



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

14 July 2022

MS. CONCEPCION I. TANGLAO

Chairperson, Rules Change Committee (RCC)
Philippine Electricity Market Corporation (PEMC)
18/F Robinsons Equitable Tower
ADB Avenue, Ortigas Center, Pasig City

Dear *Chairperson Tanglao*:

This refers to the Call for Comments for the proposed amendments to the WESM Manuals regarding Penalty Framework on Test and Commissioning (T&C) which was posted in the PEMC website on 25 May 2022.

In this regard, the Department of Energy (DOE) would like to submit the following initial general comments to the said proposal which aims to provide the penalty mechanism for the acts or omission of a Trading Participant (TP) with a generating facility or power plant whose T&C period has expired:

1. **Harmonization with the provisions of the DOE Department Circular (DC) No. DC2022-05-0015 entitled, "Supplementing Department Circular No. DC2021-06-0013 on the Framework Governing the Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network", in particular:**
 - a. Distinct treatment between TPs: a) whose Provisional Certificate of Approval to Connect (PCATC) have expired; and b) who have already secured the Final Certificate of Approval to Connect (FCATC) from the Transmission Network Provider/Distribution Utility but still awaiting issuance of the Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) by the Energy Regulatory Commission (ERC).
 - b. Clear process on the penalty mechanism for TPs issued with FCATC should also be provided considering that DC2022-05-0015 allows these TPs to nominate or offer their capacities in the WESM and will be treated as under Commercial Operations phase whose injected energy can be subject to declaration of bilateral contract quantity and/or payment of spot quantity.
 - c. Possible further amendments to the WESM Rules, Dispatch Protocol Manual, and other Market Manuals may also be warranted given the foregoing.
2. **Penalty for the Non-Submission of Application for Commercial Operations Registration**
 - a. For the penalty of WESM members who failed to submit its application of Commercial Operations Registration, the DOE suggests reckoning the non-compliance to register after 75 calendar days from the submission of the TP's FCATC to the Market Operator, on the presumption that they submitted the same to the ERC on the same date. This recommendation is made in view of sixty (60) calendar days prescribed maximum period for the ERC to issue the COC. As such, adequate allowance can already be given to the TP to be furnished by the ERC with its decision on the application of the COC.

- b. If the TP still fails to comply within the suggested period of reckoning the non-compliance, then, violation on the application for Commercial Operations Registration after receipt of COC or PAO should already recourse to Suspension of Registration.

We look forward to your kind consideration on the matter. Thank you.

Very truly yours,


MARIO C. MARASIGAN, CESO III
Director IV
Officer-in-Charge
Electric Power Industry Management Bureau