

SINGLE BUYER
(FEDERAL TERRITORY OF
LABUAN)
**OPERATION
MANUAL**

DOCUMENT CONTROL

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SINGLE BUYER OPERATIONS MANUAL

In line with the Guidelines for Single Buyer (The Federal Territory of Labuan) 2023 (Pin.2025) which came into operation on 27 January 2025, Single Buyer issues this Single Buyer Operations Manual for the Federal Territory of Labuan (“Operation Manual”).

Background

1. Malaysia adopts a Single Buyer Market model in managing its electricity supply industry. By virtue of the Section 22B of the Electricity Supply Act 1990 (Act 447), an entity called Single Buyer is entrusted to manage the procurement of electricity and related services in the Federal Territory of Labuan, Malaysia.
2. The Guidelines for Single Buyer (The Federal Territory of Labuan) 2023 (Pin.2025) requires Single Buyer to develop appropriate policies, systems and procedures.
3. This Operations Manual is developed to reflect the ring-fenced nature of Single Buyer’s operations.

Purpose

This Operations Manual is established to set out the detailed processes and procedures in performing each function in Single Buyer.

Application of the Operations Manual

This Operations Manual applies to all Single Buyer employees and serves as a reference for the execution of their respective roles and responsibilities.

Citation and Commencement

This Operations Manual shall come into operation on 1 March 2026

Amendment and Variation

Single Buyer may at any time modify, vary, review or revoke this Operations Manual as deemed necessary.

Dated : 23 February 2026



Cornelius Shapi
Head Single Buyer

1.0 Introduction

1.1 Background

1.1.1 The Commission has pursuant to the Electricity Supply Act 1990 (Act 447) issued the Single Buyer (The Federal Territory of Labuan) 2023 (Pin.2025) (“Guidelines”) to govern the operation of the Single Buyer market as well as the role and functions 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.

1.2 Objective of this Operations Manual

1.2.1 The objectives of this Operations Manual are: -

- (a) to detail the functions of the Single Buyer and the applicable standard operating policies and procedures (subject to para 3.3.1 below);
- (b) to provide Participants in the Single Buyer market insights into the operations of the Single Buyer;
- (c) to promote transparency and market confidence in the operations of the Single Buyer; and
- (d) to serve as reference for the day-to-day operations for Single Buyer staff.

1.2.2 This Operations Manual shall be read in conjunction with the Guidelines and shall apply without derogating from the general principles and requirements as detailed in the Guidelines.

1.2.3 Unless otherwise defined herein, all capitalized words appearing herein have the same meanings described in the Guidelines.

2.0 SINGLE BUYER GOVERNANCE

2.1 Oversight of the Single Buyer Market

2.1.1 The Commission and the Guidelines have established various working groups and committees to oversee the operations of the Single Buyer market to facilitate the monitoring and improve the transparency of the Single Buyer market.

(a) Single Buyer Oversight Panel

- (i) The Single Buyer Oversight Panel has the main functions of overseeing the compliance of the Single Buyer with the Guidelines and providing advice and guidance to the Single Buyer and Participants achieving the objectives of the Single Buyer market.
- (ii) The Single Buyer Oversight Panel shall be chaired by the Commission and shall be comprised of at least one (1) representative from Sabah Electricity and any suitable member as determined by the Commission.

(b) Dispatch Scheduling Working Group

- (i) The Dispatch Scheduling Working Group is responsible for reviewing the efficiency and effectiveness of the dispatch scheduling procedures performed by the Single Buyer and other Participant to ensure the Single Buyer is minimizing the cost of electricity procurement while promoting transparency and facilitating competition in the electricity industry.
- (ii) The 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.

(c) Long-Term Demand and Supply Working Group (LDSWG)

- (i) The LDSWG is responsible to provide advice and recommendations to Single Buyer on the development, processes and outcomes in relation to the Ten Year Ahead Load Forecast Report and Ten Year Ahead Generation Capacity Report to ensure security of the electricity supply.
- (ii) The LDSWG meets at least once every six (6) months and comprises the representatives 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.

(d) Single Buyer Website Working Group

- (i) The Single Buyer Website Working Group is responsible for reviewing the content, format, and accessibility of information published on the Single Buyer Website to ensure compliance with the Guidelines and applicable disclosure requirements.
- (ii) The Single Buyer Website Working Group meets at least twice a year and comprises (at a minimum) of representatives from the Commission, the Single Buyer, the appointed Information and Digital Division service provider and the GSO.

(e) Gas Supply Committee

- (i) The Gas Supply Committee is responsible for ensuring the adequacy of gas supply for electricity generation in Federal Territory of Labuan based on the relevant Three Month Ahead Dispatch Schedule and the Power Sector Gas Allocation.
- (ii) The Gas Supply Committee will assess any risk to the availability and reliability of the gas supply and put in place measures to mitigate the impact of any disruption, including the Urgent Gas Procedures for any urgent unplanned disruptions.
- (iii) The Gas Supply Committee meets at least once every six (6) months and comprises of representatives from the Ministry of Economy, the Ministry of Energy Transition and Water Transformation, the Commission, the Nominated Gas Supplier, the representatives from gas Generators, the Grid Owner, the GSO and the Single Buyer.

(f) Rule Change Panel

- (i) The Rule Change Panel is responsible for assessing and recommending on the proposed changes to the Guidelines which may better facilitate the objectives of the Guidelines.
- (ii) The Rule Change Panel meets as and when required by the Commission and the member shall be appointed by the Commission and shall consist of an independent Chair, a representatives from the Single Buyer, two (2) members representing the Generators, one of whom shall be representative of the Sabah Electricity Generation and the other shall be representative of the Independent Power Producer (IPP), the Grid Owner, the GSO, and other independent expert or experts as deemed appropriate by the Commission.

- 2.1.2 The Commission and the Single Buyer may establish additional working groups and committees from time to time and invite appropriate representatives from the Participants and other stakeholder groups to the meetings to facilitate the development of the electricity industry.

3.0 GENERAL OBLIGATIONS OF THE SINGLE BUYER

3.1 General Obligations of the Single Buyer

- 3.1.1 The Guidelines requires the Single Buyer to purchase electricity and perform its functions as the Single Buyer in a fair and non-discriminatory manner while promoting competition in the energy generation sector and enhance public confidence in the electricity industry. In doing so, the Single Buyer shall:
- (a) purchase electricity 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 Grid Code for Sabah and Labuan (Amendments) 2017 (“SLGC”);
 - (b) facilitate the security of electricity supply by maintaining oversight of demand and supply issues in the performance of dispatch scheduling and planning the long-term supply and demand;
 - (c) monitor the adequacy of supply of gas and hydro levels to meet the dispatch schedules and respond to any unplanned curtailments or disruptions;
 - (d) perform its functions in a transparent and consistent manner and, subject to any confidentiality obligations and requirements, publish information with regard to the performance of its functions in a clear, concise, understandable and readily accessible manner;
 - (e) deal with Participants in the Single Buyer market in a fair and balanced manner and not make decisions or act in a manner that is biased and/or unreasonably discriminates against any Participants;
 - (f) instill confidence in the electricity industry by avoiding conflicts of interests which may have an effect of reducing competition in the Single Buyer market or providing a competitive advantage to any Participant (including another division or unit of Sabah Electricity);
 - (g) at all times ensure it performs its functions in a manner that is consistent with the SLGC Guidelines and other applicable laws, codes, rules, regulations and guidelines; and

- (h) provide advice and recommendation when required, on relevant Malaysian electricity supply industry issues to key stakeholders, such as the ministry on charge of energy and the Commission.

3.2 Functional departments

3.2.1 The Single Buyer is organized in the following functional units which are responsible for the following scope of work:

- (a) Integrated System Planning Department

- (i) Load Forecast Unit

The Load Forecast unit is responsible for maintaining oversight over demand and supply of electricity in Sabah and Federal Territory of Labuan through forecasting load demand over the short term forecast for daily operations medium term forecast for the fuel scheduling supplies and long term forecast for capacity expansion, development and retirement plan. Further, this unit also oversees economic analysis and development, including Gross Domestic Product (GDP) studies conducted via third-party appointment when needed.

- (ii) Capacity Planning Unit

The Capacity Planning unit is responsible to formulate and develop Power Development Plan (PDP) prepare pre-feasibility studies of specific generation projects, provides information and report to external parties, study specific requirements as when required.

- (iii) Energy Resource Planning Unit

The Energy Resource Planning unit is responsible for the preparation of short-term dispatch schedules (from day ahead to three months ahead) based on the Least Cost Dispatch Scheduling Methodology, undertake short to medium term fuel mix planning and strategy, perform short to medium term energy simulation studies and generation cost analysis, and preparation of short to medium term Demand and Supply Outlook.

- (b) Power Contract Management Unit

The Power Contract Management unit is responsible for negotiating and managing Generators Contracts including contracting for new energy, monitoring contract performance.

(c) Finance and Enterprise Management Unit

The Finance and Enterprise Management unit is responsible for settlement and clearance of invoices, performing the reporting obligations of the Single Buyer under the Guidelines and Incentive Based Regulations (currently outsourced by Sabah Electricity Finance Division and Strategy and Sustainability Division), monitoring compliance of the Single Buyer with the Guidelines and any applicable laws, codes, rules, regulations and guidelines, lead and facilitate risk matters for Single Buyer, oversee the operations of Single Buyer ICT services (currently outsourced by Sabah Electricity Information and Digital Division) , manage office administration and human resources.

(d) Legal Management Unit

The Legal Management unit's main function is to assist other units in Single Buyer on legal matters, specifically the Power Contract Management Unit in preparing, negotiating the Generator Contracts, managing dispute resolution process under the Generator Contracts and providing legal opinions as and when required.

3.3 Business Functions and Processes of Single Buyer

3.3.1 This Operations Manual detailed out the core business functions and daily processes in Single Buyer. The descriptions provided herein are not exhaustive. Single Buyer may possess other support functions and processes which are necessary to enhance further Single Buyer's daily operations.

4.0 LOAD FORECAST

4.1 Load Forecast

4.1.1 The Load Forecast is responsible for carrying out short term load forecasting which covers the daily, weekly and monthly operational forecasts, long term forecasting and regional load forecasting studies.

4.1.2 The studies are used to meet internal and external requirements as they are critical inputs to the capacity planning, scheduling and system operation processes.

4.1.3 The scope of load forecasting horizons includes the following:

- (a) Day Ahead Load Forecast (including current day revision);
- (b) Week Ahead Load Forecast;

- (c) Three Month Ahead Load Forecast;
- (d) One Year Ahead Load Forecast;
- (e) Five Year Load Demand Forecast; and
- (f) Ten Year Demand and Supply Forecast (in accordance to Clause 14.2 of the Guidelines).

4.2 Long Term Load Forecast Data Collection and Model Update

4.2.1 The Load Forecast unit shall collect data to update the forecasting models using relevant software (e.g Itron Metrix ND & MetrixLT. The data to be collected includes of the following:

- (a) Annual and monthly aggregate and sectoral electricity sales from Sabah Electricity Retail Division;
- (b) Annual and monthly electricity generation data from Sabah Electricity Generation Division;
- (c) Annual and monthly peak demand data from the GSO;
- (d) Annual system losses data as provided by Sabah Electricity Retail Division;
- (e) Annual GDP from Department of Statistics Malaysia (DOSM);
- (f) Number of customers and average electricity selling price as provided by Sabah Electricity Retail Division;
- (g) Population and number of households as reported by the DOSM.;
- (h) Actual Commercial floorspace data sourced from the National Property Information Centre (“NAPIC”);
- (i) Renewable energy data from The Commission and Sabah Electricity Strategy and Sustainability Division;
- (j) Temperature data from the Malaysian Meteorological Department;
- (k) Energy efficiency performance data from the Commission;
- (l) Electric vehicles data from Ministry of Transport / Road Transport Department;
- (m) GDP forecasts based on studies conducted by appointed consultants, and supplemented by Single Buyer’s analysis if necessary;
- (n) Population forecasts from DOSM and Single Buyer’s analysis;
- (q) Household number forecasts from DOSM and Single Buyer’s analysis;
- (r) Commercial floorspace data from Single Buyer’s analysis;

- (s) Temperature forecast based on Single Buyer's analysis;
- (t) Weather outlook updates from the Malaysian Meteorological Department;
- (u) Step load (new demand) data sourced from Ministry of Industrial Development and Entrepreneurship (MIDE), Industrial Parks, and Sabah Electricity Strategy & Sustainability Division; and
- (v) Distribution new load demand (Large Power Consumers) data from Sabah Electricity Distribution Division.

4.3 Long Term Load Forecast Simulation Studies and Results Analysis

- 4.3.1 The Load Forecast uses a Hybrid Load Forecasting Model to project Sales. This hybrid model may include the following:
- (a) Sectoral Econometric Sales regression models driven by key factors for each sector;
 - (b) Post-estimation model to account for new emerging trends such as Energy Efficiency, Self-Consumption (SELCO) Solar and Electric Vehicle.
- 4.3.2 Peak demand and generation are derived from a hybrid model, which includes:
- (a) a regression model capturing economic, demand and weather trends to forecasts hourly underlying peak demand and generation; and
 - (b) a post-estimation model to adjust the forecast for future distribution-side technology impacts on the system demand profile.
- 4.3.3 The Load Forecast unit shall then integrate the forecast results from the various forecasting models and perform a qualitative and quantitative analysis to verify the forecast results from the various models. A forecast error analysis is also conducted to evaluate the accuracy of past electricity demand forecast.
- 4.3.4 Findings from the Load Forecast unit shall be presented to the LDSWG which comprises various representatives from the Commission, ministry in charge of energy, other relevant Government agencies or authorities, the Nominated Gas Supplier, the Single Buyer, the GSO and the Grid Owner. The LDSWG shall discuss the forecast results quantitatively and qualitatively to come up with a unified electricity demand forecast.
- 4.3.5 The finalized demand forecasts from the LDSWG shall be presented and approved or endorsed by the Demand Forecasting Committee (DFC), chaired by the Commission. The DFC comprises of various representatives which includes the relevant government agencies and ministries such as the ministry in charge of energy, industry experts, relevant consumer associations, Single Buyer, GSO as well as the relevant utilities. The composition of DFC and its functions are provided in the TOR under the Commission. The approved or endorsed demand forecasts by the DFC will be used in the Capacity Planning process, as provided in Section 5 herein.

4.4 Preparation of Short-Term Load Forecasts

4.4.1 The Short-Term Load Forecast unit shall prepare the:

- (a) Day Ahead Load Forecast which is to be presented in the Daily Operational Review Meeting on weekdays (Daily Docket); and
- (b) Week Ahead Load Forecast which is to be presented in the Weekly Coordination Meeting held every Thursday (Weekly Docket)

4.4.2 Relevant data collected such as weather parameters and latest load data shall be used to renew the coefficients in the Itron Metrix forecast models. An analysis is then conducted on the results of the various forecast models to produce a preliminary forecast. The preliminary forecast shall be discussed, verified and approved internally before being presented in the Daily Docket/Weekly Docket Meeting before dissemination to the Short-Term Load Forecast unit and the GSO.

5.0 CAPACITY PLANNING

5.1 Capacity Planning

5.1.1 The Capacity Planning unit is responsible for carrying out medium to long term capacity planning to ensure adequate generation capacity to meet forecast future demand. This planning role supports the Commission in relation to contracting for new capacity.

5.1.2 The capacity planning activities include demand-supply analysis, and determination of maximum capacity for each of the identified sites, and other technical and economic studies related to generation capacity issues.

5.1.3 The generation development plan shall be presented and discussed in the LDSWG which shall consist of representatives from the Capacity Planning unit together with representatives of the Commission and ministry in charge of energy and other representative as provided in section 2.1.1 (c) (ii) via the Planning and Implementation Committee for Electricity and Supply Tariff of Malaysia (JPPPET).

5.2 Power Development Plan

5.2.1 The Capacity Planning Unit shall prepare the Power Development Plan annually.

5.2.2 The Capacity Planning Unit shall initiate the process by establishing a work plan with the other unit of the Single Buyer, the Commission, ministry in charge of energy and such other persons with data relevant for the Power Development Plan for delivery of the requisite input data.

- 5.2.3 The Capacity Planning Unit shall compile, review and verify the requisite input data which includes the following:
- (a) Electricity Demand Forecast from the Load Forecast Unit;
 - (b) Generation Plants Data from Sabah Electricity, IPPs or the Power Contract Management Unit;
 - (c) New Options Plant Data from THERMOFLOW (a power plant design and cost estimation software);
 - (d) Fuel price projections from Sabah Electricity Fuel, Fuel Management Unit, PETRONAS or Sabah Energy Corporation Sdn. Bhd. (SEC) and other publicly available resources;
 - (e) Renewable Energy Data from the Commission; and
 - (f) Economic parameters from the Sabah Electricity Finance.
- 5.2.4 The data shall then be updated and processed using the PLEXOS Software and used to prepare the Power Development Plan including new capacity expansion, generation mix, fuel requirement projection and emission projection.
- 5.2.5 The Capacity Planning unit shall discuss, verify and approve the key assumptions used for simulation of the base case and other scenarios as well as simulation result with the Commission.
- 5.2.6 The proposed Power Development Plan shall then be submitted for the necessary verifications and approvals by the Chief Engineer of the Capacity Planning unit, Head of Integrated System Planning and Head of Single Buyer before dissemination to the Commission.

6.0 SCHEDULING

6.1 Scheduling

- 6.1.1 The Short-Term Scheduling and Medium-Term Scheduling sections within the Energy Resource Planning unit are responsible for the short to medium term scheduling and planning for dispatch of Generators. Its related functions include fuel requirement nomination for gas, coordination with GSO for generator outages and analysis for Incentive Based Regulation documentation and submission.
- 6.1.2 The scope of dispatch scheduling includes the following:
- (a) Day Ahead Dispatch Schedule;
 - (b) Week Ahead Dispatch Schedule;
 - (c) 3-Month Ahead Dispatch Schedule; and

(d) One Year Demand and Supply Outlook.

Note: The dispatch schedules refer to the planned dispatch of all generating units to meet the load profiles for the corresponding time horizon.

6.1.3 The Scheduling sections shall use the Least Cost Dispatch Scheduling Methodology to prepare the dispatch schedules to minimize the cost of electricity procurement in accordance with the Guidelines.

6.2 Preparation of Forecast Dispatch Schedules

6.2.1 The Short-Term Scheduling section shall prepare the Day Ahead Dispatch Schedules / Week Ahead Dispatch Schedules / Three Month Ahead Dispatch Schedules in accordance with the Guidelines. The Medium-Term Scheduling section shall prepare the One Year Demand and Supply Outlook in accordance with the Guidelines.

6.2.2 The Scheduling section shall collect the relevant input data, including; -

- (a) Daily Availability Declarations from the Generator(s);
- (b) Day Ahead/ Week Ahead/ Three Month Ahead Load forecast from Load Forecast unit
- (c) Day Ahead/ Week Ahead/ Three Month Ahead Transmission Outage Plan from Grid Operation Planning Department, GSO
- (d) Day Ahead/ Week Ahead/ Three Month Ahead Generation Outage Plan from Grid Operation Planning Department, GSO
- (f) Gas Curtailment Schedule and Gas Allocation from Nominated Gas Supplier;
- (g) System Constraint (if any) from the GSO; and
- (h) Generator Testing Pattern (if any) from the Generator(s).

6.2.3 Using the PLEXOS Model with the updated input data, the Scheduling units shall conduct the production simulation to prepare and submit the relevant dispatch schedules for approval by the Chief Engineer of the Energy Resource Planning unit.

6.2.4 The Dispatch Schedules once finalized shall be submitted to the GSO, and individually to Generators (Generator Daily Dispatch Profile)

6.2.5 The One Year Demand and Supply Outlook shall be reviewed at the relevant working group and submitted to the Commission for approval.

7.0 PLEXOS MODEL

7.1 PLEXOS Model

7.1.1 PLEXOS Integrated Energy Model Software is a simulation software that uses mathematical optimization to provide simulation integrating energy production, transportation and demand over simulated timeframes. PLEXOS is predominantly used by the Capacity Planning unit and Energy Resource Planning unit for simulation of forecasts and scheduling dispatch based on verified input data.

7.2 Simulation Model Review and Updates

7.2.1 The Energy Resource Planning unit and Capacity Planning unit are responsible for updating and reviewing the data for the PLEXOS database. The data which are necessary for the simulation model includes:

- (a) Demand forecast;
- (b) Forced outages;
- (c) Fuel availability;
- (d) Fuel conversion factors;
- (e) Fuel prices;
- (f) Gas curtailment;
- (g) Generator availabilities;
- (h) Heat rates;
- (i) Hydro energy production;
- (j) Interconnection availabilities;
- (k) Major public holidays;
- (l) Minimum down times for generators;
- (m) Minimum up times for generators;
- (n) Planned outages;
- (o) Plants ups and retirements;
- (p) Solar profiles;
- (q) Start up costs;
- (r) System constraints;
- (s) Test energy and testing patterns;
- (t) Tested annual available capacities;
- (u) Transmission line constraints; and

(v) Variable operating rates.

7.2.2 Data is collected from other units of the Single Buyer, GSO, Generators and other relevant Participants via emails, official letters, minute of meetings, websites and information in SLAs and PPAs. All information shall be reviewed, verified and approved before updating the simulation model.

7.2.3 Data revisions shall be approved by the Chief Engineer of Capacity Planning unit and Energy Resource Planning unit before the Database Controllers updates the models. Only Database Controllers who are authorised can do amendments on the PLEXOS Database. Database Controllers must record all the changes and details of the changes made in a log.

7.2.4 PLEXOS Dispatch Scheduling Model changes or revisions shall be presented and reviewed by the Dispatch Scheduling Working Group (DSWG). Model changes and the details of the changes shall be recorded in a log.

8.0 POWER PURCHASE AGREEMENT (“PPA”)/CONTRACT MANAGEMENT

8.1 Preparation of the new PPAs

8.1.1 The Technical section is responsible to assist the Commission in providing inputs for Request for Proposal (“RFP”) documents which include preparation of draft PPAs for bidding exercises of new power plant projects.

8.1.2 The Technical section coordinates the discussion of the new PPAs with the relevant stakeholders such as the Commission, GSO and Sabah Electricity to ensure the PPAs prepared are in line with the Prudent Utility Practices and the SLGC.

8.1.3 Upon completion of the bidding exercises conducted by the Commission, The Technical section is responsible to undertake discussions with the selected bidders to finalise the draft PPAs. Upon finalisation of the draft PPAs, the Technical section arranges for the signing and execution of the PPAs by Sabah Electricity.

8.2 Operationalisation of the PPAs

8.2.1 Upon signing and execution of the PPAs, the Technical section operates the PPAs until the occurrence of the Commercial Operation Date (COD). The Technical section is responsible to monitor the progress of the projects and to ensure the projects are in full compliance with the requirements and obligations in the PPAs which involve various meetings regarding such projects with the Commission, Sabah Electricity, GSO and the project developers.

8.2.2 From the occurrence of the COD until the end of the term of PPAs/ SLA contracts, The Technical section and Commercial section perform various operationalisation tasks as per requirement in PPAs/SLAs. The activities include:

- (a) Coordination of Tested Annual Available Capacity (TAAC) test, Revalidation Test, etc.
- (b) Providing various input for monthly generators' invoice settlement, namely Annual Scheduled Available Capacity (ASAC) approval, consequences of Failed Despatch Instruction (FDI) and other related operational matters.
- (c) Coordinate with the Sabah Electricity Metering unit to perform activities related to metering namely meter verification (yearly), meter replacement (due to faulty), remote meter reading and any other meter issues (missing data, inconsistency etc.)
- (d) Other arise issues (tailored to specific agreements) namely:
 - (i) Perform Cost Saving / Tariff Adjustment for direct negotiation PPAs;
 - (ii) Perform analysis on FDI and non-compliance with the operating standards or characteristics set out in Appendix B of the PPAs/SLAs;
 - (iii) Perform risk analysis on impact for Change in Law implication;
 - (iv) Perform technical capability analysis for PPA / SLA extension;
 - (v) Managing different interpretation of provisions in the agreements between affected parties;
 - (vi) Promote Global Settlement Arrangement for all IPP/ Sabah Electricity power plants; and;
 - (vii) Perform expiry, extension & renegotiation of Agreements.

8.3 Providing Input, Data and Opinions to the Stakeholders

- 8.3.1 The Technical section and Commercial section provide input and data to both internal and external group for various purposes namely update on the projects progress, projects technical and commercial data for simulation purposes.
- 8.3.2 The Technical section contributes constructive opinions that are in line with the PPAs and for the benefit of electricity industry, to the Commission on the rising issues such as on the Force Majeure Event treatment, views on the delayed projects and others.
- 8.3.3 The Commercial Section is responsible in managing, extracting and compiling all commercial data required for internal use (unit in Single Buyer) and for external parties (the Commission, ministry in charge of energy, Sabah Electricity Finance, etc). The required data is been use for a lot of purposes ranging including but not limited for:

- (a) simulation and study purpose;
- (b) decision making on the outcome or direction on certain issues;
- (c) least cost dispatching and merit order; and
- (d) audit purpose

9.0 SINGLE BUYER FILE SHARE

9.1 Single Buyer File Share

9.1.1 Single Buyer file sharing server (“SB File Share”) is a platform to store documents and files for Single Buyer. The Single Buyer File Share is maintained and supported by the Information & Digital Division of Sabah Electricity and has the following features:

- (a) Resilient service;
- (b) Data are backed up regularly;
- (c) Controlled access to read and write the data to provide security of the folders and files;
- (d) Departmental and localised security.

10.0 SINGLE BUYER WEBSITE

10.1 In accordance with Rule 19.2 of the Guidelines, Single Buyer shall develop a Single Buyer Website to promote transparency in performing its functions, and to ensure the website presents data and information clearly.

10.2 Single Buyer Website Change Request Process:

10.2.1 In order to ensure that the data and information contained on Single Buyer Website are clear, Single Buyer Website Administrator has developed a process to manage any changes on Single Buyer Website’s content (“Change Request Process”).

10.2.2 This Change Request Process requires any person who wishes to change, remove or alter any contents of Single Buyer Website, to fill-up the form in accordance with the Change Request Process and get approval from Head of Department.

10.2.3 Single Buyer Website Administrator will implement the requested changes accordingly.

11.0 SINGLE BUYER SETTLEMENT CENTRE (SBSC)

11.1 SBSC System

11.1.1 SBSC is a billing system to process the monthly payment for the power generators in Sabah and Federal Territory of Labuan. SBSC is used by Single Buyer, GSO and Power Plants.

11.2 SBSC Access

11.2.1 The SBSC system administrator is responsible in managing the user access. Request for the access is via submission of the respective request form (whichever applicable). SBSC system administrator currently done by Chronos under the purview of Power Contract Management Unit.

11.2.2 New SBSC access request:

- (a) To get access to the SBSC system, the requestor is required to fill in the SBSC Form and get the necessary approval from the requestor's Head of Department;
- (b) The form needs to be submitted to Single Buyer (the Enterprise Management section) to be processed by SBSC system administrator;
- (c) SBSC system administrator will require authorization from Single Buyer management to configure the requested access; and
- (d) SBSC system administrator will provide the requestor with the SBSC token and user ID for them to access the SBSC system.

11.2.3 Change in SBSC user access:

- (a) SBSC user need to submit the SBSC User Access Change Request Form to the SBSC system administrator if there are any changes required on the existing access permission and roles of the SBSC user; and
- (b) Once the SBSC system administrator received the SBSC User Access Change Request Form, the SBSC system administrator will configure the changes accordingly.

12.0 RELATED SUBMISSIONS FOR THE PURPOSE OF INCENTIVE BASED REGULATION

12.1 Overview

12.1.1 Under the Incentive Based Regulations (“IBR”) framework, Single Buyer is responsible for two tariffs; (1) SB Generation tariff and (2) SB Operations tariff. In accordance to the Guidelines on Tariff Determination Under Incentive Based Regulation for Sabah Electricity Sdn. Bhd. (“IBR Guidelines”), the Commission will expect the Single Buyer to submit the following: -

- Detailed Estimated Actual Generation cost report for the current six (6) month period of the Regulatory Term based on two (2) month actual figure and four (4) month estimated figure (subject to the Commission requirement) after the audited PLEXOS data. This generation cost report will present (i) detailed calculation of the estimated actual Fuel Cost and Other Generation Specific Cost incurred by the Single Buyer under the PPAs and the SLAs such as capacity payments, fuel costs, incentives or bonus payment etc. (ii) all costs incurred for the procurement of fuel oil and gas under various fuel oil and gas supply contracts by the IPPs and Sabah Electricity with its fuel suppliers.
- As soon as available but not later than month four (4) of the current six (6) month period, the Single Buyer should provide audited report on actual Fuel Cost, Generation Specific Costs, Unit Sold and Revenue collected based on Single Buyer Tariff, FCPT 1 and GSCPT 1 for the preceding six (6) month period. This is to ascertain the amount of over or under recovery of changes in fuel and Generation Specific costs (FCPT 2 and GSCPT 2).

12.1.2 The SB Generation cost (under the actual cost regime) is reviewed semi-annually via Imbalance Cost Pass-Through (“ICPT”) mechanism while SB Operations cost (under the revenue cap regime) is reviewed annually. Single Buyer Performance Indicators (SBPIs) are monitored quarterly and the incentives adjustment (reward, penalty, or zero reward/penalty) will be applied on a 3-year basis.

12.1.3 Both IBR and ICPT submissions are coordinated by Finance and Reporting section within the Finance & Enterprise Unit, Sabah Electricity Finance Division and Sabah Electricity Strategy & Sustainability Division.

12.2 SB Generation Proposal for IBR

12.2.1 SB Generation cost includes the cost incurred by Single Buyer for the procurement of electricity generation from all generators in the system based on their respective PPAs, SLAs and other cost associated with purchasing electricity from the generators. This also includes generation cost incurred by Sabah Electricity Distribution Network and Sabah Electricity Retail.

12.2.2 For IBR submission, it involves a four-step process, which comprises of:

- (a) setting the input parameters (which consist of sales, generation, fuel prices and commercial rates);
- (b) establishing the generation mix via PLEXOS run;
- (c) calculating the SB Generation cost and deriving the SB Generation base tariff via SB Generation Cost model; and
- (d) preparing SB Generation proposal report.

12.2.3 The proposed forecasts cost and tariff, will be submitted to Sabah Electricity Strategy and Sustainability Division for Sabah Electricity IBR Council's approval before submitting to the Commission.

12.3 SB Operations and Performance Indicators Proposal for IBR

12.3.1 As per the IBR Guidelines, SB Operations cost includes operating expenses, cost of working capital, return on assets, depreciation, regulatory tax, efficiency carry-over scheme on operating and capital expenditure and incentives adjustment (reward, penalty, or zero reward/penalty with regard to the SBPIs).

12.3.2 For the purpose of IBR submission, Single Buyer is required to derive a 3-year forecast of the Operating Expenses and Capital Expenditure. These forecasts and the actual cost incurred for current Regulatory Period will be submitted to Sabah Electricity Strategy and Sustainability Division. The actual performance of SBPIs will also be submitted to Sabah Electricity Strategy and Sustainability Division in order to derive the incentives adjustment (reward, penalty, or zero reward/penalty).

12.3.3 Based on the data provided by Single Buyer, Sabah Electricity Strategy and Sustainability Division will derive the total forecast cost for Single Buyer via the Revenue Requirement Model (RRM) established by the Commission and Single Buyer will then review the derived cost by Sabah Electricity Strategy and Sustainability Division. Currently, the RRM is centrally managed by Sabah Electricity Strategy and Sustainability Division for all regulated entities.

12.3.4 Following from the above, Single Buyer will prepare the proposal report which covers the SB Operations and SBPIs.

12.3.5 The proposed forecasts cost, tariff and SBPIs will be tabled to Sabah Electricity IBR Council for approval before submitting to the Commission.

12.4 Single Buyer Actual Performance Indicators Submission for IBR

12.4.1 The Enterprise Management section within the Finance & Enterprise Management unit is responsible for the submission of the Single Buyer's performance indicators in accordance with the IBR. The Enterprise Management section will receive inputs from the respective performance indicators' owner.

12.4.2 Regulatory targets apply for each of the performance indicators in accordance with the IBR as approved by the Commission.

13.0 SETTLEMENT AND CLEARANCE

13.1 Settlement and Clearance section is responsible in managing and facilitating settlement processes for all power purchase contracts in Sabah and Federal Territory of Labuan and interconnection agreements.

13.2 Settlement and Clearance shall:

13.2.1 Ensure timely issuance of invoice for Import Energy for Generators with the PPA;

13.2.2 Facilitate and monitor timely payment of the generators' invoices (30 days credit term). Settlement is carried out monthly in arrears following receipt of the participant's actual invoice;

13.2.3 Ensure all settlement are managed in accordance to the agreements, codes and relevant acts and technical performance;

13.2.4 Provides estimation of generators cost of generators in Sabah and Federal Territory of Labuan on monthly basis. This function is to facilitate Finance team with detailed and comprehensive cashflow management.

13.3 It is compulsory to ensure that all invoices are checked, verified and approved prior to submission to Sabah Electricity Finance for payment purposes.