



Smart Energy, Sustainable Future

MEDIA RELEASE

26 October 2022

Regulatory Sandbox to Promote Energy Demand Management

The Energy Market Authority (EMA) is inviting commercial and industrial companies to participate in a two-year regulatory sandbox to optimise their energy consumption. Participating companies will have to manage their electricity demand when activated and receive payments as an incentive for reducing their electrical demand on the national power grid. Optimising energy demand underpins the ongoing transition to lower carbon emissions as set out in the Singapore Green Plan 2030.

Demand Side Management Programmes Open for Participation

2. Known as Demand Side Management (DSM), this initiative has two programmes for interested companies to take part in. The first programme is known as the **Demand Response (DR) Programme**, where participating companies are activated to reduce their electricity consumption during periods of high wholesale electricity prices. Incentive payments are then made to these companies based on the total system savings arising from any reduction in wholesale electricity prices due to their energy demand reduction.

3. The second programme is known as the **Interruptible Load (IL) Programme**. Participating companies are paid to be on standby to reduce their committed electrical load when activated during conditions of tight power generation supply. Doing so will help to improve the power system stability by better balancing electricity demand and supply during times of supply disruptions. In return, participating companies receive payments by being on standby to reduce their energy demand even if they are not activated.

Features of Regulatory Sandbox

4. Although both programmes are already open for participation and there are companies actively curtailing their loads, EMA recognises that more can be done to encourage participation. EMA has taken in feedback from the industry to streamline the programmes to make it easier for potential participants to take part, such as streamlining and reducing penalty thresholds as well as providing more certainty in activation times to participants. EMA will continue to monitor the activities in both programmes in the duration of the sandbox.

5. Companies keen to participate in the DSM regulatory sandbox may register their interest at <https://go.gov.sg/demand-response-programme>.

-- End --

About the Energy Market Authority

The Energy Market Authority (EMA) is a statutory board under the Singapore Ministry of Trade and Industry. Through our work, we seek to forge a progressive energy landscape for sustained growth. We aim to ensure a reliable and secure energy supply, promote effective competition in the energy market and develop a dynamic energy sector in Singapore. Visit www.ema.gov.sg for more information.