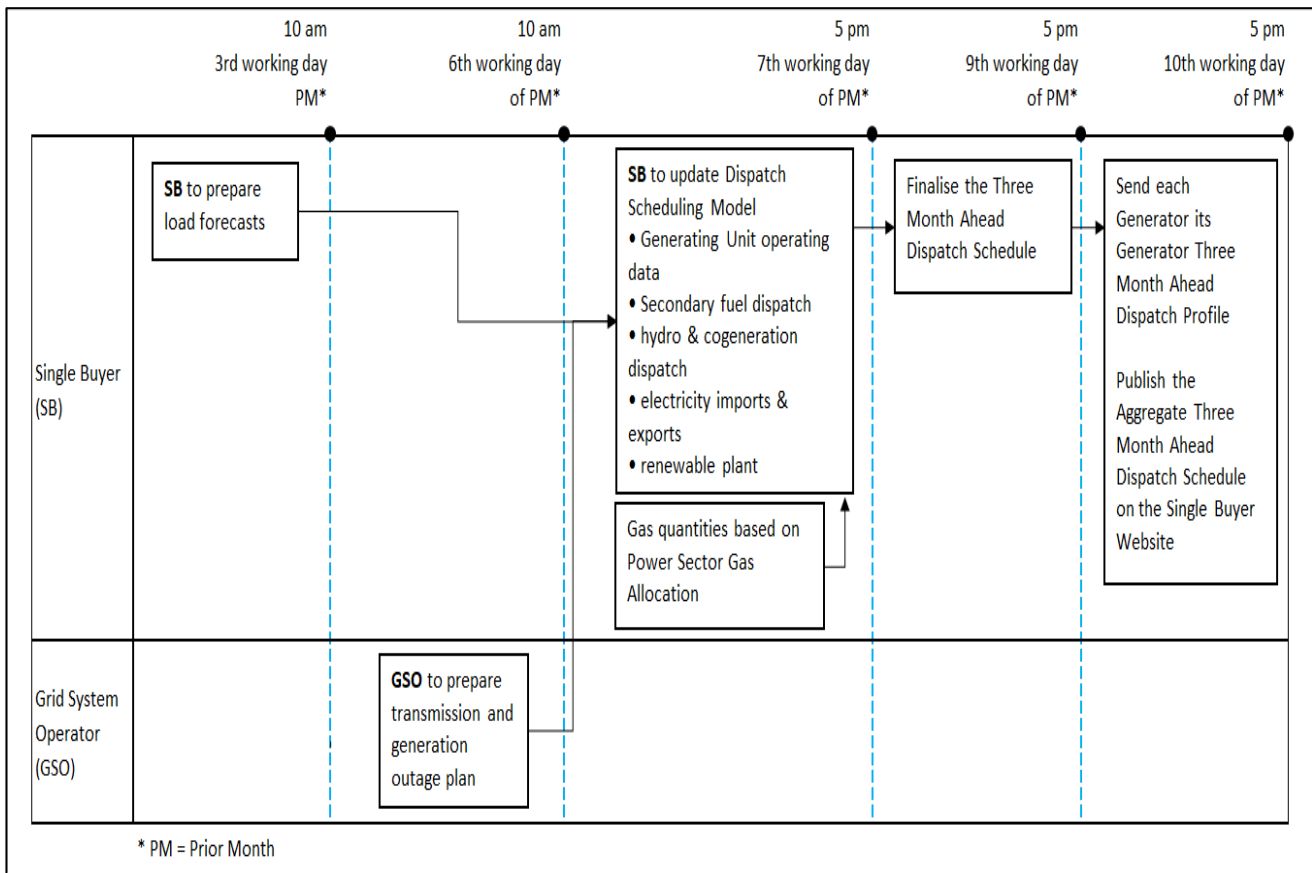
19.1 Purpose

19.1.1 This Chapter presents the flow charts outlining the key steps in the preparation and finalisation of the Dispatch Schedules.

19.1.2 This Chapter is for illustration only and is not part of these Guidelines.

19.2 Flow chart of the Three Month Ahead Dispatch Schedule

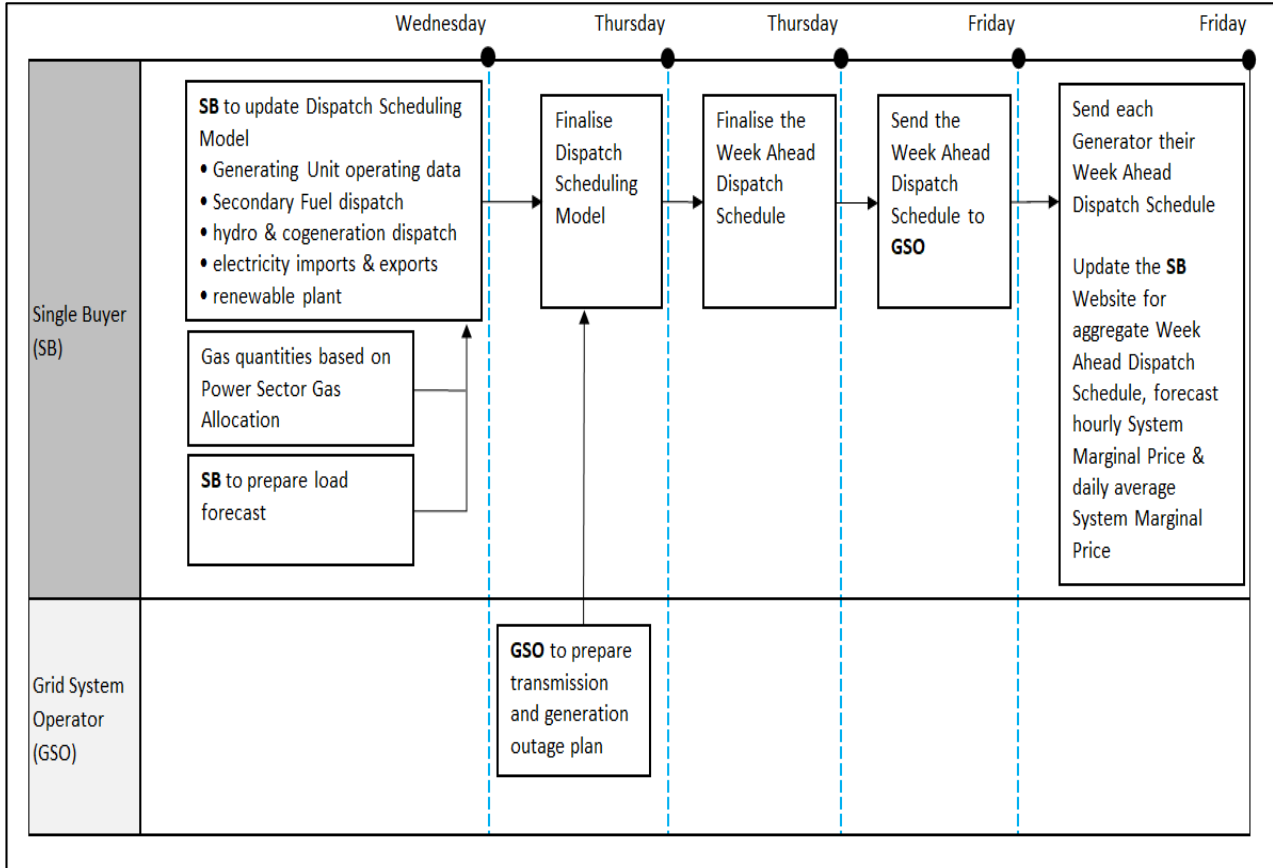
The flow chart is presented below.



19.3 Flow chart of the Week Ahead Dispatch Schedule

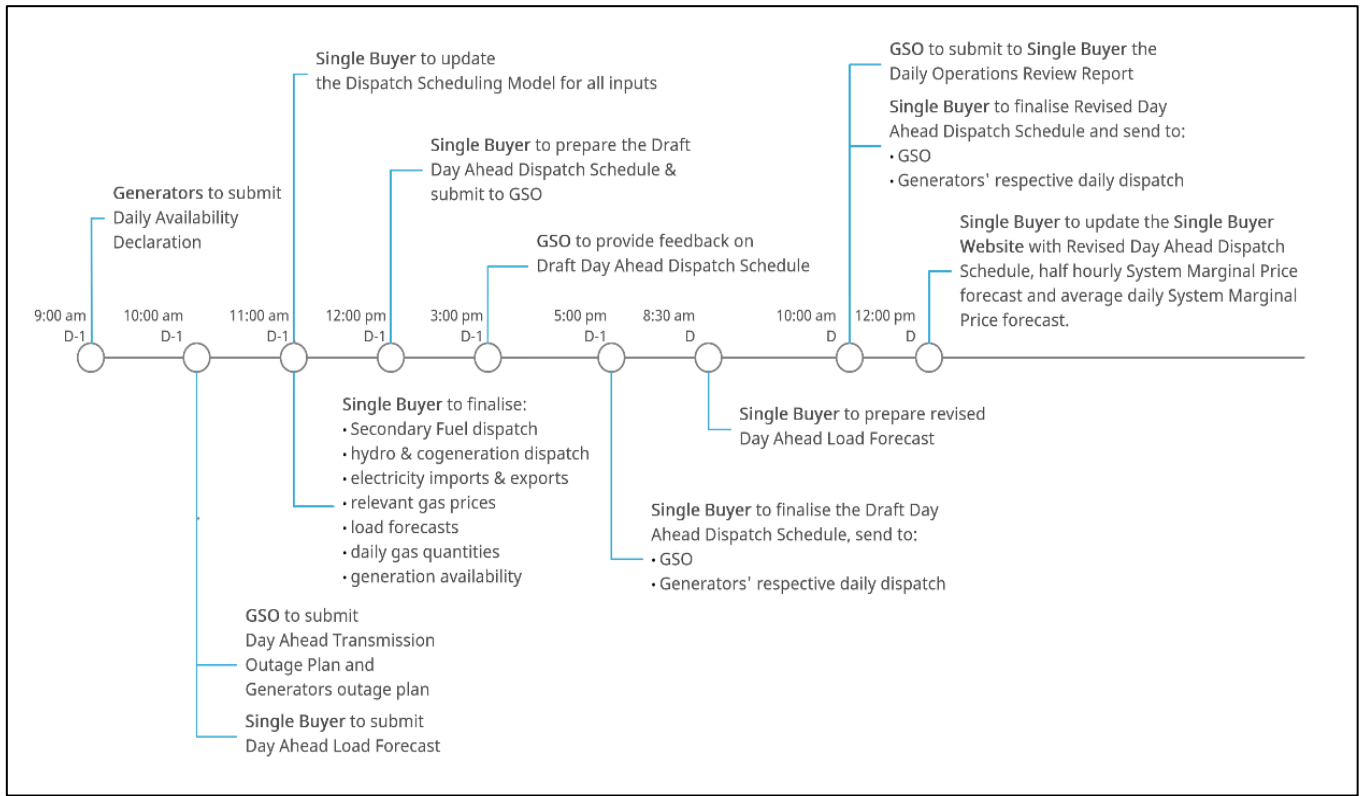
19.3.1 The flow chart is presented below.

19.3.2 It is assumed in the flow chart that Wednesday is a Working Day.



19.4 Flow chart of the Day Ahead Dispatch Schedule

The flow chart is presented below.



[End of Document]

