
REQUEST FOR MARKET RULES AND MANUALS AMENDMENTS

Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments should be submitted to:

Rules Change Committee

Attention: WESM Governance Committee Secretariat

Philippine Electricity Market Corporation

18/F Robinsons Equitable Tower

ADB Avenue, Ortigas Center

Pasig City, 1605 Philippines

Email address: mag_rrd@wesm.ph

[In accomplishing and submitting this form, you give your consent for PEMC to collect, record, organize, and update your personal data as herein provided as part of your information for purposes of rules change process.]

I. Proponent's Information

Name	Elvin Hayes E. Nidea
Designation	PEMC President and WESM Governance Officer
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II. Amendment Information

Proposed Amendments to the (please tick the box):

☐ WESM Rules ☐ Retail Rules

☒ Market Manual: **Ancillary Services Monitoring (ASM) Manual 1.1**

Topic: **Further Amendments to Certain Provisions
Regarding the Reserve Conformance Standards and
Related Enforcement Actions**

Proposed Classification of Amendments (please tick the box):

☐ General ☐ Minor ☒ Urgent

If Urgent, reason for urgency:

- To avoid, reduce the risk of, or mitigate the unintended adverse effect of the relevant provisions of the Ancillary Services Monitoring (ASM) Manual before the actual implementation of the enforcement actions, i.e., the adjustment in, or deduction from, the Reserve Trading Amount as a result of breach of the Reserve Conformance Standards

III. SUMMARY OF THE PROPOSED RULES CHANGE

The following are covered in this proposal:

- A. Changes in timeline and procedure for monitoring compliance with the Reserve Conformance Standards (RCS) and enforcement thereof.

This aims to address concerns regarding the impact of RCS monitoring results, both initial and final (following the Request for Reassessment filed by ASPs), on reserve trading amount settlements. The proposal seeks to simplify the pertinent processes.

- B. Additional technical considerations in monitoring Response Accuracy on Governor Control Mode (GCM). ECO seeks to resolve technical issues identified during the August-November 2024 monitoring period to ensure fair assessment of the compliance of the Ancillary Services Providers (ASPs) –

- (1) Where the best MW response for purposes of determining response accuracy may be fairly obtained beyond the established horizon, as currently specified in the rule.
- (2) Where reserve schedule (in MW capacity) may be considered or recognized as a limiting factor in computing the response accuracy of the reserve facility during its ancillary provision on GCM.

IV. BACKGROUND

The Department of Energy (DOE) resumed the Reserve Market on 05 August 2024. Prior to such resumption, PEMC proposed urgent amendments to the Ancillary Services Monitoring (ASM) Manual. After thorough review, the Urgent Amendment (**ASM Manual Issue 1.1**) took effect on 30 August 2024, authorizing implementation of the revised ASMM provisions like the use of revised/corrected formula and the adoption of streamlined processes, among others.

The ASMM procedure for one monitoring period typically spans four (4) months. The process commences with daily issuance of Non-Compliance Notices (NCNs), with Ancillary Services Providers (ASPs) required to respond within five (5) days. ECO generates its report by the 20th of the following month and submits it to the Market Operator or the Independent Electricity Market Operator of the Philippines, Inc. (IEMOP) by the 25th. IEMOP incorporates adjustments into its Preliminary Settlement Statements to be issued seven (7) calendar days from the end of the billing period. ASPs, on the other hand, may contest the breach findings within ten (10) days from receipt of such statement by filing a Request for Reassessment with Notice of Claim (RRA/NC).

The implementation status over the four-month period following resumption indicates successful execution by all parties, despite challenges and concerns.

Notably, the stakeholders were able to accomplish the following:

- Generation of the first Reserve Conformance Standards (RCS) Monitoring Results for the billing period August 2024 by PEMC-ECO on 28 September 2024.
- Incorporation in the 02 October 2024 Settlement Statement the adjustment of reserve trading amounts arising from the RCS Monitoring Results.
- Active participation of ASPs by way of response to flagged non-compliances or the NCNs or in support of the filed Request for Reassessment with Notice of Claim (RRA/NC)

- Generation of the revalidated RCS Monitoring Results for August 2024 billing period on 28 October 2024
- Incorporation in the 01 November 2024 Settlement Statement further adjustment of reserve trading amounts arising from the RRA/NC Results.

Despite the successful implementation, certain concerns arose, prompting proposals for additional amendments to further refine the process.

Implementation challenges included the following:

A. Timeline and Reporting-Related Issues

1. *Data collection issues.* PEMC experienced difficulties in timely collecting comprehensive and voluminous per-second data resulting in delays both in the processing of breach detection and in notification of detected non-compliances to the concerned ASPs.
2. *Delays in NCN issuance.* Delays in data completion resulted in delayed NCNs, leading ECO to adopt bulk issuance at the initial stage of monitoring to meet the schedule for monitoring and assessment of the Reserve Conformance Standards (RCS).
3. *Delays in ASPs' response.* Some ASPs faced difficulties in meeting deadlines for NCN response, leading to incomplete or unclear responses. This subsequently led to breach findings which in turn resulted in unpaid reserve trading amounts. Such a situation necessitated filing by ASPs of RRA/NC for adjustment in the trading amounts in the next settlement statements.
4. *Complexities With Transactions Involving The 2-Layered Adjustment Mechanism.* IEMOP has observed complexities in transactions involving the 2-layered adjustment mechanism, particularly when deductions or non-payments exceeded current reserve trading amounts or receivables. This leads to situations where adjustments of the past billing period exceed the reserve trading amounts for the current billing month. For instance, the amount of deductions for non-compliances for August billing period is greater than the total trading amounts payable to the ASPs for September billing month. Consequently, ASPs' roles are effectively reversed, shifting from recipients to payers. Similarly, in that situation, the System Operator faces negative purchases, transforming NGCP-SO from buyer to creditor awaiting payment from ASPs with tax implications. The complexity becomes even more complex as subsequent settlement statements incorporate additional adjustments reflecting reassessment results, spanning multiple settlement periods. For instance, the reserve trading amounts for October 2024 will be subject to adjustments: first, by the non-compliances pertaining to September 2024; and second, by the reassessment results for August 2024 billing period.

Illustration - Under Current Procedure:

Prelim Statement Issuance Date	01 November 2024
For Billing Period	October 2024
Gross Reserve Trading Amount for October 2024	P 50,000,000.00
Less: Non-Compliance – RCS for September 2024	(95,000,000.00)
Add: Reserve Amount Adjustments (after RRA) for August 2024	25,000,000.00
Net Reserve Trading Amount	P (20,000,000.00)

B. Observed Technical Circumstances/Scenarios.

Unforeseen circumstances arose during actual implementation of the ASM Manual, revealing technical situations that are not accounted for yet in the existing rules. ECO encountered instances where generating units faced reasonable, yet unavoidable, non-compliance due to technical limitations.

For instance, the horizon for determining the best *Actual MW Response Capacity* was extended to include the period from the start of the *Frequency-Driven Event (FDE)* until 20 seconds after the lowest frequency, or nadir. This extended timeframe is crucial, as the best actual response during this time can be instrumental in arresting the FDE.

Additionally, when the calculated *Expected MW Response Capacity* exceeds both the Certified Capacity and the Reserve Schedule, it is essential to calculate *Response Accuracy* using the Reserve Schedule as a reference. This approach acknowledges that reserve facilities are required to operate within their reserve schedule when providing ancillary services.

To provide clarity, these situations should be addressed through rule updates, ensuring generating units and PEMC-ECO receive appropriate guidance throughout the monitoring activity.

V. THE PROPOSED RULES CHANGE

The following provisions will be affected by the proposed changes:

A. Changes in Timeline and Procedure for Monitoring Compliance with the Reserve Conformance Standards and Enforcement Thereof

Item	Current Rule	Proposed Changes
1. Adjustments in Reserve Trading Amounts (RTA) Due to Breach Findings (Sec. 7.2.7, 7.7.1, 7.7.2)	Two (2) Settlement Adjustments by IEMOP <ul style="list-style-type: none">First (Deduction): After the submission of RCS Monitoring Results by PEMC-ECO <i>Timeline:</i> Month following the covered monitoring period.Second (Reversing Adjustment): Upon receipt of the RRA Results from PEMC-ECO <i>Timeline:</i> 2 months following the covered monitoring period	One (1) Settlement Adjustment Only by IEMOP Adjustments for breach findings will be made after considering both: (a) prior RCS Monitoring Results and (b) RRA outcomes for the applicable billing period <i>Timeline:</i> 2 months following the covered monitoring period.

Item	Current Rule	Proposed Changes
2. Generation of RCS Monitoring Results (Sec. 7.2.3)	Twenty-five (25) business days after the end the covered monitoring period. E.g. for the December billing period, it falls on 25 January.	End of the month following the end of the covered monitoring period. E.g. for the December billing period, it falls on 31 January.
3. Submission of RCS Monitoring Results (Sec. 7.2.6)	RCS Monitoring Results to be submitted to IEMOP not later than 25 th of the month following the end of the covered monitoring period. <i>(Note: for adjustment in the Preliminary Settlement Statement)</i>	IEMOP will receive from ECO the RCS Non-Compliance List (final findings) instead of the Initial RCS Monitoring Results. ECO's Initial RCS findings will instead be communicated by ECO to ASPs through a <i>Notice of Breach</i> . <i>(Note: Said Notice from PEMC ECO will become the basis of ASPs in filing RRA/NC)</i>
4. Impact of Initial RCS Monitoring Results of ECO (Sec 7.2.7, 7.3.1)	Deduction or Adjustment in the Preliminary Settlement Statement.	No deductions will be enforced by IEMOP until final breach findings are issued by ECO, following RRA resolution or expiration of the filing period.
5. RRA Filing (Sec. 7.4, 7.4.1, 7.4.2, 7.4.3, and 7.4.4,)	<ul style="list-style-type: none"> 10 business days from receipt of the Preliminary Settlement Statement. Term is Request for Reassessment with Notice of Claim (RRA/NC) 	<ul style="list-style-type: none"> 10 business days from receipt of the RCS Monitoring Results or Notice of Breach. New Term: Request for Reassessment <i>Note: No Notice of Claim anymore since there will be no financial adjustment that needs to be made in the settlement statement until an RRA is resolved.</i>
6. Resolution on RRA (Sec. 7.5, 7.5.1, and 7.5.3)	15 days from receipt of RRA/NC.	15 days from receipt of RRA.
7. Final RCS Monitoring Results (RCS Non-Compliance List) (Sec. 7.6.5)		IEMOP shall receive the <i>RCS Non-Compliance List</i> from ECO by the 25 th of the month in which the RRA is resolved or deadline for filing the same expires. <i>Note: This will become the basis of IEMOP in effecting a one-time adjustment in the Preliminary Settlement Statement.</i>

B. Additional Technical Considerations in Monitoring Response Accuracy on GCM

Item	Current Rule	Proposed Changes
1. Measuring Reserve Response Compliance on Governor Control Mode (GCM) (Sec 5.6)	In getting the best MW response – Horizon: 20 seconds after the lowest/highest frequency that occurred during the Frequency-Driven Event.	In getting the best MW response Proposed revised horizon: from the start of the Frequency-Driven Event up to 20 seconds after the lowest/highest frequency that occurred during the Frequency-Driven Event.
2. Measuring Reserve Response Compliance of Generators on GCM (Sec 5.6)	Response Accuracy considers the calculated Expected MW Response Capacity.	In instances where the Expected MW Response Capacity exceeds Reserve Schedule, response accuracy calculation may also consider the reserve schedule unless a redispatch instruction is issued by the System Operator.

VI. REASON FOR URGENT AMENDMENTS

This proposal seeks to introduce urgent amendments to ASM Manual 1.1 pursuant to **Section 3.1 (c) of the Rules Change Manual** to mitigate potential unintended consequences arising from the current provisions.

A. On Proposed Changes in Timeline and Procedure for Monitoring Compliance with RCS and Enforcement thereof.

The existing two-layered adjustment mechanism has been identified as a source of complexity, leading to intricate transaction adjustments and negative purchases. Furthermore, NGCP-SO, as the buyer of reserves, encounters accounting difficulties in recording ASP receivables, a challenge similarly faced by ASPs.

The proposed urgent amendment aims to ensure accurate reflection of net adjustments in billing statements, taking into account all relevant factors and justifications. This revision seeks to promote fairness, practicality, and transparency throughout the process. By streamlining the mechanism, the proposed amendment will

- Simplify the process, enhancing ASP submission and documentation efficiency
- Enable ECO to conduct comprehensive and accurate assessments

The removal of an unnecessary step will yield a more efficient and effective framework, better serving the interests of all stakeholders involved.

B. Additional Technical Considerations in Monitoring Response Accuracy on Governor Control Mode (GCM).

To assess Response Accuracy of the ASPs on GCM, it is crucial to determine the actual best MW response within a reasonable timeframe. Omitting the optimal response within a certain horizon from calculations may result in unfair assessments, leading to unwarranted findings of breach. This could unfairly penalize ASPs that have, in fact, contributed positively to addressing grid frequency issues.

Additionally, the evaluation of plant's compliance, based on Expected MW Response Capacity, should take into account known limitations, such as restricted or limited reserve schedules, as generated by the Market Management System. It would be unreasonable to expect plants to meet or exceed the Expected MW Response Capacity when their scheduled capacity is lower.

The absence of explicit guidelines on this issue may generate confusion among the ASPs, as provider of reserves, and the ECO as monitoring arm of the WESM. Consequently, non-compliance stemming from such limitations should not disproportionately affect ASPs. A more appropriate approach is warranted to mitigate undue consequences for ASPs which are found non-compliant based on the existing provisions of the ASM Manual.

VII. BACKGROUND AND DESCRIPTION OF THE PROPONENT

Philippine Electricity Market Corporation, acting as the Governance Arm of the WESM with its officers as follows:

Elvin Hayes E. Nidea – President
Andrea J. Mendiola – Legal Department Head
Bienvenido C. Mendoza – Market Assessment Department Head
Ma. Hazel M. Gubaton-Lopez – Enforcement and Compliance Department Head
Elaine D. Gonzales – Internal Audit Department Head
Patrick S. Fernandez – Information System and Technology Department Head
Herbie C. Ngirngir - Finance and Internal Relations Department Head

VIII. CONCLUSIONS AND RECOMMENDATIONS

The amendments to the Ancillary Services Monitoring Manual are proposed for the efficient and effective compliance and enforcement proceedings in relation thereto. Thus, it is recommended that the proposed changes be adopted.

IX. REFERENCES

A. Ancillary Services Monitoring Manual 1.1

ANCILLARY SERVICES MONITORING MANUAL

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
Section 2 – Definition, References, and Interpretation 2.1 Definitions	g. Enforcement Related Notices -	Notice of Breach – A notice issued by the <i>Market Operator</i> to the <i>Ancillary Service Providers</i> . It specifies the <i>dispatch intervals</i> in which a breach of <i>Reserve Conformance Standards</i> is identified. It also specifies the amount adjusted or to be adjusted from the <i>reserve trading amounts</i> due from the <i>System Operator</i> after due assessment and verification.	Notice of Breach – A notice issued by the <u><i>Market Operator Enforcement and Compliance Office</i></u> to the <i>Ancillary Service Providers</i> . It specifies the <i>dispatch intervals</i> in which a breach of <i>Reserve Conformance Standards</i> is identified. It also specifies the amount adjusted or to be adjusted from the reserve trading amounts due from the System Operator after due assessment and verification.	The Notice of Breach, currently issued alongside IEMOP's Preliminary Settlement Statement, will now be issued by ECO upon finding of breach of RCS, aligning it with the proposed elimination of outright deductions/adjustments after the RCS Monitoring Results. No deductions will be effected until the RRA (as remedy of ASP) has been availed of and/or completed. The Notice of Breach, which serves as notification to the ASPs of the results, and as trigger, as well, for filing RRA, will retain its purpose. With the current proposal, the ECO will issue the Notice of Breach based on its RCS Monitoring Results.
	g. Enforcement Related Notices -	Notice of Reserve Amount Adjustment – A notice issued by the <i>WESM Governance Arm</i> to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> that serves as a directive to, and basis of the <i>Market Operator</i> to cause the revision or adjustment in the settlement statement on account of the findings of the <i>Enforcement and Compliance Office</i> concerning compliance with the <i>Reserve Conformance Standards</i> .	Notice of Reserve Amount Adjustment – A notice issued by the WESM Governance Arm to the Market Operator, the System Operator, and the Ancillary Services Provider that serves as a directive to, and basis of the Market Operator to cause the revision or adjustment in the settlement statement on account of the findings of the Enforcement and Compliance Office concerning compliance with the Reserve Conformance Standards.	For deletion. As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of reserve amount adjustments will be necessary after revalidation/ reassessment, as initial RCS monitoring results did not trigger any deductions.
	g. Enforcement Related Notices -	Notice of Confirmation of Breach – A notice issued to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> by the <i>WESM Governance Arm</i> after due assessment and verification by the <i>Enforcement and Compliance Office</i> which contains confirmation of the finding/s of breach as flagged, assessed, and reported by the <i>Enforcement and Compliance Office</i> to the <i>Market Operator</i> .	Notice of Confirmation of Breach – A notice issued to the Market Operator, the System Operator, and the Ancillary Services Provider by the WESM Governance Arm after due assessment and verification by the Enforcement and Compliance Office which contains confirmation of the finding/s of breach as flagged, assessed, and reported by the Enforcement and Compliance Office to the Market Operator.	For deletion. As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of breach confirmation will be necessary after revalidation/reassessment, as initial RCS monitoring results did not trigger any deductions.

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	j.	Request for Reassessment with Notice of Claim – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i> , accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.	Request for Reassessment with Notice of Claim – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i> , accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.	The proposed revision removes the phrase ' <i>With Notice of Claim</i> ' since deductions are deferred until the RRA process is completed. Consequently, ASPs seeking reassessment, under the current proposal, are merely requesting reconsideration of breach findings, without claiming payment adjustments or add-backs.
	i.	Reserve Amount Adjustment – the amount to be debited or credited to/from a <i>WESM Member</i> as a line-item adjustment to the <i>reserve trading amount</i> in connection with the results of the monitoring and assessment of the compliance of the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i> .	Reserve Amount Adjustment – the amount to be debited or credited to/ from a <i>WESM Member</i> as a line-item adjustment to or deduction from the <i>reserve trading amount</i> in connection with the final results or findings of breach of the monitoring and assessment of the compliance of <i>Reserve Conformance Standards by</i> the <i>Ancillary Services Providers</i> with the reserve conformance standards.	The term “final” is added to signify that the proceedings have completed the initial RCS monitoring and assessment, as well as any subsequent revalidation or reassessment. Only thereafter will IEMOP apply the reserve amount adjustment in the Preliminary Settlement Statement, based on the finalized results.
	(New)		<u>n. Reserve Conformance Standards Non-Compliance List – contains a list of all intervals with breach of the Reserve Conformance Standards occurring within a specified billing period, including date and dispatch interval with breach, affected resource unit, reserve type and other relevant details pertaining to the non-compliance.</u>	To include in the “Definition of Terms” the type of report required for submission to IEMOP after considering RRA results and final RCS monitoring findings, serving as the basis for definitive one-time settlement adjustments. Renumbering of the succeeding terms in the “Definition of Terms” in view of the inserted / new defined term.

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SECTION 5 – Reserve Conformance Standards	5.2.1	5.2.1 The System Operator and the Market Operator shall submit to the WESM Governance Arm data and reports that may be necessary in initially determining probable breach, such as but not limited to the following:	5.2.1 The System Operator and the Market Operator shall submit to the WESM Governance Arm data and reports that may be necessary in initially determining probable breach, such as but not limited to the following:	Ensuring all relevant data are considered to achieve more precise and reliable results, and to avoid any discrepancies. This approach also helps to effectively monitor and identify any potential breaches of regulations or market rules.																																																																					
5.2 Provision of Data for Monitoring and Reporting		<table><tr><th>Data</th><th>Timeline of Provision</th><th>Source</th></tr><tr><td>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</td><td>D+1</td><td>Market Operator</td></tr><tr><td>Dead band settings (Based on certification)</td><td>As necessary</td><td>Market Operator</td></tr><tr><td>Speed droop characteristic (Based on certification)</td><td>As necessary</td><td>Market Operator</td></tr><tr><td>Generator Status</td><td>D+1</td><td>System Operator</td></tr><tr><td>Dispatch instructions</td><td>D+1</td><td>System Operator</td></tr><tr><td>Outages</td><td>D+1</td><td>System Operator</td></tr><tr><td>Power System Frequency</td><td>D+1</td><td>System Operator</td></tr><tr><td>Desired MW/AGC Command</td><td>D+1</td><td>System Operator</td></tr><tr><td>Certified Capacity (Based on certification)</td><td>As necessary</td><td>Market Operator</td></tr><tr><td>Day-Ahead Ancillary Service Schedule (DAASS)</td><td>D-1</td><td>System Operator</td></tr><tr><td>BCQ-SO</td><td>D+1</td><td>System</td></tr></table>	Data	Timeline of Provision	Source	Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)	D+1	Market Operator	Dead band settings (Based on certification)	As necessary	Market Operator	Speed droop characteristic (Based on certification)	As necessary	Market Operator	Generator Status	D+1	System Operator	Dispatch instructions	D+1	System Operator	Outages	D+1	System Operator	Power System Frequency	D+1	System Operator	Desired MW/AGC Command	D+1	System Operator	Certified Capacity (Based on certification)	As necessary	Market Operator	Day-Ahead Ancillary Service Schedule (DAASS)	D-1	System Operator	BCQ-SO	D+1	System	<table><tr><th>Data</th><th>Timeline of Provision</th><th>Source</th></tr><tr><td>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</td><td>D+1</td><td>Market Operator</td></tr><tr><td>Dead band settings (Based on certification)</td><td>As necessary</td><td>Market Operator</td></tr><tr><td>Speed droop characteristic (Based on certification)</td><td>As necessary</td><td>Market Operator</td></tr><tr><td><u>Rated Capacity (Based on declared/tested capacity)</u></td><td><u>As necessary</u></td><td><u>System Operator</u></td></tr><tr><td>Generator Status</td><td>D+1</td><td>System Operator</td></tr><tr><td>Dispatch instructions</td><td>D+1</td><td>System Operator</td></tr><tr><td>Outages</td><td>D+1</td><td>System Operator</td></tr><tr><td>Power System Frequency</td><td>D+1</td><td>System Operator</td></tr><tr><td>Desired MW/AGC Command</td><td>D+1</td><td>System Operator</td></tr><tr><td>Certified Capacity (Based on certification)</td><td>As necessary</td><td>Market Operator</td></tr></table>	Data	Timeline of Provision	Source	Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)	D+1	Market Operator	Dead band settings (Based on certification)	As necessary	Market Operator	Speed droop characteristic (Based on certification)	As necessary	Market Operator	<u>Rated Capacity (Based on declared/tested capacity)</u>	<u>As necessary</u>	<u>System Operator</u>	Generator Status	D+1	System Operator	Dispatch instructions	D+1	System Operator	Outages	D+1	System Operator	Power System Frequency	D+1	System Operator	Desired MW/AGC Command	D+1	System Operator	Certified Capacity (Based on certification)	As necessary	Market Operator	Final BCQ-MO provision from monthly to every 15 th of the month, as agreed with MO.
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				Operator				
		Actual MW Output	D+1	System Operator	Day-Ahead Ancillary Service Schedule (DAASS)	D-1	System Operator	
		Reserve Type (Based on certification)	As necessary	Market Operator	BCQ-SO	D+1	System Operator	
					Final BCQ-MO	Monthly Every 15th of the following month	Market Operator	
					Actual MW Output	D+1	System Operator	
					Reserve Type (Based on certification)	As necessary	Market Operator	
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.5	Considering the provisions of Section 5.3.4, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Sections 5.6 and 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards</i> for <i>regulating reserves</i> for that <i>dispatch interval</i> .			5.3.5 Considering the provisions of Section 5.3.4, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75 90 % or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Sections 5.6 and 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards</i> for <i>regulating reserves</i> for that <i>dispatch interval</i> .			For correction, to be consistent with Section 5.7 and 5.8 90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve facilities operating under AGC

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.6	Considering the provisions of Section 5.4.5, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Section 5.6 and Section 5.7 at any <i>dispatch interval</i> will be considered <i>breach</i> of the <i>reserve conformance standards</i> for <i>contingency reserves</i> for that <i>dispatch interval</i> .	Considering the provisions of Section 5.4.5, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75 5 ⁹⁰ % or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Section 5.6 and Section 5.7 at any <i>dispatch interval</i> will be considered <i>breach</i> of the <i>reserve conformance standards</i> for <i>contingency reserves</i> for that <i>dispatch interval</i> .	For correction, to be consistent with Section 5.7 90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve facilities operating under AGC
Section 5 – Reserve Conformance Standards Section 5.6 – Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.2	<p>A <i>reserve facility</i>'s response accuracy via GCM shall be calculated as follows:</p> $\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%$ <p>a. When System Frequency falls below the lower deadband:</p> <p>Where:</p> <p>Actual MW Response Capacity</p> <p>= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p>Where: The Highest Actual MW Output is the value obtained 20 seconds after the Lowest frequency that occurred during the Frequency-Driven Event</p>	<p>A <i>reserve facility</i>'s response accuracy via GCM shall be calculated as follows:</p> $\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%$ <p>a. When System Frequency falls below the lower deadband:</p> <p>Where:</p> <p>Actual MW Response Capacity</p> <p>= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p>Where: The Highest Actual MW Output is the value obtained from the start of the Frequency-Driven Event up to 20 seconds after the Lowest frequency that occurred during the Frequency-Driven Event</p>	<p>Propose to determine the best response from the start of the FDE until 20 seconds after the worst frequency.</p> <p>This approach allows us to merit the Actual Best MW Response effectively; the best MW response during this extended horizon helped/contributed to stabilizing the System Frequency at its nadir; thereby preventing the worsening of the System Frequency. (See Illustration 1 of Attachment A)</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
		<p>Frequency Change</p> <p>= Frequency Prior to Frequency-Driven Event – Lowest Frequency During Frequency-Driven Event</p> <p>Frequency Prior to Frequency-Driven Event</p> <p>= Nominal Frequency – Deadband Setting</p> <p>b. When System Frequency breaches the upper deadband:</p> <p>Actual MW Response Capacity</p> <p>= Lowest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p>Where: The Lowest Actual MW Output is the value obtained 20 seconds after the highest frequency that occurred during the Frequency-Driven Event</p> <p>Frequency Change</p> <p>= Frequency Prior to Frequency-Driven Event – Highest Frequency During Frequency-Driven Event</p> <p>Expected MW Response Capacity</p> <p>= Static Gain x Frequency Change</p> <p><i>Static Gain</i></p> <p>= $\frac{\text{Rated Capacity}}{\text{Droop Setting} \times \text{Nominal Frequency}} \times 100\%$</p>	<p>Frequency Change</p> <p>= Frequency Prior to Frequency-Driven Event – Lowest Frequency During Frequency-Driven Event</p> <p>Frequency Prior to Frequency-Driven Event</p> <p>= Nominal Frequency – Deadband Setting</p> <p>b. When System Frequency breaches the upper deadband:</p> <p>Actual MW Response Capacity</p> <p>= Lowest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p>Where: The Lowest Actual MW Output is the value obtained from the start of the Frequency-Driven Event up to 20 seconds after the highest frequency that occurred during the Frequency-Driven Event</p> <p>Frequency Change</p> <p>= Frequency Prior to Frequency-Driven Event – Highest Frequency During Frequency-Driven Event</p> <p>Expected MW Response Capacity</p> <p>= Static Gain x Frequency Change</p> <p><i>Static Gain</i></p> <p>= $\frac{\text{Rated Capacity}}{\text{Droop Setting} \times \text{Nominal Frequency}} \times 100\%$</p>	<p>NGCP-SO suggested retaining this practice (20-second horizon) for the Reserve Market to maintain consistency with the assessment of the ASPA based on current practice. NGCP may study this further and consider it for inclusion in another amendment, if warranted.</p> <p>ECO agreed to the suggestion.</p> <p>Proposal withdrawn.</p> <p>Proposal withdrawn.</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
		<p>If the system frequency breaches the upper deadband threshold, the reserve facility needs to react by decreasing generation to correct the frequency and vice versa. In this case, the Actual MW Response Capacity shall be calculated as the difference between the Highest or Lowest Actual MW Output, as the case may be, and the MW Output prior to the Frequency-Driven Event.</p>	<p><u>For purposes of computing static gain, the determination of rated capacity shall be established by reference to: (a) the rated capacity as appearing in WESM registration records; or (b) the declared capacity from which the reserve facility was tested during the ancillary services certification. In the event of any discrepancy, the latter shall prevail for this purpose.</u></p> <p>If the system frequency breaches the upper deadband threshold, the reserve facility needs to react by decreasing generation to correct the frequency and vice versa. In this case, the Actual MW Response Capacity shall be calculated as the difference between the Highest or Lowest Actual MW Output, as the case may be, and the MW Output prior to the Frequency-Driven Event.</p> <p><u>The event will qualify as <i>Frequency-Driven Event</i>, for this purpose, if</u></p> <p><u>(a) the event lasts for more than five (5) seconds; and</u></p> <p><u>(b) the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage systems.</u></p> <p><u>In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the Reserve Schedule, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to System Operator's re-dispatch instructions. In such instances, the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.</u></p>	<p>Added for clarity the basis or “reference” in obtaining the rated capacity to be used in the formula for static gain.</p> <p>This is covered in the General Amendment comment. We opted to include it here to provide complete context of the changes made.</p> <p>Given that the <i>Expected MW Response Capacity</i> can sometimes exceed both the Certified Capacity and the Reserve Schedule, it is crucial that the <i>Response Accuracy</i> should be calculated using the Reserve Schedule as reference in such cases, acknowledging that the reserve facilities are only required to operate within their reserve schedule when providing ancillary service. <u>(See Illustration 2 of Attachment A)</u></p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
Section 7 Monitoring Compliance with Reserve Conformance Standards 7.2. Flagging of Breach of Reserve Conformance Standards	7.2	Flagging of Breach of Reserve Conformance Standards	Flagging of <u>Probable</u> Breach of Reserve Conformance Standards	Change in Sub-section Title. To make a clear distinction between breach (as initially flagged by the system) and the breach (after due validation, verification, and assessment).
Section 7 Monitoring Compliance with Reserve Conformance Standards 7.2. Flagging of Breach of Reserve Conformance Standards	7.2.2	<p>The <i>Enforcement and Compliance Office</i> shall conduct validation, verification, and assessment of breach of the <i>Reserve Conformance Standards</i>. The <i>Enforcement and Compliance Office</i> shall generate monitoring results within twenty-five (25) business days after the end of the covered monitoring period. The <i>Reserve Conformance Standards</i> monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.</p> <p>The <i>Enforcement and Compliance Office</i> shall furnish the <i>System Operator</i> a copy of the monitoring results for any feedback or confirmation of the results or findings</p>	<p>The <i>Enforcement and Compliance Office</i> shall conduct validation, verification, and assessment of breach of the <i>Reserve Conformance Standards</i>. The <i>Enforcement and Compliance Office</i> shall generate monitoring results within twenty-five (25) business days after the end of the covered monitoring period. The <i>Reserve Conformance Standards</i> monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.</p> <p>The <i>Enforcement and Compliance Office</i> shall furnish the <i>System Operator</i> a copy of the monitoring results for any feedback or confirmation of the results or findings.</p>	<p>For deletion.</p> <p>This section refers to flagging of probable breach. This should be covered by the subsequent procedure of validation, assessment, and reporting of results</p> <p>Transfer to Section 7.3.3 (with modification) for coherence. Further, we propose to delete the 2nd paragraph, in view of the NGCP’s comment to remove its responsibility to submit its own RCS monitoring report for consolidation. (<i>See related comment on Section 7.2.3</i>)</p> <p>Consequently, there is no need to furnish SO with the copy of ECO’s initial RCS monitoring results for feedback.</p> <p>Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	7.2.3	The <i>Enforcement and Compliance Office</i> shall consolidate its own monitoring result and the confirmation or report of the <i>System Operator</i> , if any, relating to compliance with the <i>Reserve Conformance Standards</i> for the relevant billing period not later than 25 th day of the month following the covered monitoring period. For instance, the results for August <i>Billing Period</i> shall be consolidated on or before 25 September.	The <i>Enforcement and Compliance Office</i> shall consolidate its own monitoring result and the confirmation or report of the <i>System Operator</i>, if any, relating to compliance with the <i>Reserve Conformance Standards</i> for the relevant billing period not later than 25th day of the month following the covered monitoring period. For instance, the results for August <i>Billing Period</i> shall be consolidated on or before 25 September.	For deletion. Agreeing with NGCP-SO's proposal to remove this responsibility to submit its own monitoring results for consolidation by ECO. This would simplify the process and avoid discrepancies that may arise from any possible different findings.
	7.2.4	If the performance of a reserve facility of an Ancillary Services Provider affects both its compliance under the Ancillary Services Procurement Agreement and the Reserve Market, the System Operator and the Market Operator shall jointly determine the extent of breach committed and be able to allocate or determine which part of the reserve amount adjustments and penalty corresponds to the contractual obligation and to the reserve market compliance.	7.2.4 7.2.2 If the performance of a reserve facility of an Ancillary Services Provider affects both its compliance under the Ancillary Services Procurement Agreement and the Reserve Market, the System Operator and the Market Operator shall jointly determine the extent of breach committed and be able to allocate or determine which part of the reserve amount adjustments and penalty corresponds to the contractual obligation and to the reserve market compliance.	Renumbered as 7.2.2 due to changes in the preceding sections.
	7.2.5	If it becomes impossible to allocate the exact amount for settlement adjustments or penalty in accordance with the preceding paragraph, by reason of indivisibility of the breach committed by <i>Ancillary Services Provider</i> , the same shall be determined based on the scheduled capacity for reserves under the <i>Ancillary Services Procurement Agreement</i> and the <i>Reserve Market</i> .	7.2.5 7.2.3 If it becomes impossible to allocate the exact amount for settlement adjustments or penalty in accordance with the preceding paragraph, by reason of indivisibility of the breach committed by <i>Ancillary Services Provider</i> , the same shall be determined based on the scheduled capacity for reserves under the <i>Ancillary Services Procurement Agreement</i> and the <i>Reserve Market</i> .	Renumbered as 7.2.3 due to changes in the preceding sections.

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	7.2.6	If no feedback, confirmation, or report is received from the <i>System Operator</i> after the lapse of the period set in Section 7.2.3, the <i>Enforcement and Compliance Office</i> shall submit to the <i>Market Operator</i> the monitoring results. The <i>Market Operator</i> shall thereafter proceed with the settlement adjustment as set out in Section 7.2.7 based on the monitoring report submitted by the <i>Enforcement and Compliance Office</i> on compliance of the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i> .	If no feedback, confirmation, or report is received from the <i>System Operator</i> after the lapse of the period set in Section 7.2.3, the <i>Enforcement and Compliance Office</i> shall submit to the <i>Market Operator</i> the monitoring results. The <i>Market Operator</i> shall thereafter proceed with the settlement adjustment as set out in Section 7.2.7 based on the monitoring report submitted by the <i>Enforcement and Compliance Office</i> on compliance of the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i>.	For deletion in alignment with the proposal to: a) Remove the responsibility of NGCP-SO to provide feedback, confirmation, or report received from ECO or provide report based on its own monitoring of the RCS. b) defer the reporting to IEMOP until the RRA is resolved
	7.2.7	The finding of breach of <i>reserve conformance standards</i> , as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a).	The finding of breach of <i>reserve conformance standards</i>, as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a).	For deletion. Transferred to Section 7.6.3 in alignment with the proposal to defer the reporting to IEMOP and the non-payment of reserve trading amounts until the RRA is resolved.
7.3 - Settlement Amount Due from the System Operator After Monitoring	7.3	Settlement Amount Due from the System Operator After Monitoring	Settlement Amount Due from the System Operator After Monitoring <u>Validation, Assessment, and Reporting Results</u>	Change in Sub-Section Title This entire sub-section section is proposed to be removed, aligning with the deferred reporting to IEMOP and non-payment of reserve trading amount payments until RRA resolution. Instead, the section will be <u>replaced</u> with compliance monitoring procedures outlining validation, assessment, and reporting results to ensure coherence. Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	7.3.1	<p>Upon receipt of the monitoring report of the <i>Enforcement and Compliance Office</i> referred to in Section 7.2.6, the <i>Market Operator</i> shall –</p> <p>a) calculate the settlement amount due from the <i>System Operator</i> taking into account the finding of breach of the <i>reserve conformance standards</i> on or before the due date for the issuance of preliminary settlement statements, as set in the <i>Billing and Settlement Manual</i>. For this purpose, the <i>Market Operator</i> is authorized to automatically deduct from the settlement amount the reserve amount corresponding to the number of intervals with findings of breach of the <i>Reserve Conformance Standards</i>; and</p> <p>b) send the preliminary settlement statement to the <i>Ancillary Services Providers</i> which shall include the <i>Notice of Breach</i> in accordance with the timeline provided in the <i>Billing and Settlement Manual</i>.</p>	<p>Upon receipt of the monitoring report of the <i>Enforcement and Compliance Office</i> referred to in Section 7.2.6, the <i>Market Operator</i> shall –</p> <p>a) calculate the settlement amount due from the <i>System Operator</i> taking into account the finding of breach of the <i>reserve conformance standards</i> on or before the due date for the issuance of preliminary settlement statements, as set in the <i>Billing and Settlement Manual</i>. For this purpose, the <i>Market Operator</i> is authorized to automatically deduct from the settlement amount the reserve amount corresponding to the number of intervals with findings of breach of the <i>Reserve Conformance Standards</i>; and</p> <p>b) send the preliminary settlement statement to the <i>Ancillary Services Providers</i> which shall include the <i>Notice of Breach</i> in accordance with the timeline provided in the <i>Billing and Settlement Manual</i>.</p>	<p>For deletion.</p> <p>Transferred to Section 7.7.1, aligning with the deferred reporting to IEMOP and non-payment of reserve trading amount payments until RRA resolution.</p>
	(New)		<p><u>7.3.1 The <i>Enforcement and Compliance Office</i> shall conduct daily validations, verifications, and assessments of <i>Ancillary Service Providers</i>’ compliance, utilizing submissions from said <i>Ancillary Service Providers</i>, data and information from the <i>Market Operator</i>, <i>System Operator</i>, and other relevant agencies or entities.</u></p>	<p>To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs.</p> <p>7.3.1 – <u>daily verification and assessment</u> 7.3.2 – request for additional documents from ASPs 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – providing RCS monitoring results to ASPs</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	(New)		<u>7.3.2 The Enforcement and Compliance Office may also request additional documents or information from Ancillary Service Providers, to clarify or substantiate their explanations or reasons, as necessary. For this purpose, the Enforcement and Compliance Office may establish and require use of a designated reply format, template, or tool to ensure accuracy, completeness, and consistency of responses.</u>	To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs. 7.3.1 – daily verification and assessment 7.3.2 – request for additional documents from ASPs 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – providing RCS monitoring results to ASPs
	(New)	<p>The Enforcement and Compliance Office shall conduct validation, verification, and assessment of breach of the Reserve Conformance Standards. The Enforcement and Compliance Office shall generate monitoring results within twenty-five (25) business days after the end of the covered monitoring period. The Reserve Conformance Standards monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.</p> <p>The Enforcement and Compliance Office shall furnish the System Operator a copy of the monitoring results for any feedback or confirmation of the results or findings</p>	<p><u>7.3.3 The Enforcement and Compliance Office shall conduct complete its validation, verification, and assessment of breach and shall generate the results of the monitoring of the Reserve Conformance Standards at the end of the calendar month following the end of the covered monitoring period, unless extraordinary circumstances beyond its control force majeure events necessitate an extension to accomplish the monitoring results.</u> The Enforcement and Compliance Office shall generate monitoring results within twenty-five (25) business days after the end of the covered monitoring period. The Reserve Conformance Standards monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.</p> <p>The Enforcement and Compliance Office shall furnish the System Operator a copy of the monitoring results for any feedback or confirmation of the results or findings</p>	<p><u>Transferred from Section 7.2.2</u></p> <p>To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs.</p> <p>7.3.1 – daily verification and assessment 7.3.2 – request for additional documents from ASPs 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – providing RCS monitoring results to ASPs</p> <p>On the deadline for generating results (originally set under Section 7.2.2 every 25th of the month):</p> <p>Extending the deadline for generating the initial RCS monitoring results until the end of the following month will provide additional time for comprehensive assessment. This adjustment allows for a more detailed explanation on the part of ASPs during the monitoring activity, and thorough evaluation on the part ECO, as deductions/adjustments are, after all, deferred pending the RRA resolution by the ECO ensuring higher quality final RCS monitoring results.</p> <p>IEMOP: Agreed but proposed changing the term “extraordinary circumstances” to “force majeure” in Section 7.3.3 of the rules change proposal as ground for extending the timeline to submit RCS Non-Compliance List to IEMOP</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	(New)		<u>7.3.4 The Ancillary Service Providers shall be notified within the period specified in Section 7.3.3 of any non-compliance with Reserve Conformance Standards for their respective reserve facilities through the issuance of a Notice of Breach.</u>	To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs. 7.3.1 – daily verification and assessment 7.3.2 – request for additional documents from ASPs 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – <u>providing RCS monitoring results to ASPs</u>
	7.3.2	The <i>Notice of Breach</i> of the <i>Reserve Conformance Standards</i> shall contain, at a minimum, the specific intervals, resource unit/s, the type of reserve that is found in breach and the amount that is not considered in determining the reserve amount due, and thus, not paid to the <i>Ancillary Services Providers</i> as a consequence of the <i>breach</i> .	7.3.2 <u>7.3.5</u> The <i>Notice of Breach</i> of the <i>Reserve Conformance Standards</i> shall contain, at a minimum, the specific intervals, resource unit/s, the type of reserve that is found in breach, <u>and the grounds for breach determination,</u> and the amount that is not considered in determining the reserve amount due, and thus, not paid to the Ancillary Services Providers as a consequence of the breach.	Related to proposed change in Section 2.1-Definition of Terms, Item (g) Notice of Breach where the notice is issued by ECO instead of IEMOP. Propose to delete the reference to the unpaid amount, as this information is not pertinent to the current stage of proceedings. Renumbered due to inserted (new) provisions.
7.4 - Request for Reassessment with Notice of Claim by Ancillary Services Providers	7.4.	Request for Reassessment with Notice of Claim by Ancillary Services Providers	Request for Reassessment with Notice of Claim by Ancillary Services Providers	Change in Sub-Section Title. The proposed revision removes the phrase ' <i>With Notice of Claim</i> ' since deductions are deferred until the RRA process is completed. Consequently, ASPs seeking reassessment, under the current proposal, are merely requesting reconsideration of breach findings, without claiming payment adjustments or add-backs.
	7.4.1	The <i>Ancillary Service Provider</i> may file a <i>Request for Reassessment with Notice of Claim</i> with the <i>Enforcement and Compliance Office</i> not later than ten (10) calendar days from receipt of the <i>Preliminary Settlement Statement</i> and <i>Notice of Breach</i> from the <i>Market Operator</i> . A copy thereof shall be furnished by the <i>Ancillary Service Provider</i> to the <i>System Operator</i> and the <i>Market Operator</i> . The <i>Request for Reassessment with Notice of Claim</i> shall be filed online or through a facility that may be developed	The <i>Ancillary Service Provider</i> may file a <i>Request for Reassessment</i> with Notice of Claim with the <i>Enforcement and Compliance Office</i> not later than ten (10) calendar days from receipt of the <i>Preliminary Settlement Statement</i> and <i>Notice of Breach</i> from the <i>Market Operator</i> <u><i>Enforcement and Compliance Office</i></u> . A copy thereof shall be furnished by the <i>Ancillary Service Provider</i> to the <i>System Operator</i> and the <i>Market Operator</i>.	Global change: RRA/NC to RRA only. To modify the trigger for filing RRA/NC, i.e., the Notice of Breach from ECO instead of the Preliminary Settlement Statement of IEMOP.

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
		by the <i>Enforcement and Compliance Office</i> for this purpose.	The <i>Request for Reassessment</i> with Notice of Claim shall be filed online or through a facility that may be developed by the <i>Enforcement and Compliance Office</i> for this purpose.	
	7.4.2	<p>The <i>Request for Reassessment with Notice of Claim</i> shall indicate the following:</p> <p>a. Date of receipt of the Preliminary Settlement Statement from the <i>Market Operator</i>;</p> <p>b. The specific intervals, resource unit/s, and the type of reserve covered by the request;</p> <p>c. The ground/s for reassessment;</p> <p>d. The correct data or value in case the ground for reassessment includes data variance or discrepancies, including the source of the data to be used in the recalculation;</p> <p>e. Data, information, records, or documents to support the request or claim; and</p> <p>f. The amount being claimed and sought to be adjusted in favor of the <i>Ancillary Service Provider</i>.</p>	<p>The <i>Request for Reassessment</i> with Notice of Claim shall indicate the following:</p> <p>a. Date of receipt of the Preliminary Settlement Statement <i>Notice of Breach</i> from the Market Operator <i>Enforcement and Compliance Office</i>;</p> <p>b. The specific intervals, resource unit/s, and the type of reserve covered by the request;</p> <p>c. The ground/s for reassessment;</p> <p>d. The correct data or value in case the ground for reassessment includes data variance or discrepancies, including the source of the data to be used in the recalculation;</p> <p>e. Data, information, records, or documents to support the request or claim; and</p> <p>f. The amount being claimed and sought to be adjusted in favor of the Ancillary Service Provider.</p>	<p>Global change: RRA/NC to RRA only.</p> <p>To modify the reckoning period for filing RRA/NC, i.e., from receipt of the Notice of Breach from ECO.</p> <p>Propose to delete the requirement to specify the amount claimed or sought to be adjusted as this information is no longer pertinent to the current stage of proceedings.</p>
	7.4.3	<p>The <i>Request for Reassessment with Notice of Claim</i> shall be accompanied by a certification under oath attesting to the authenticity of the documents submitted in relation thereto. A scanned copy of the notarized certification may be submitted in lieu of the printed copy as an integral part of the request. However, the <i>Enforcement and Compliance Office</i> may, as it deems necessary, request a printed copy of such notarized certification or any documents filed in relation thereto.</p> <p>The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish or prescribe a format or template that may be accomplished by the <i>Ancillary Services Provider</i> in filing the said request.</p>	<p>The <i>Request for Reassessment</i> with Notice of Claim shall be accompanied by a certification under oath attesting to the authenticity of the documents submitted in relation thereto. A scanned copy of the notarized certification may be submitted in lieu of the printed copy as an integral part of the request. However, the <i>Enforcement and Compliance Office</i> may, as it deems necessary, request a printed copy of such notarized certification or any documents filed in relation thereto.</p> <p>The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish or prescribe a format or template that may be accomplished by the <i>Ancillary Services Provider</i> in filing the said request.</p>	<p>Global change: RRA/NC to RRA only.</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	7.4.4	The filing of <i>Request for Reassessment with Notice of Claim</i> beyond the period allowed under Section 7.4.1 or the failure to comply with the requirements set out in Section 7.4.2 and 7.4.3 shall cause the outright dismissal thereof.	The filing of <i>Request for Reassessment with Notice of Claim</i> beyond the period allowed under Section 7.4.1 or the failure to comply with the requirements set out in Section 7.4.2 and 7.4.3 shall cause the outright dismissal thereof.	Global change: RRA/NC to RRA only.
7.5 - Validation and Assessment	7.5	Validation and Assessment	<u>Re</u> validation and <u>Re</u> assessment	Change in Sub-section title for coherence with the steps. Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report
	7.5.1	Upon receipt of the <i>Request for Reassessment with Notice of Claim</i> , the <i>Enforcement and Compliance Office</i> shall validate and assess the findings of breach or claim of <i>Ancillary Services Provider</i> .	Upon receipt of the <i>Request for Reassessment with Notice of Claim</i> , the <i>Enforcement and Compliance Office</i> shall validate and assess the findings of breach or claim of <i>Ancillary Services Provider</i> .	Global change: RRA/NC to RRA only.
	7.5.3	The assessment, validation, and verification of the information gathered in relation to the request shall be completed within fifteen (15) days from receipt of the <i>Request for Reassessment with Notice of Claim</i> .	The assessment, validation, and verification of the information gathered in relation to the request shall be completed within fifteen (15) days from receipt of the <i>Request for Reassessment with Notice of Claim</i> .	Global change: RRA/NC to RRA only.
7.6 – Compliance Monitoring and Assessment Reports	7.6.1	If no <i>Request for Reassessment with Notice of Claim</i> is filed by the concerned <i>Ancillary Services Provider</i> within the allowable period to file the same under Section 7.4.1, the <i>Enforcement and Compliance Office</i> shall issue a <i>Compliance Monitoring and Assessment Report</i> based on its monitoring and assessment. The said report and a <i>Notice of Specified Penalty</i> shall be issued within sixty (60) <i>business days</i> from the end of the month following the covered monitoring period. For instance, the compliance monitoring and assessment report for August <i>Billing Period</i> shall be issued on or before 30 October.	If no <i>Request for Reassessment with Notice of Claim</i> is filed by the concerned <i>Ancillary Services Provider</i> within the allowable period to file the same under Section 7.4.1, the <i>Enforcement and Compliance Office</i> shall issue a <i>Compliance Monitoring and Assessment Report</i> based on its monitoring and assessment. The said report and a <i>Notice of Specified Penalty</i> shall be issued within sixty (60) <i>business days</i> from the end of the month following the covered monitoring period. For instance, the compliance monitoring and assessment report for August <i>Billing Period</i> shall be issued on or before 30 October.	Global change: RRA/NC to RRA only.

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	7.6.2	<p>The <i>Enforcement and Compliance Office</i> shall, after due validation and assessment conducted in relation to the <i>Request for Reassessment with Notice of Claim</i>, prepare the <i>Compliance Monitoring and Assessment Report</i> which shall:</p> <p>a. contain or provide, among others, a finding whether the concerned <i>Ancillary Service Provider</i> is compliant with the <i>Market Rules</i> or <i>Market Manuals</i>;</p> <p>b. contain the amount to be adjusted or revised, if any, in the settlement for the particular billing period;</p> <p>c. be issued to the concerned <i>Ancillary Services Provider</i> with respect to each <i>reserve facility</i> or plant that is subject of monitoring, as applicable; and</p> <p>d. be issued within five (5) calendar days from completion of validation and assessment as prescribed under Section 7.5.3.</p>	<p>The <i>Enforcement and Compliance Office</i> shall, after due validation and assessment conducted in relation to the <i>Request for Reassessment</i> with Notice of Claim, prepare the <i>Compliance Monitoring and Assessment Report</i> which shall:</p> <p>a. contain or provide, among others, a finding whether the concerned <i>Ancillary Service Provider</i> is compliant with the <i>Market Rules</i> or <i>Market Manuals</i>;</p> <p>b. contain the amount to be adjusted or revised, if any, in the settlement for the particular billing period;</p> <p>c. <u>b.</u> be issued to the concerned <i>Ancillary Services Provider</i> with respect to each <i>reserve facility</i> or plant that is subject of monitoring, as applicable; and</p> <p>d. <u>c.</u> be issued within five (5) calendar days from completion of <u>re</u>validation and <u>re</u>assessment as prescribed under Section 7.5.3.</p>	Global change: RRA/NC to RRA only.
	(New)	<p><u>7.2.7 The finding of breach of reserve conformance standards, as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the Ancillary Services Provider for the intervals found in breach for which purpose, the Market Operator is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a).</u></p>	<p><u>7.6.3</u> The finding of breach of <i>reserve conformance standards</i>, as determined in accordance with Sections <u>7.2 7.3, 7.4 and 7.5</u> hereof, shall have the effect of non-payment of the reserve trading amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to <u>automatically</u> deduct the reserve amount for the intervals found in breach from the settlement amount <u>specified in accordance with Section 7.7.3.1 (a) of this Manual. This rule applies only to breaches of Reserve Conformance Standards occurring in spot reserve transactions.</u></p>	<p>Transferred from Section 7.2.7 with modification in alignment with the proposal to defer the reporting to IEMOP and the non-payment of reserve trading amounts until the RRA is resolved.</p> <p>Modification: There has been a change in the rule reference due to other revisions. Additionally, the word "automatically" has been removed, as the deduction occurs after 60 days or following the reassessment.</p> <p>The last sentence is added to add more clarity as to the scope of the breach findings and the consequent non-payment, <i>i.e.</i>, it must be related to spot reserve transactions only. In other words, the contracted reserves must be filtered out as these will be covered in the compliance monitoring by the System Operator.</p>
	7.6.3	<p>If there is a finding of breach based on the validation and assessment conducted by the <i>Enforcement and Compliance</i></p>	<p>7.6.3 <u>7.6.4</u> If there is a finding of breach based on the validation and assessment conducted by the <i>Enforcement</i></p>	For deletion of Notice of Confirmation.

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
		<p>Office, the <i>Compliance Monitoring and Assessment Report</i> shall likewise be accompanied by the following:</p> <p>a. A <i>Notice of Confirmation</i>. Such notice shall indicate a statement confirming a finding of breach, as determined by the <i>Enforcement and Compliance Office</i> under Section 7.2.</p> <p>b. A <i>Notice of Specified Penalty</i>. This notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the <i>Ancillary Services Provider</i> in accordance with the provisions of this Manual.</p>	<p>and Compliance Office, the <i>Compliance Monitoring and Assessment Report</i> shall likewise be accompanied by the following: <u>a <i>Notice of Specified Penalty</i>. Said notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the <i>Ancillary Services Provider</i> in accordance with the provisions of this Manual.</u></p> <p>a. A <i>Notice of Confirmation</i>. Such notice shall indicate a statement confirming a finding of breach, as determined by the <i>Enforcement and Compliance Office</i> under Section 7.2.</p> <p>b. A <i>Notice of Specified Penalty</i>. This notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the <i>Ancillary Services Provider</i> in accordance with the provisions of this Manual.</p>	<p>As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of breach confirmation will be necessary after revalidation/reassessment, as initial RCS monitoring results did not trigger any deductions.</p> <p>Renumbered due to inserted new provision.</p>
	7.6.4	<p>If the <i>Enforcement and Compliance Office</i> found, after due validation and assessment, that no breach was committed by the <i>Ancillary Service Provider</i>, the <i>Compliance Monitoring and Assessment Report</i> shall indicate such findings and shall be accompanied by the <i>Notice of Reserve Amount Adjustment</i>.</p>	<p>7.6.4 <u>7.6.5</u> If the <i>Enforcement and Compliance Office</i> found, after due validation and assessment, that no breach was committed by the <i>Ancillary Service Provider</i>, the <i>Compliance Monitoring and Assessment Report</i> shall indicate such findings and shall be accompanied by the <i>Notice of Reserve Amount Adjustment</i>.</p>	<p>For deletion of Notice of Reserve Amount Adjustment.</p> <p>As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of reserve amount adjustments will be necessary after revalidation/reassessment, as initial RCS monitoring results did not trigger any deductions.</p> <p>Renumbered due to inserted new provision.</p>
	7.6.5	<p>The <i>Compliance Monitoring and Assessment Report</i> and the notices specified in the preceding sections shall be issued by the <i>Enforcement and Compliance Office</i> within the period provided under Section 7.6.2 (d) to the <i>Ancillary Services Provider</i>, <i>Market Operator</i>, and <i>System Operator</i>.</p>	<p>7.6.5 <u>7.6.6</u> The <i>Compliance Monitoring and Assessment Report</i> and the notices specified in the preceding sections <u><i>Notice of Specified Penalty</i></u> shall be issued by the <i>Enforcement and Compliance Office</i> within the period provided under Section 7.6.2 (d) <u>(c)</u> to the <i>Ancillary Services Provider</i>, <i>Market Operator</i>, and <i>System Operator</i>.</p>	<p>No more reference to other notices (<i>Notice of Confirmation</i> or <i>Notice of Reserve Amount Adjustment</i>) except NSP.</p> <p>MO need not be furnished with the copy thereof as MO will receive a separate report (<i>RCS Non-Compliance List</i> under Section 7.6.7) for adjustment purposes.</p> <p>Renumbered due to inserted new provision.</p>

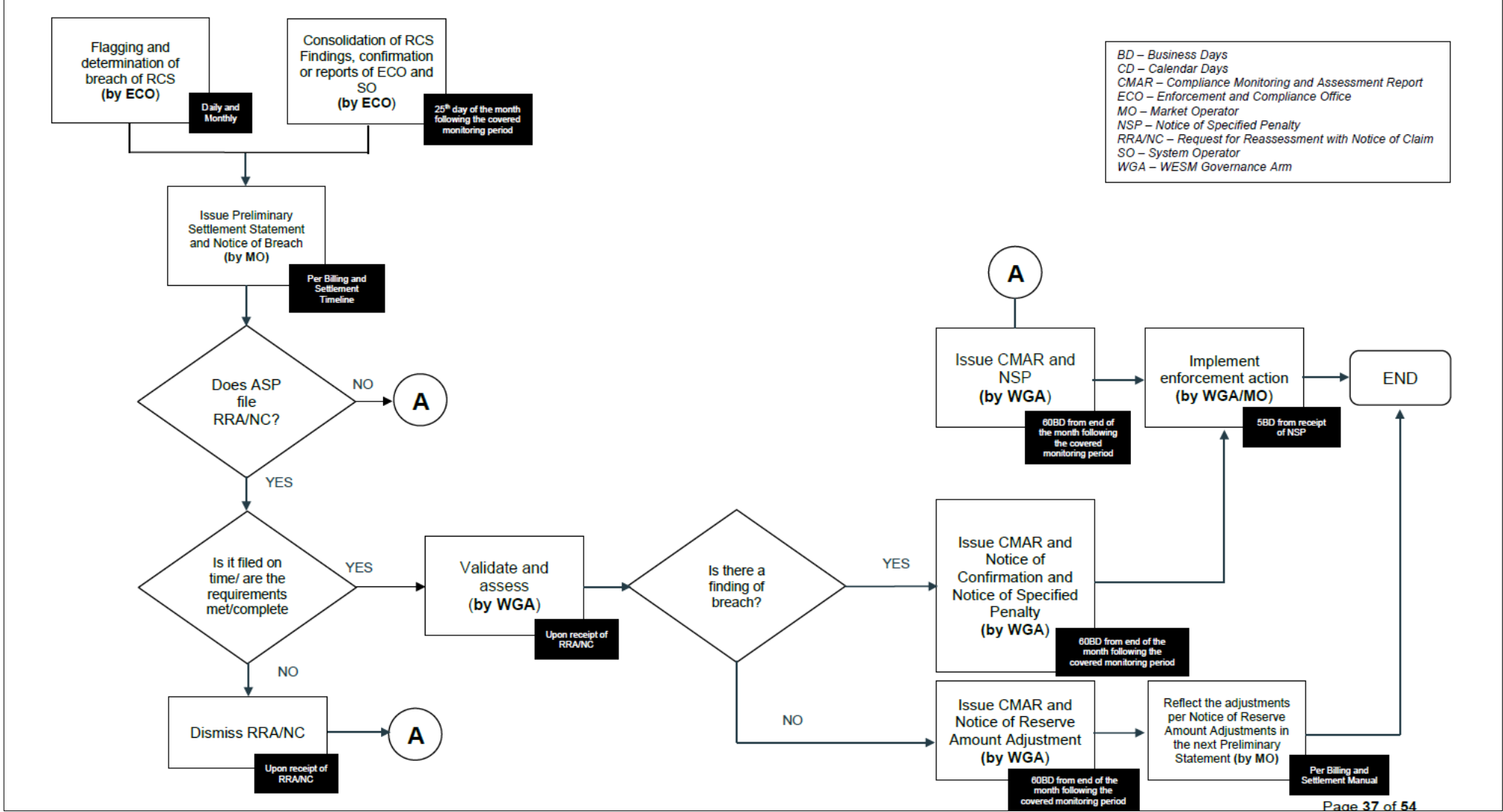
Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
	(New)		<u>7.6.7 The Enforcement and Compliance Office shall likewise issue a Reserve Conformance Standards Non-Compliance List for one billing period to the Market Operator within the timeframe specified in Section 7.5.3.</u>	Propose to add this Final RCS Monitoring Report which shall serve as the basis for IEMOP's adjustments in the Preliminary Settlement Statement.
	7.6.6		7.6.6 <u>7.6.8</u> No request for reconsideration or appeal of the findings concerning compliance with the <i>Reserve Conformance Standards</i> shall be filed with, or entertained by, the <i>Enforcement and Compliance Office</i> .	Renumbered due to inserted/new provision.
7.7 - Action on Notice of Reserve Amount Adjustment	7.7	Action on Notice of Reserve Amount Adjustment	Action on Notice of Reserve Amount Adjustment <u>Non-Compliance Report</u>	Change in Sub-section title for coherence with the steps. Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report
	7.7.1	<p>The <i>Market Operator</i> shall reflect in the settlement statement the adjustment as specified in the <i>Notice of Reserve Amount Adjustment</i> received from the <i>Enforcement and Compliance Office</i> under Section 7.6.4 hereof.</p> <p><u>7.3.1 Upon receipt of the monitoring report of the Enforcement and Compliance Office referred to in Section 7.2.6, the Market Operator shall –</u></p> <p><u>a) calculate the settlement amount due from the System Operator taking into account the finding of breach of the</u></p>	<p>The <i>Market Operator</i> shall reflect in the settlement statement the adjustment as specified in the <u>Notice of Reserve Amount Adjustment Reserve Conformance Standards Non-Compliance List</u> received from the <i>Enforcement and Compliance Office</i> under Section 7.6.4 <u>7.6.7</u> hereof. <u>Upon receipt of the monitoring report of the Enforcement and Compliance office referred to in Section 7.2.6, thereof, the Market Operator shall:</u></p> <p><u>a) calculate the settlement amount due from the System Operator taking into account the finding of breach of the reserve conformance standards on or before the due date</u></p>	<p>Transferred from Section 7.3.1 with modification.</p> <p>Modification: (a) The word "automatically" has been removed, as the deduction occurs after 60 days or following the reassessment; and (b) the Notice of Breach will no longer accompany the Preliminary Settlement Statement, as it will now be issued by ECO based on the proposal.</p> <p>With the completion of the initial RCS Monitoring and RRA resolution already at this stage, the non-payment of reserve trading amount payments may be effected under this provision.</p>

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
		<p>reserve conformance standards on or before the due date for the issuance of preliminary settlement statements, as set in the <i>Billing and Settlement Manual</i>. For this purpose, the <i>Market Operator</i> is authorized to automatically deduct from the settlement amount the reserve amount corresponding to the number of intervals with findings of breach of the <i>Reserve Conformance Standards</i>; and</p> <p>b) send the preliminary settlement statement to the <i>Ancillary Services Providers</i> which shall include the <i>Notice of Breach</i> in accordance with the timeline provided in the <i>Billing and Settlement Manual</i>.</p>	<p><u>for the issuance of preliminary settlement statements, as set in the <i>Billing and Settlement Manual</i>. For this purpose, the <i>Market Operator</i> is authorized to automatically deduct from the settlement amount the reserve amount corresponding to the number of intervals with findings of breach of the <i>Reserve Conformance Standards</i>; and</u></p> <p><u>b) send the preliminary settlement statement to the <i>Ancillary Services Providers</i> which shall include the <i>Notice of Breach</i> in accordance with the timeline provided in the <i>Billing and Settlement Manual</i>.</u></p>	
	7.7.2	<p>The <i>reserve amount adjustment</i> shall be accounted for, and reflected in, the immediately succeeding Preliminary Statement, provided that the <i>Notice of Reserve Amount Adjustment</i> is received by the <i>Market Operator</i> at least four (4) calendar days prior to the issuance of that Preliminary Statement; otherwise, the same shall be deferred until the next <i>billing period</i>. For instance, the <i>Notice of Reserve Amount Adjustment</i> is received by the <i>Market Operator</i> on 28 August or four (4) calendar days before the issuance of the Preliminary Statement on 01 September, the adjustment shall be reflected in said Preliminary Statement. If the Notice is received on 31 August 2023, the same will be accounted for in the Preliminary Statement to be issued on 02 October.</p>	<p>The <i>reserve amount adjustment</i> shall be accounted for, and reflected in, the immediately succeeding Preliminary Statement, provided that the <i>Notice of Reserve Amount Adjustment</i> <u><i>Reserve Conformance Standards Non-Compliance List</i></u> is received by the <i>Market Operator</i> at least four (4) calendar days prior to the issuance of that Preliminary Statement <u>three (3) calendar days after the end of a billing period following the covered monitoring period</u>; otherwise, the same shall be deferred until the next <i>billing period</i>. For instance, the <i>Notice of Reserve Amount Adjustment</i> <u><i>Reserve Conformance Standards Non-Compliance List</i></u> is received by the <i>Market Operator</i> on 28 August or four (4) calendar days before the issuance of the Preliminary Statement on 01 September, the adjustment shall be reflected in said Preliminary Statement. If the Notice is received on 31 August, the same will be accounted for in the Preliminary Statement to be issued on 02 October.</p>	<p>To modify that report upon which IEMOP would base its adjustment.</p> <p>To anchor the timeline to a specific/definite date, namely the end of a billing period.</p>
	7.7.3	<p>The <i>Market Operator</i> shall, for monitoring purposes, notify the <i>Enforcement and Compliance Office</i> of the status of implementation of the <i>Notice of Reserve Amount Adjustments</i> including other information relevant to the enforcement of the <i>reserve conformance standards</i> on a monthly basis.</p>	<p>The <i>Market Operator</i> shall, for monitoring purposes, notify the <i>Enforcement and Compliance Office</i> of the status of implementation of the <i>Notice of Reserve Amount Adjustments</i> <u><i>Reserve Conformance Standards Non-Compliance List</i></u> including other information relevant to the enforcement of the <i>reserve conformance standards</i> on a monthly basis.</p>	<p>To modify that report upon which IEMOP would base its adjustment and status reporting.</p>

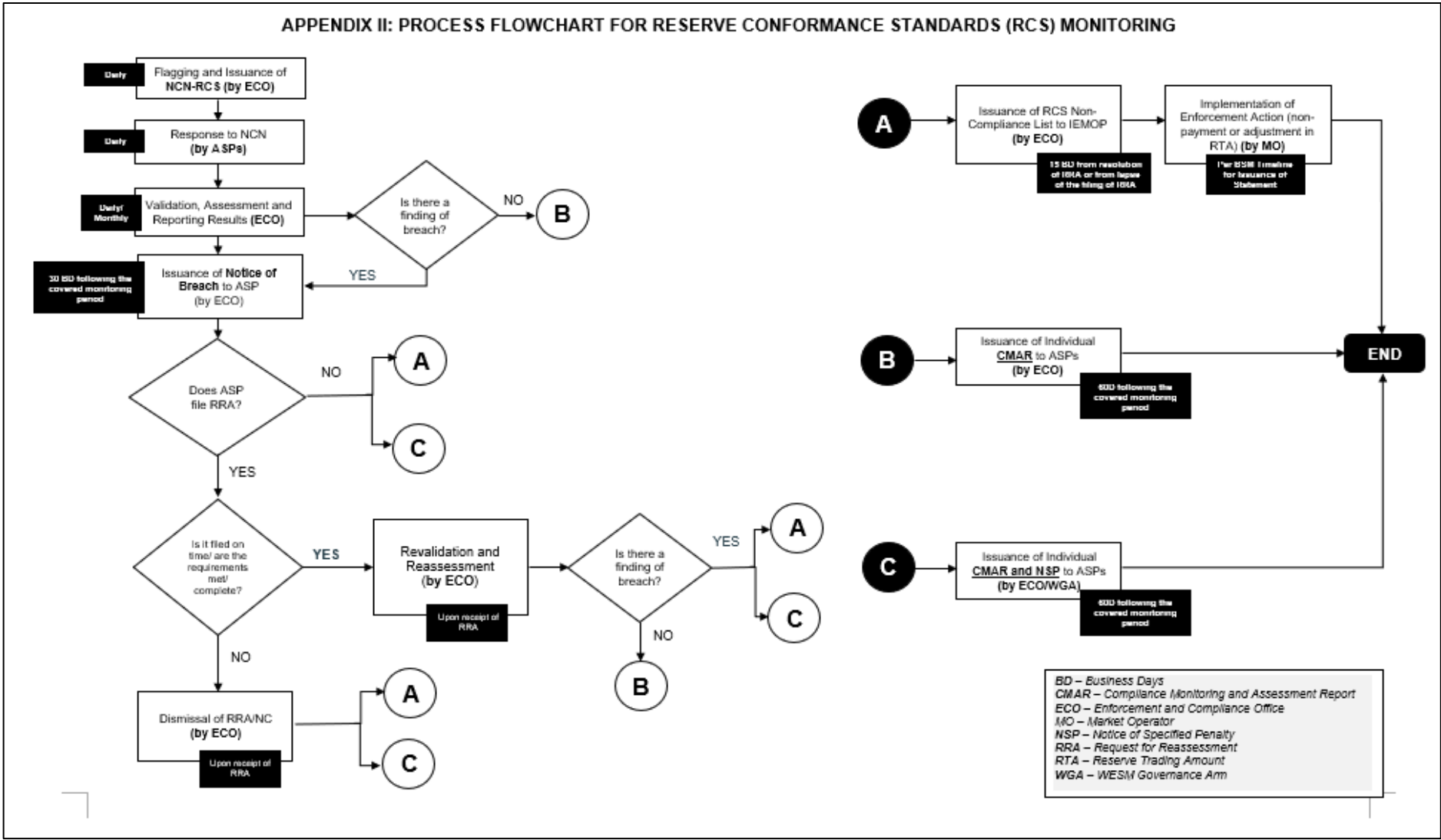
Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
Section 8.2 – Notice of Specified Penalty	8.2.1	A Notice of Specified Penalty shall be served on the concerned Ancillary Services Provider upon issuance of the Compliance Monitoring and Assessment Report by the Enforcement and Compliance Office or within the timeline specified under Sections 6.4.1 (d) and 7.6.2 (d).	A <i>Notice of Specified Penalty</i> shall be served on the concerned Ancillary Services Provider upon issuance of the <i>Compliance Monitoring and Assessment Report</i> by the <i>Enforcement and Compliance Office</i> or within the timeline specified under Sections 6.4.1 (d) and 7.6.2 (d) <u>(c)</u> .	To align with the change in Section 7.6.2
8.4 Non-Payment of Penalties and Non-Compliance with Remedial Measures	8.4.1	<p>A penalty interest shall be additionally imposed upon the concerned <i>Ancillary Services Provider</i> in case of non-payment by the <i>Ancillary Services Providers</i> of the <i>financial penalties</i> imposed on it as a consequence of a <i>Breach</i>.</p> <p>For this purpose, the prevailing legal interest rate shall apply in computing the amount stated in (a) and (b) above and shall be computed from the date the payment becomes due up to the actual payment of penalty.</p>	<p>A penalty interest shall be additionally imposed upon the concerned <i>Ancillary Services Provider</i> in case of non-payment by the <i>Ancillary Services Providers</i> of the <i>financial penalties</i> imposed on it as a consequence of a <i>Breach</i>.</p> <p>For this purpose, the prevailing legal interest rate shall apply in computing the amount stated in (a) and (b) in <u>Section 8.1.2 (d)</u> above and shall be computed from the date the payment becomes due up to the actual payment of penalty.</p>	Change/correction in rule reference.
Section 8.4 - Non-Payment of Penalties and Non-Compliance with Remedial Measures	8.4.2	A penalty of One Hundred Thousand Pesos (PHP 100,000) shall be imposed in case of non-compliance by an <i>Ancillary Services Provider</i> with the remedial measures required to be implemented by it under a <i>Notice of Specified Penalty</i> or other notices issued under Section 7.4 of this Manual.	A penalty of One Hundred Thousand Pesos (PHP 100,000) shall be imposed in case of non-compliance by an <i>Ancillary Services Provider</i> with the remedial measures required to be implemented by it under a <i>Notice of Specified Penalty</i> or other notices issued under Section 7.4 of this Manual <u>or other relevant notices issued in reference to Section 8.3 of this Manual.</u>	<p>To align with the change pertaining to removal of Notice of Reserve Amount Adjustments.</p> <p>Propose to replace it with other pertinent notices in reference to the implementation of remedial measures (under Section 8.3)</p>
Section 10 – Transitory Provision	10	The provisions pertaining to the imposition and amount of sanctions and/or penalties as a consequence of <i>breach</i> shall be subject to a six-month relaxation period, without prejudice to extension, with the end in view of encouraging participation and compliance of <i>Ancillary Services Providers</i> . This notwithstanding, the provision on non-payment of reserve trading amounts under Section 7.2.7 and 7.3.1 of this Manual shall be binding upon the commercial operation of the <i>WESM Reserve Market</i> .	The provisions pertaining to the imposition and amount of sanctions and/or penalties as a consequence of <i>breach</i> shall be subject to a six-month relaxation period, without prejudice to extension, with the end in view of encouraging participation and compliance of <i>Ancillary Services Providers</i> . This notwithstanding, the provision on non-payment of reserve trading amounts under Section 7.2.7 and 7.3.1 <u>7.6.3 and 7.7.1</u> of this Manual shall be binding upon the commercial operation of the <i>WESM Reserve Market</i> .	To align with changes made on Section 7.2.7 and 7.3.1 (transferred to Sections 7.6.3 and 7.7.1)

Title	Clause	Provision (ASMM 1.1)	Proposed (New Set of Urgent Amendments)	Rationale
Section 11 Appendices Appendix II: Process Flowchart for Reserve Conformance Standards (RCS) Monitoring	Appendix II			To reflect the changes in Appendix II or the process flowchart for RCS, particularly on the following procedures: <ul style="list-style-type: none">ECO will no longer consolidate the RCS findings, confirmation or reports of SOMO will no longer issue the preliminary statement and notice of breach.Notice of breach will be issued by ECO and will be the reference of ASPs in filling the Request of Re-assessment.ECO will no longer issue the Notice of Confirmation and the Notice of Reserve amount adjustment.
Section 11 Appendices Appendix IV: Sample Illustration on the Monitoring of Compliance with Reserve Conformance Standards (RCS)	Appendix IV		<div>3. Illustration for Capping the Expected MW Response Capacity to Reserve Schedule</div> <div>4. 3. Illustration for the determination of Percentage (%) of Compliance of ASP on AGC</div>	<div>Additional Sample Illustrations on the Monitoring of Compliance with Reserve Conformance Standards (RCS)</div> <div>Renumbering of succeeding illustration</div>

Appendix II (Current Flowchart in ASM 1.1)



Appendix II (Proposed Amendment)



Appendix IV Sample Illustration on the Monitoring of Compliance with Reserve Conformance Standards (RCS)

3. Illustration for the Capping the Expected MW Response Capacity to Reserve Schedule

In cases where the Expected MW Response Capacity exceeds the Reserve Schedule, the Expected MW Response shall be capped at the Reserve Schedule. The formula for Response Accuracy is as follows:

$$\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%$$

The following values are examples to illustrate the scenario:

Certified Capacity	Reserve Schedule	Actual MW Response	Expected MW Response
30	10	25	50

As a result, the Response Accuracy will differ based on the said conditions:

Response Accuracy Calculation:

Response Accuracy % 1:
= (25 / 50) × 100 = 50% **(NON-COMPLIANT)**

Response Accuracy % 2: **(Capping the Expected MW Response Capacity to Reserve Schedule)**
= (25 / 10) × 100 = 250% **(COMPLIANT)**

Response Accuracy % 1	Response Accuracy % 2
50%	250%