

MEDIA RELEASE

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Inaugural RFP Award for New Generation Capacity under Centralised Process Framework

The Energy Market Authority has awarded YTL PowerSeraya Pte. Limited (“YTL PowerSeraya”) the right to build, own and operate a new hydrogen-ready Combined Cycle Gas Turbine (CCGT) unit with a capacity of at least 600-megawatt (MW) by end-2027. This follows a Request for Proposal (RFP) called in July 2023 to ensure sufficient power generation capacity to meet future electricity demand.

2 Mr Ngiam Shih Chun, Chief Executive, EMA, said, “The construction, ownership, and operation of the new power plant by YTL PowerSeraya will support the reliability and security of Singapore’s power system. We look forward to further investments by the private sector in our energy system.”

New generation capacity required to meet electricity demand growth

3 In recent years, Singapore’s electricity demand has been steadily increasing due to economic growth, growing electrification, and increased digitalisation. Over the next five years, the system peak demand is projected to grow faster with an annual growth of at least 3.4%, compared to the previous decade’s 1.5% growth. This acceleration is driven by industries such as advanced manufacturing, digital economy, food, and transport.

4 EMA has projected that additional generation capacity will be needed by 2028 and called for the RFP to ensure that Singapore has sufficient generation capacity to meet the projected growth in demand and maintain system reliability. When the RFP closed on 31 October 2023, EMA received four proposals and selected the proposal by YTL PowerSeraya to build a new hydrogen-ready H-class CCGT. The new CCGT unit is expected to be commissioned by end-2027.

Centralised Process for New Generation Capacity

5 In the past, generation companies made their own commercial decisions on investing in new power plants. This may not always result in timely investments, and there may be insufficient generation capacity to meet overall demand.

6 To ensure that Singapore will have enough electricity generation capacity in the future and to support Singapore's energy transition, EMA established the Centralised Process framework. This framework guides generation companies (gencos) in making hydrogen-ready and lower-carbon intensity solutions and technologies to contribute to the development of a greener and more resilient power system.

7 Under the Centralised Process, EMA will maintain its ongoing 10-year forecast of electricity demand and available generation capacity. If these forecasts indicate that there is an insufficient generation capacity to meet the power system's demands, EMA will proceed to conduct RFPs, inviting the private sector to construct, own, and operate new generation capacity about 5 years in advance of the year it is projected to be required.

8 The Final Determination Paper of the Centralised Process is available at <https://go.gov.sg/ema-consultation-centralised-process>.

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About the Energy Market Authority

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