

OVERVIEW OF ENERGY AND REGULATORY STRUCTURE OF SINGAPORE

Asia Pacific Energy Regulatory Forum 2014, 27 – 28 August

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Smart Energy, Sustainable Future

Balancing Singapore's Energy Challenges



Singapore's Energy Landscape

- **Singapore imports almost all our energy and is subject to the volatility of the global markets.** Today, more than 90% of our electricity is generated using natural gas. Many other industries also use natural gas as feedstock.
- First LNG terminal became operational in May 2013. This will allow Singapore to **source for price-competitive gas globally**, as compared to importing piped natural gas from Malaysia and Indonesia previously.
- Beyond LNG, Singapore is **looking at possible options to diversify our energy mix**, such as electricity imports and renewable energy.

Development of a Secondary Gas Market

- Unlike more liquid regional markets where buyers have access to gas-on-gas pricing, our gas is mostly sold on **long-term contracts and indexed to oil products**. This subjects Singapore to volatility of global markets.
- We hope that recent changes in the global gas market could lead to cheaper prices in Asia, plus opportunities to diversify the price formulae of our gas contracts.
- Singapore is also studying the development of a secondary gas market to **better allow industry players to trade gas in a spot market with each other, and optimise their own portfolios**.

Facilitating Deployment of Renewable Energy in Singapore

- Due to our physical constraints, Singapore has limited renewable energy options. **Solar is currently the most viable renewable energy option for Singapore.** Limitations include: space constraints, cloud cover and shadows from neighbouring buildings.



- Singapore is taking proactive steps to maximise solar deployment, while looking for technological and economic solutions to deal with its intermittent nature.

Promoting Competitive Energy Markets



Developing an Electricity Futures Market

Working towards Full Retail Contestability (FRC)



Introducing a Demand Response Program

Thank You