

| Minutes of the 108 th Meeting of the Rules Change Committee Regular Meeting No. 2016-01 | |
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| Meeting Date & Time: | 13 January 2016 - 9:00AM to 5:30 PM |
| Meeting Venue: | Training Room 2 & 3, 9/F Robinsons Equitable Tower, Ortigas Center, Pasig City |
| Attendance List | |
| In-Attendance | Not In-Attendance |
| Rules Change Committee | |
| Principal Members: | |
| Francisco Leodegario R. Castro, Jr., Member—Independent | Maila Lourdes G. de Castro, Chairperson--Independent |
| Concepcion I. Tanglao, Member--Independent | Gilbert A. Pagobo – Distribution—MECO |
| Allan C. Nerves –Independent | |
| Joselyn D. Carabuena, Member -- Generation (PSALM) | |
| Jose Ferlino P. Raymundo, Member -- Generation (SMC) | |
| Theo Cruz Sunico, Member -- Generation (1590 EC) | |
| Jose P. Santos, Member--Distribution (INEC) | |
| Ludovico D. Lim, Member – DU, ANTECO | |
| Lorreto H. Rivera, Member --Supply (TPEC) | |
| Ambrocio R. Rosales, Member --System Operator (NGCP) | |
| Isidro E. Cacho, Jr., Member -- Market Operator (PEMC) | |
| Ciprinilo C. Meneses, Member--Distribution(MERALCO) | |
| Alternate Members: | |
| Ermelindo R. Bugaoisan, NGCP | |
| Edwin N. Mosa, PEMC | |
| Juanito Tolentino, MECO | |
| PEMC – Market Assessment Group (MAG) | |
| Geraldine A. Rodriguez | |
| Romellen C. Salazar | |
| Divine Gayle C. Cruz | |
| Aldjon Kenneth M. Yap | |
| PEMC – TOD | |
| Edward I. Olmedo | |

DOE Observer(s)

Ferdinand B. Binondo
Lorelei Moya

Others

Letti Sapina, MERALCO
Joebet Isaac Del Rosario, MERALCO
Chito Zagala, MERALCO

There being a quorum, Dr. Allan C. Nerves, who was requested to chair the RCC meeting due to the absence of Chairperson Atty. Maila de Castro, called the meeting to order at around 9:00 AM. The RCC reviewed the presented agenda and subsequently approved it as presented.

1. Reading, Review and Approval of the Minutes of the 107th RCC Meeting

Dr. Allan Nerves spearheaded the review of the minutes for the 107th RCC Meeting held on 02 December 2015 with a series of clarifications with regard to the comments and agreements made by the RCC during the said meeting.

Subsequent to the review, the RCC approved the minutes of the meeting as presented.

2. Matters Arising from the Previous Meetings
2.1 Clarification on TC's Proposed Amendment to the WESM Rules and Technical Committee Manual Issue 1

The Secretariat brought up the approval of the Technical Committee's amendment to the Technical Committee Market Manual Issue No.1 in the previous meeting and informed the body of a concern raised with regard to the provision presented, below:

| TC Proposal | RCC-approved Proposal |
|--|--|
| <p>Section 4.3</p> <p>Procedures</p> <p>4.3.7 The completed technical review or study of the TC shall be submitted transmitted to the requesting party within a week after its completion for its information and necessary actions. A copy of the technical review or study may be transmitted to the PEM Board for its information.</p> | <p>Section 4.3</p> <p>Procedures</p> <p>4.3.7. The completed technical review or study of the TC shall be submitted transmitted to the requesting party within a week after its completion <u>within two weeks after its completion</u> for its information and necessary actions. A copy of the technical review or study shall be transmitted to the Corporate Secretary for its information and proper action.</p> |

21 Ms. Geraldine Rodriguez said that the main concern with Section 4.3.7 as indicated in
22 the above matrix is that it grants the Corporate Secretary discretion and undue burden
23 as to what to do with the TC report. Ms. Concepcion Tanglao then asked if the RCC
24 would then like to revise Section 4.3.7 to reference it with other provisions of the manual
25 relating to confidentiality and information disclosure, in the same way it has been done
26 with other amendments to this manual.
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29 Continuing with the discussion, Mr. Ferdinand Binondo expounded on the process of the
30 other Governance Committees. He stated that other committees, such as the Market
31 Surveillance Committee (MSC), transmit their written reports or studies to the PEM
32 Board for information or consideration, as applicable. Dr. Nerves then inquired about the
33 process that the MSC observes upon completion of a study or report. In response, the
34 Secretariat informed the body that the MSC transmits a copy of its report/study to the
35 PEM Board, copy furnished the Corporate Secretary.
36

37 Ms. Tanglao called the attention of the RCC on the proposal of the Technical Committee
38 on this matter. She said that it was the Technical Committee who initiated to include in
39 their responsibility the discretion in transmitting its studies or reviews to the PEM Board,
40 as requested of them by PEM Committees, PEMC or a WESM Member. It was the RCC,
41 on the other hand, that then proposed to oblige the Technical Committee to submit its
42 studies to the PEM Board. Upon further discussion, various options were raised as
43 follows: a) for the proposal to be returned to the Technical Committee in order for the
44 TC to amend the proposal considering the RCC's suggestions; or b) to retain the
45 Technical Committee's initial proposal. Mr. Francisco Leodegario R. Castro Jr. then
46 raised his concern as to why the Technical Committee's study or review should be
47 treated differently from the other Committees' reports. Mr. Isidro E. Cacho Jr. added that
48 the TC's report should just be subject to the provisions of the Market Operator
49 Information Disclosure and Confidential Manual. Mr. Ciprinilo C. Meneses, on the other
50 hand, opined that all TC reports, subject of its studies, should be furnished the PEM
51 Board.
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53 After thorough discussions, the RCC agreed to the proposal to have a copy of the TC
54 studies or review, subject of a request by a qualified party, submitted to the PEM Board.
55 Likewise, the RCC approved the submission of the TC proposal to the PEM Board for
56 endorsement to the DOE and asked the Secretariat to inform the TC about the RCC's
57 action on its proposal.
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Action/Agreements:

- a. Require the submission of the TC's study or review, subject of request of a qualified party, submitted to the PEM Board;
- b. Submit the TC proposed amendments to the WESM Rules and the Technical Committee Manual to the PEM Board for approval and endorsement to the DOE; and
- c. Inform the TC regarding the action of the RCC regarding the agreements of the RCC.

2.2 PEMC's Proposed Amendment to the Dispatch Protocol Manual

- **Comments from NGCP, MERALCO, Vivant, TC, NLREC and DOE**

The Secretariat informed the RCC that the Technical Committee has a separate proposal amending the Dispatch Protocol (DP) Manual, which is currently posted for comments. Since said proposal is likely entwined with that of PEMC's own proposed amendments to the DP Manual, the RCC agreed to decide on both proposals in the next RCC meeting, during which time the commenting period for the Technical Committee's proposal would have lapsed. Mr. Meneses nonetheless informed the body that MERALCO's representatives were present to expound on their comments, if necessary. Ms. Rodriguez, considering that TC's proposal might not necessarily affect all of PEMC's proposal, suggested for the body to already discuss all the comments received, including MERALCO's, who was ready to provide clarifications to its comments. Dr. Nerves agreed with the suggestion and decided to discuss the comments to the proposed amendments to Chapter 6 of the WESM Rules.

The RCC then ran through MERALCO's comments one by one. On a query by MERALCO about the Business Continuity Plan (BCP), Mr. Cacho Jr. expounded that this is a part of the Quality Management System (QMS) of PEMC, contents of which are classified as confidential. Dr. Nerves, recognizing the confidential nature of the provisions of any business continuity plan, then suggested including a general statement pertaining to the said plan. The Secretariat informed the body that the WESM Rules already define the PEMC's Business Continuity Plan. Dr. Nerves inquired whether WESM Participants are notified about the occurrence of such events to which Mr. Cacho Jr. replied that the Market Operator continuously sends notifications to the WESM Participants regarding the conduct of simulations as provided for by the BCP.

Another provision pointed out by MERALCO is with regard to the procedures during a Power System and Market Restoration. Dr. Nerves referred to Mr. Ambrocio Rosales for the confirmation if this would still be relevant in the course of discussing the proposed amendments by the System Operator. Mr. Rosales informed the body that the term remedial which the provision pertains to is the procedure that the Market Operator does



when a work flow stoppage occurs. MERALCO, on the other hand, suggested citing these procedures for reference and guidance. Mr. Rosales answered that these procedures are documented in the SO's Internal Business Procedures and are available for the participants, if requested during the annual audit. For clarity, Dr. Nerves stated that the purpose of the discussion is in order for the RCC to fully understand MERALCO's submitted comments.

After, MERALCO's clarifications on its comments, the body concurred with Mr. Rosales' suggestion to defer further deliberations on the Dispatch Protocol Manual, particularly the other comments received, so that the discussions will be aligned with NGCP's related proposal to the WESM Rules (Chapter 6 – Intervention and Suspension), which has yet to be discussed and agreed upon by the body. Mr. Ambrocio stated that since the WESM Rules is considered to be an overarching document above all the Market Manuals (e.g., DP Manual), it would be prudent and more efficient if the WESM Rules proposal is deliberated upon first, as the Committee's agreements in relation to the WESM Rules shall serve as the basis for the subsequent deliberations as regards the relevant Manuals and procedures.

Action/Agreements:

- a. Defer further discussion and approval of comments on the Dispatch Protocol Manual in order to align the discussions with the decisions as regards NGCP's proposed amendments to WESM Rules.
- b. Discuss Technical Committee's proposed amendments to the Dispatch Protocol Manual Issue No. 11 in the next meeting after commenting period on the same has lapsed.

2.3 NGCP's Proposed Amendments to WESM Rules Chapter 6 on Intervention and Suspension (with comments from MERALCO and PEMC)

The RCC agreed to tackle the NGCP's proposed amendments to the WESM Rules first, in recognition that any agreement made to amend the document will serve as basis for subsequent discussions on the relevant Manuals and procedures. The Secretariat informed the RCC that after the commenting period, only MERALCO and PEMC submitted comments which were then considered in the RCC's deliberation. Dr. Nerves led the discussions and agreements were reached with regard to the proposed amendments.

*Please refer to **Annex A** for the discussion of the said amendments.*



Action/Agreements:

The RCC approved the proposed amendments, as revised, subject to a final discussion after considering the proposed amendments of the Technical Committee on the WESM Rules and the Dispatch Protocol Manual relating to Intervention.

2.4 NGCP's Proposed Amendments to System Security and Reliability Guidelines Manual (with comments from the TC, North Luzon Renewables, MERALCO and PEMC)**Action/Agreements:**

Deferred; for discussion in the next meeting.

2.5 NGCP's Proposed Amendments to Manual on Emergency Procedures (with comments from the TC, North Luzon Renewables, MERALCO and PEMC)**Action/Agreements:**

Deferred; for discussion in the next meeting.

2.6 Letter from PIPPA regarding its position of MO-SO Study on Dispatch Tolerance Standards**Action/Agreements:**

Deferred; for discussion in the next meeting.

2.7 Updates on/Result of RCC Sub-Committee on Cogeneration and Battery Energy Storage System**Action/Agreements:**

Deferred; for discussion in the next meeting.



3. Other Matters

3.1 Notice on Expository Hearings and Public Consultation on the DMC proposed "Embedded Generators' Operational and Connection Requirements"

Action/Agreements:

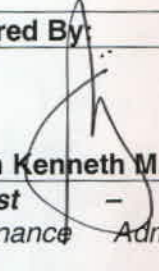
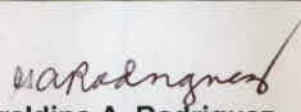
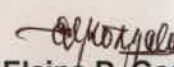
Deferred; for discussion in the next meeting.

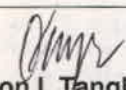
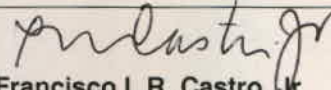

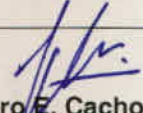
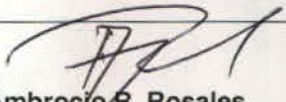
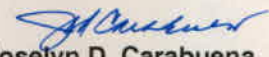
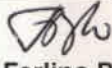
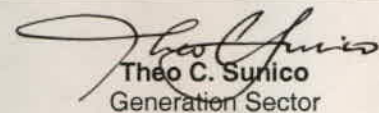

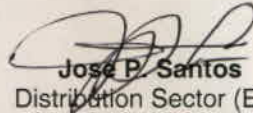
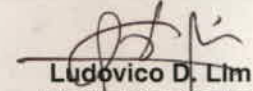
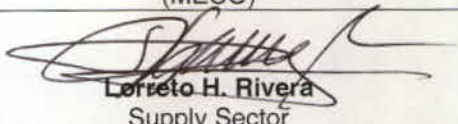
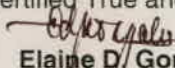
4. Next Meeting

The RCC agreed to hold another meeting on **28 January 2016** to discuss matters in the agenda that were deferred. This is in order to dedicate the meeting on 03 February 2016 for the deliberations on the proposals regarding WESM Design Enhancements.

5. Adjournment

There being no other matter to be discussed, the meeting was adjourned at around 5:30 PM.

| Prepared By: | Reviewed By: | Noted By: |
|---|--|---|
|  Aldjon Kenneth M. Yap Analyst – Market Governance Administration Unit Market Assessment Group |  Geraldine A. Rodriguez Assistant Manager – Market Governance Administration Unit Market Assessment Group |  Elaine D. Gonzales Manager – Market Data and Analysis Division Market Assessment Group |

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| <p>Approved by: RULES CHANGE COMMITTEE</p> <p>Maila Lourdes G. de Castro Chairperson Independent</p> | |
| <p>Members:</p> | |
|  Concepcion I. Tanglao Independent |  Francisco L.R. Castro, Jr. Independent |
|  Allan C. Nerves Independent |  Isidro E. Cacho, Jr. Market Operator Philippine Electricity Market Corporation (PEMC) |
|  Ambrocio R. Rosales Transmission Sector National Grid Corporation of the Philippines (NGCP) |  Joselyn D. Carabuena Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM) |
|  Jose Ferlino P. Raymundo Generation Sector SMC Global |  Theo C. Sunico Generation Sector Vivant Corporation |
|  Ciprinilo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO) |  Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC) |
| Gilbert A. Pagobo Distribution Sector Mactan Electric Company (MECO) |  Ludovico D. Lim Distribution Sector Antique Electric Cooperative, Inc. (ANTECO) |
|  Loretto H. Rivera Supply Sector TeaM (Philippines) Energy Corporation (TPEC) | <p>Certified True and Correct:</p>  Elaine D. Gonzales RCC Secretary PEMC |



Annex A
Discussions on the NGCP's Proposed Amendments to the WESM Rules – Chapter 6 (Market Intervention and Suspension)

| Section | Original Provision | Proposed Amendment | RCC Discussion | RCC-Approved Revisions (Jan. 13, 2016 RCC meeting) |
|---------|--|--|--|---|
| 6.2.1.2 | Where Intervention is warranted when the grid or a portion of the grid is in extreme state condition as established in the Grid Code arising from: (a) An <i>emergency</i> ; (b) A threat to <i>system security</i> ; or (c) An event of <i>force majeure</i> . | 6.2.1.2 Where <i>Intervention</i> is warranted when the grid or a portion of the grid is in extreme state condition as established in the Grid Code arising from experiences <u>anyone of the following conditions:</u> (a) An <i>emergency condition</i> ; (b) A threat to system security; or and (c) An event of <i>force majeure</i> event. | The secretariat clarified that the word “one” was PEMC’s proposal to the clause, which the Secretariat inadvertently placed in the NGCP proposal. The body noted the redundancy in the statement in clause 6.2.1.2 (c). Subsequently, the provision was approved as amended. | Approved: NGCP proposal with amendments 6.2.1.2 Intervention is warranted when the grid or a portion of the grid is in the Alert or Emergency State as established in the Grid Code arising from: (a) An <i>emergency condition</i> ; (b) A threat to <i>system security</i> ; or (c) An event of <i>force majeure</i> . |
| 6.2.1.5 | WESM Participants acknowledge that: (a) XXX (b) XXX (c) Subject to clause 6.2.1.1, the <i>System operator</i> shall issue emergency directions in accordance with the <i>Grid Code</i> , and shall report such action to the <i>Market Operator</i> . | 6.2.1.5 WESM Participants acknowledge that: (a) XXX (b) XXX (c) Subject to clause 6.2.1.1, the System Operator shall issue emergency directions instructions to all WESM members in accordance with the WESM Rules and Grid Code , and shall prepare and submit significant incident report as soon as practicable report such action to the ERC, PEM Board, DOE, GMC and Market Operator. | Mr. Cacho Jr. stated that PEMC suggested providing a timeline for the submission of the report, specifically 24 hours. Mr. Rosales explained that the proposal was amended to “as soon as practicable” since the available information coming from the generators might not be transmitted immediately, in case of a system black out or failure. He also added that the SO will be held responsible if it is not able to provide the required report within the required timeline, but which submission will really depend on the information SO receives from external sources. MERALCO inquired about the time limit given to the generators to supply these information. Mr. Rosales then answered that there is a provided time limit. He also suggested that this time limit also be set to “as soon as practicable”. MERALCO then stated that there exists an ERC resolution which requires the generators to submit such reports. He then added that this be | Approved: NGCP proposal with amendments 6.2.1.5 WESM Participants acknowledge that: (a) XXX (b) XXX (c) Subject to clause 6.2.1.1, the System Operator shall issue emergency instructions to all <i>WESM members</i> in accordance with the <i>WESM Rules</i> and the <i>Philippine Grid Code</i> , and shall prepare and submit a significant incident report to the <i>ERC, PEM Board, DOE, GMC</i> and the <i>Market Operator</i> . |

Annex A
Discussions on the NGCP's Proposed Amendments to the WESM Rules – Chapter 6 (Market Intervention and Suspension)

| Section | Original Provision | Proposed Amendment | RCC Discussion | RCC-Approved Revisions (Jan. 13, 2016 RCC meeting) |
|---------|---|--|---|---|
| | | | <p>used as a reference in setting a time limit for the generators.</p> <p>Another concern raised by the NGCP with the RCC on prescribing a timeline is that due to investigations that need to be undertaken, these reports really take time to prepare, although immediate causes can already be pinpointed from the start.</p> <p>Mr. Rosales clarified that the timelines that the body wishes to include are already stipulated in the Grid Code.</p> <p>Upon further discussions, Ms. Tanglao suggested the removal of the statement “as soon as practicable” considering that the timeline is already stated in the Philippine Grid Code.</p> <p>Subsequently, the body approved the provision with amendments.</p> | |
| 6.3.1.1 | The <i>System operator</i> shall declare an <i>emergency</i> when it determines the existence of a situation which has an adverse material effect on electricity supply or which poses as a significant threat to system security. The <i>System operator</i> shall report an emergency to the <i>ERC</i> . | 6.3.1.1 The <i>System Operator</i> shall declare <u>give an-emergency instructions</u> when it determines the existence of a situation which has an adverse material effect on electricity supply or which poses as a significant threat to system security. The System Operator shall report an emergency to the ERC. | <p>Ms. Tanglao noticed the deletion of the last statement which removes the responsibility of the System Operator to submit an emergency report to the ERC.</p> <p>Dr. Nerves inquired if the System Operator is able to inform the ERC in case of an emergency condition. Mr. Rosales informed the body that during an emergency condition, although the System Operator becomes preoccupied in addressing an emergency condition, as the same may lead to a cascading system malfunction, it still able to provide an incident</p> | <p>Approved: NGCP proposal</p> <p>6.3.1.1 The <i>System Operator</i> shall give emergency instructions when it determines the existence of a situation which has an adverse material effect on electricity supply or which poses as a significant threat to system security.</p> |

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Discussions on the NGCP's Proposed Amendments to the WESM Rules – Chapter 6 (Market Intervention and Suspension)

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|---------|---|---|--|---|
| | | | <p>report to the ERC. The body was also informed that generators are also obliged to inform the ERC of updates on the emergency condition from time to time.</p> <p>Ms. Joselyn Carabuena stated her concern on PSALM not being immediately informed about certain incidents, such as the bombing of some transmission lines, stressing the importance of such information for their nominations. Mr. Rosales, in reply to this concern, stated that within fifteen (15) minutes from its occurrence, the System Operator already issues a notice on lines that have tripped, to all the concerned entities, whether the event happened in Luzon, Visayas or in Mindanao. After an hour, the System Operator then comes up with a written report with further details of the tripping.</p> <p>It was also clarified that since occurrences are in Mindanao, the procedures followed are in line with the IMEM, similar to what the market applies when it comes to the dissemination of information.</p> <p>Upon deliberation, the proposal was approved as presented.</p> | |
| 6.3.1.2 | <p>An emergency may include:</p> <p>(a) XXX</p> <p>(b) A power system disturbance due to an outage in the transmission network or generating system for which</p> | <p>6.3.1.2 An emergency <u>condition</u> may include:</p> <p>(a) XXX</p> <p>(b) A power system disturbance due to an outage in the transmission network or generating system, which poses a significant threat to system</p> | | <p>Approved: NGCP proposal</p> <p>6.3.1.2 An emergency condition may include:</p> <p>(a) XXX</p> <p>(b) A power system disturbance due to an outage in the transmission network or</p> |

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|---------|---|--|---|--|
| | market processes are inadequate for recovery; | security, for which market processes are inadequate for recovery; | | generating system, which poses a significant threat to system security, for which market processes are inadequate for recovery; |
| | (c) A significant environmental phenomenon, including weather, storms or fires which are likely to or are significantly affecting the power system for which market processes are inadequate for recovery; (d) to (f) XXX | (c) A significant environmental phenomenon, including weather, earthquake, floods, volcanic eruptions, tsunami , storms or fires which are likely to or are significantly affecting the power system operation for which market processes are also inadequate for recovery; (d) to (f) XXX | | Approved: NGCP proposal (c) A significant environmental phenomenon, including weather, earthquake, floods, volcanic eruptions, tsunami, storms or fires which are likely to or are significantly affecting the power system operation in which market processes are also inadequate for recovery; (d) to (f) XXX |
| 6.3.2.1 | During the period when the <i>power system</i> may be or is affected by an <i>emergency</i> the <i>System operator</i> shall carry out actions, in accordance with the system security and reliability guidelines and its obligations (if any) concerning sensitive loads to: (a) XXX (b) XXX | 6.3.2.1 During the period when the power system may be or is affected by an emergency condition , the <i>System Operator</i> shall carry out actions, in accordance with the system security and reliability guidelines as set in the WESM guidelines and in accordance with the Grid Code and Distribution code ; and its obligations (if any) concerning sensitive loads to: (a) XXX (b) XXX | Ms. Carabuena inquired about what guidelines are being referred to in the amendment. Mr. Rosales then expressed that the said guidelines refer to other guidelines in the WESM. Due to the vagueness of this amendment, the proposal was revised in order for it to be in accordance with the Market Manual on System Security and Reliability, the Philippine Grid Code and Distribution Code. | Approved: NGCP proposal with amendments 6.3.2.1 During the period when the power system may be or is affected by an emergency condition, the <i>System Operator</i> shall carry out actions, in accordance with the Market Manual on System Security and Reliability, the Grid Code and Distribution Code: (a) XXX (b) XXX |
| 6.3.2.4 | Prior to spot market commencement date, the <i>System operator</i> in consultation with the <i>Market Operator</i> shall: | 6.3.2.4 Prior to spot market commencement date, the <i>System Operator</i> in consultation with the <i>Market Operator</i> shall: | MERALCO requested to retain this provision. Dr. Nerves sought for the rationale of the System Operator on the deletion of this provision. The body was apprised that this | Retained original provision with amendments 6.3.2.4 The System Operator, in consultation with the Market Operator, |

Annex A
Discussions on the NGCP's Proposed Amendments to the WESM Rules – Chapter 6 (Market Intervention and Suspension)

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|---------|--|--|---|---|
| | (a) Develop appropriate emergency procedures in accordance with the Grid Code and Distribution Code. Such procedures shall be subject to approval of the PEM Board; and (b) Publish details of the approved emergency procedures. | (a) Develop appropriate emergency procedures in accordance with the Grid Code and Distribution Code. Such procedures shall be subject to approval of the PEM Board; and (b) Publish details of the approved emergency procedures. | Clause makes a reference to what is to be done prior to the spot commencement date, which is an event that has already occurred. Mr. Binondo, however, raised his concern that the removal of this provision, removes the rationale for developing the emergency procedures. In this regard, he recommended that this provision be retained and just be amended accordingly. | shall develop and update, as necessary, appropriate emergency procedures in accordance with the Grid Code and Distribution Code. Such procedures shall be subject to approval of the PEM Board. |
| 6.3.2.7 | The <i>System operator</i> shall make available a copy of the emergency procedures to all WESM Participants within seven (7) days after each occasion on which the emergency procedures have been updated. | 6.3.2.7 The System Operator shall make available a copy of the emergency procedures to all WESM Participants within seven (7) days after each occasion on which the emergency procedures have been updated. | Mr. Rosales stated that clause 6.3.2.7 obligates the System Operator to make available a copy of the emergency procedures to all WESM Participants within seven (7) days after each change on the said procedures. He said that there is no need for SO to provide a copy since the procedures are already in the Manual anyway. Ms. Rodriguez added that under the Rules Change Process, if there are any approved changes to the Manual, the Secretariat immediately posts the same on the website. This provision was agreed to be deleted. However, it was agreed that updates and developments to the emergency procedures, from time to time, are still necessary, and such was incorporated in clause 6.3.2.4. | Approved: NGCP proposal (for deletion) 6.3.2.7 The System Operator shall make available a copy of the emergency procedures to all WESM Participants within seven (7) days after each occasion on which the emergency procedures have been updated. |
| 6.5 | | | | |
| 6.5.1 | 6.5.1 Declarations and Directions in an Emergency | 6.5.1 Declarations and Directions Instructions during in an Emergency Condition | | Approved: NGCP proposal 6.5.1 Instructions during an Emergency Condition |
| 6.5.1.1 | During an emergency: | 6.5.1.1 During an emergency <u>condition</u> : | | Approved: NGCP proposal |

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| | <p>(a) The <i>System operator</i> shall, in coordination with the <i>Market Operator</i>, issue emergency directions as it reasonably considers necessary, which may include, but need not be limited to, directions to:</p> <p>(1) Switch off, or re-route, energy delivery from a Generation Company;</p> <p>(2) Call equipment into service;</p> <p>(3) Take equipment out of service;</p> <p>(4) Commence operation or maintain, increase or reduce active or reactive power output;</p> <p>(5) Curtail, shut down or otherwise vary operation or output;</p> <p>(6) Shed or restore load; and</p> <p>(7) Subject to clause 6.8, do any other act or thing necessary to be done for reasons of public safety or the security of the power system or of undue injury to the environment.</p> <p>XXX</p> | <p>(a) The <i>System Operator</i> shall, in coordination with the <i>Market Operator</i>, issue emergency directions <u>instructions</u> as it reasonably considers necessary, which may include, but need not be limited to: directions to:</p> <p>(1) XXX;</p> <p>(2) XXX;</p> <p>(3) Take <u>transmission line or</u> equipment out of service;</p> <p>(4) XXX;</p> <p>(5) Curtail, shut down or otherwise vary operation or output <u>of the generating plants;</u></p> <p>(6) XXX; and</p> <p>(7) XXX.</p> <p>XXX</p> | | <p>6.5.1.1 During an emergency condition:</p> <p>(a) The <i>System Operator</i> shall, in coordination with the <i>Market Operator</i>, issue emergency instructions as it reasonably considers necessary, which may include, but need not be limited to:</p> <p>(1) XXX;</p> <p>(2) XXX;</p> <p>(3) Take transmission line or equipment out of service;</p> <p>(4) XXX;</p> <p>(5) Curtail, shut down or otherwise vary operation or output of the generating plants;</p> <p>(6) XXX; and</p> <p>(7) XXX.</p> <p>XXX</p> |
| 6.5.1.2 | <p>When an emergency arises, the <i>System operator</i> shall:</p> <p>(a) Immediately notify the Market Operator,</p> <p>(b) Notify the ERC and the DOE, as soon as reasonably practicable;</p> <p>(c) Notify WESM Participants, as soon as reasonably practicable, of the commencement, nature, extent and expected duration of the</p> | <p>6.5.1.2 When an emergency <u>condition</u> arises, the <i>System Operator</i> shall:</p> <p>(a) immediately notify the ERC, the DOE, <u>Market Operator</u>, and <u>GMC</u> as soon as reasonably practicable.</p> <p><u>The Market Operator, on the other hand, shall:</u></p> | <p>Mr. Cacho Jr. raised PEMC's concern on the proposed amendment requiring the Market Operator to likewise inform the ERC and DOE when emergency arises, pointing out that the System Operator is already obliged to do so.</p> <p>The Secretariat then referred the body to the Philippine Grid Code which mandates the System Operator to issue significant incident notices upon its occurrence. The Secretariat</p> | <p>Approved: NGCP proposal with amendments</p> <p>6.5.1.2 When an emergency condition arises, the <i>System Operator</i> shall immediately notify the ERC, the DOE, <i>Market Operator</i>, and GMC, as soon as reasonably practicable, of the commencement and nature of the emergency.</p> |

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| | emergency and the way in which the System Operator reasonably anticipates it will act in response to the emergency; and (d) Notify the ERC, the DOE, and WESM Participants of any material changes in the nature, extent and expected duration of an emergency. | a) (b) Notify the ERC and the DOE, as soon as reasonably practicable; and (b) (c) Notify WESM Participants, as soon as reasonably practicable, of the commencement, nature, extent and expected duration of the emergency and the way in which the System Operator reasonably anticipates it will act in response to the emergency; and expected duration of an emergency. <u>existence of the emergency condition.</u> | also added that the notification of the WESM Participants is the responsibility of the Market Operator since the System Operator has no facility in doing so. Ms. Carabuena commented that PEMC's proposal to this provision might be better since in the original provision, only the System Operator is obliged to notify all the entities. During the discussion, it was clarified that it is the System Operator who has firsthand information regarding an emergency. This is the reason why it is being held responsible for information dissemination. However, Mr. Cacho Jr. stated that the Market Operator has its own procedures and responsibilities as regards information dissemination. The Secretariat also clarified that this clause only pertains to the notification <i>per se</i> and not to the report on the emergency state. Concerns regarding the notification by the System Operator about the nature, extent and expected duration of an emergency were raised in the discussion. Mr. Rosales, stated that the System Operator might not be capable of releasing such notice, especially the information on the expected duration of an emergency. However, he informed the RCC, that the System Operator prepares a written report, detailing the factors that caused the emergency. It also sends a notification after the first hour containing information regarding the nature of the incident. He also clarified that | The <i>Market Operator</i> , on the other hand, shall notify WESM Participants, as soon as reasonably practicable, of the commencement and nature of the emergency. |

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| | | | <p>these obligations are stated in the Philippine Grid Code. Ms. Carabuena, on the other hand, countered that if clause 6.5.1.2 (d) is removed, WESM Participants will be deprived of the information, on the commencement and nature of the emergency.</p> <p>Mr. Binondo suggested referring to the Philippine Grid Code regarding this provision but the body agreed that the information regarding the nature and commencement of an emergency are already sufficient information that may be provided to WESM Participants.</p> <p>Upon conclusion, the RCC agreed to give the System Operator the full responsibility of notifying the ERC, the DOE, Market Operator and GMC regarding the commencement and nature of an emergency. On the other hand, it was agreed, that the same notification shall be disseminated by the Market Operator to the WESM Participants.</p> | |
| | 6.5.2 Intervention Due to Emergency | 6.5.2 Intervention Due to Emergency <u>Condition or Threat in System Security</u> | Mr. Rosales emphasized that the amendment allows Market Intervention even in the occurrence of threat in system security. | <p>Approved: NGCP proposal</p> <p>6.5.2 Intervention Due to Emergency Condition or Threat in System Security</p> |
| 6.5.2.1 | If, in the best judgment of the <i>System operator</i> , insufficient time exists for the <i>spot market</i> to address an emergency, the <i>System operator</i> shall take any measures it considers to be reasonable and necessary to overcome the <i>emergency</i> , including without limitation: | 6.5.2.1 If in the best judgment of the <i>System Operator</i> <u>determines that</u> insufficient time exists for the spot market to address an <u>emergency condition or eliminate threat in system security</u> , the <i>System Operator</i> shall take any measure it considers to be reasonable and necessary to overcome the emergency <u>condition or threat in</u> | | <p>Approved: NGCP proposal</p> <p>6.5.2.1 If the <i>System Operator</i> determines that insufficient time exists for the spot market to address an <i>emergency</i> condition or eliminate threat in system security, the <i>System Operator</i> shall take any measure it considers to be reasonable and</p> |

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| | | <u>system security</u> , including without limitation: | | necessary to overcome the emergency condition or threat in system security, including without limitation: |
| 6.5.2.1 | (a) Increase the generation or supply capability such as requesting available but not committed generating units to start-up, or recall transmission equipment outages; (b) to (e) XXX Thereafter, the <i>System operator</i> shall report in detail to the PEM Board in detail regarding the actions and circumstances under which the intervention was made. | (a) Increase or decrease the generation or supply capability such as <u>issuance of emergency instructions requesting to all</u> available but not committed generating units to start-up, <u>shutdown, cancel generating units on testing</u> or recall transmission equipment outages; (b) to (e) XXX Thereafter, the <i>System Operator</i> shall report in detail to the <u>Market Surveillance Committee, DOE, & ERC</u> PEM Board in detail regarding the actions and circumstances under which the intervention was made. <u>The Market Operator shall likewise submit a report to the PEM Board, DOE and ERC for such incidents.</u> | Ms. Tanglao noticed the removal of PEM Board in the list of the entities being reported to during an intervention. Mr. Rosales clarified that the Market Surveillance Committee will be the one to transmit the report to the PEM Board. He also stated that in practice, the System Operator, does not submit the particular report to the PEM Board. | Approved: NGCP proposal (a) Increase or decrease the generation or supply capability such as issuance of emergency instructions to all available but not committed generating units to start-up, shutdown, cancel generating units on testing or recall transmission equipment outages; (b) to (e) XXX Thereafter, the <i>System Operator</i> shall report in detail to the Market Surveillance Committee, DOE, & ERC regarding the actions and circumstances under which the intervention was made. The Market Operator shall likewise submit a report to the PEM Board, DOE and ERC for such incidents. |
| 6.6 | | | | |
| 6.6.2 | | Notice of Threat to System Security <u>Notice of Declaration of Market Intervention</u> | Dr. Nerves inquired about the change, from notice of threat to system security to notice of declaration of market intervention. Mr. Rosales explained the events that occur in the grid, citing the difference between an emergency and a threat with respect to the Philippine Grid Code. He also added that upon the occurrence of a considerable threat to | Approved: NGCP proposal 6.6.2 Notice of Declaration of Market Intervention |
| 6.6.2.1 | Upon determination of the existence or the likely possibility of a threat to system security, the <i>System operator</i> shall without delay notify | 6.6.2.1. Upon determination of the existence <u>of an emergency condition</u> or the likely possibility of a threat to system security, the <i>System Operator</i> , in | | Approved: NGCP proposal with amendments |

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| | the <i>WESM Participants</i> and the <i>Market Operator</i> of such threat. Said notice shall include the details of that threat as well as: | <u>coordination with the Market Operator, shall declare Market Intervention and may issue Red Alert Warning Notice if necessary,</u> without delay notify the WESM Participants and the Market Operator of to address such threat <u>or emergency conditions.</u> Said notice shall include the details of that threat as well as: | <p>system security, there exists a possibility for cascaded tripping to occur if intervention is not applied. However, he explained that there are also some instances where intervention may not at all be necessary because the market itself can resolve the threat.</p> <p>This was further clarified when Ms. Rodriguez pointed out that clause 6.6.3.1 provides that an intervention is not necessary when a spot market response is enough to address the threat. Mr. Rosales further added that if the Merit Order Table is also enough to address the threat, intervention will not be applied. In this regard, Mr. Binondo wanted to be clarified on when and in which instances the System Operator may issue a Market Intervention.</p> <p>Mr. Cacho Jr. added that one of the Market Operator's concerns is the removal of the obligation of the SO to issue a notice on the existence of a threat to system security.</p> <p>In response, Mr. Rosales stated that there will still be the issuance of these alerts upon occurrence, however, there will still be instances that an emergency may have occurred without alert notices being issued.</p> <p>Final revisions were made with respect to the clause 6.2.1.2 in order to harmonize the amendments. MERALCO's comment was also considered about the need for a notification from the Market Operator on the existence of a Market Intervention.</p> | <p>6.6.2.1. Upon determination of the existence of an Alert or <i>Emergency State</i>, the <i>System Operator</i>, in coordination with the <i>Market Operator</i>, may declare Market Intervention.</p> <p>The Market Operator shall inform the WESM Participants of the declaration of Market Intervention.</p> |

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| 6.6.2.1 | (a) The nature and general magnitude of the threat to system security, including an estimate of the likely duration thereof, and the likely shortfall in supply, likely to occur during that period; (b) The timeframe, in which, the System operator will need to intervene in the spot market if the threat to system security does not subside without intervention by the System operator, and (c) The regions of the power system in which the threat to system security is likely to be located. | (a) The nature and general magnitude of the threat to system security, including an estimate of the likely duration thereof, and the likely shortfall in supply, likely to occur during that period; (b) The timeframe, in which, the System operator will need to intervene in the spot market if the threat to system security does not subside without intervention by the System operator, and (c) The regions of the power system in which the threat to system security is likely to be located. | MERALCO raised their concerns about the need of the WESM Participants to be informed about the details stated on clauses 6.6.2.1 (a) and (c) and additional request for updates about the details (extent and estimated duration) of an emergency. Mr. Rosales addressed this comment by informing the body that the System Operator, in practice, does not estimate the duration of an emergency occurrence, having no means by which to determine the same. He further explained that upon the lifting of the intervention, a complete detailed report will be released by the System Operator. Mr. Rosales also explained that the System Operator suggested deleting these provisions due to its inability to provide these details. Subsequently, the RCC approved this proposal. | Approved: NGCP proposal (for deletion) |
| 6.6.2.2 | If the System operator provides the notice with details of a threat to system security to WESM Participants, in accordance with clause 6.6.2.1, the System operator may issue instructions, requiring each WESM Participant to provide best estimates of the following: (a) A Scheduled Generation Company's plant availability to either increase or decrease generation; and (b) A Customer's ability to either increase or decrease market load. | 6.6.2.2 If the System operator provides the notice with details of a threat to system security to WESM Participants, in accordance with clause 6.6.2.1, the System Operator may issue instructions, requiring each WESM Participant to provide best estimates of the following: (a) A Scheduled Generation Company's plant availability to either increase or decrease generation; and (b) A Customer's ability to either increase or decrease market load. | | Approve NGCP proposal (for deletion) <i>A new substitute provision as proposed by NGCP was recommended and approved (see below)</i> |

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| 6.6.2.2 | new | <p>6.6.2.2 The <i>System Operator</i> (for grid-related) and <i>Market Operator</i> (for market-related) shall submit Market Intervention report (MIR), as soon as practicable, to the Market Surveillance Committee, PEMC, DOE and ERC, after the resumption of spot market. Said report shall include the details of the activities done during the duration of the intervention that include as follows:</p> <p>a. The reason for the declaration of Market Intervention; b. The number of trading intervals affected by the intervention; c. The actions done to address the threat in system security; and d. The actual dispatch of all generating units per interval affected.</p> | <p>Mr. Cacho Jr. informed the body that there is an existing provision regarding the timeline of a Market Intervention Report which is stated in the WESM Rules. However, the RCC agreed that "as soon as practicable" might also be acceptable.</p> <p>Mr. Rosales was asked by Dr. Nerves to expound on the proposed details of a Market Intervention report which was subsequently clarified with the RCC. There being no objection from the body, the RCC approved the new clause as proposed.</p> | <p>Approved: NGCP proposal (New Provision)</p> <p>6.6.2.2 The <i>System Operator</i> (for grid-related) and <i>Market Operator</i> (for market-related) shall submit Market Intervention report (MIR), as soon as practicable, to the Market Surveillance Committee, PEMC, DOE and ERC, after the resumption of spot market. Said report shall include the details of the activities done during the duration of the intervention that include as follows:</p> <p>a. The reason for the declaration of Market Intervention; b. The number of trading intervals affected by the intervention; c. The actions done to address the threat in system security; and d. The actual dispatch of all generating units per interval affected.</p> |
| 6.6.2.3 | Despite clause 5.3, a WESM Participant shall not withhold information required by the System operator in accordance with clause 6.6.2.2. The WESM Participant shall comply with the instructions and provide the information required as soon as practicable. | <p>6.6.2.3 Despite clause 5.3, a WESM Participant shall not withhold information required by the System operator in accordance with clause 6.6.2.2. The WESM Participant shall comply with the instructions and provide the information required as soon as practicable.</p> | <p>Dr. Nerves inquired about the information referred to in the provision. Mr. Rosales enumerated some which are necessary for the System Operator. Upon due consideration, Mr. Rosales agreed to retain the clause.</p> <p>Ms. Tanglao and Mr. Binondo suggested the addition in the subject clause, of the information needed by the System Operator from the</p> | <p>Retained original provision with amendments</p> <p>6.6.2.3 Despite clause 5.3, a WESM Participant shall not withhold information required by the System Operator. The <i>System Operator</i> may require each WESM Participant to provide the following:</p> |

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| | | | <p>WESM Participants as discussed by the body to be necessary for the System Operator.</p> <p>Upon agreement, the provision was retained as amended.</p> | <p>(a) A Scheduled Generation Company's plant availability to either increase or decrease generation; and (b) A Customer's ability to either increase or decrease load.</p> <p>The WESM Participant shall comply with the instructions and provide the information required as soon as practicable.</p> |
| 6.6.2.4 | <p>The System operator shall treat all information provided to it by a WESM Participant under clause 6.6.2.2 as confidential information and may only use that information for the following purposes:</p> <p>(a) Maintaining or re-establishing system security by issuing emergency directions under clauses 6.6.4 and 6.6.5; (b) Making a decision under clause 6.6.3; and (c) Regulatory reporting.</p> | <p>6.6.2.4 The System operator shall treat all information provided to it by a WESM Participant under clause 6.6.2.2 as confidential information and may only use that information for the following purposes:</p> <p>(a) Maintaining or re-establishing system security by issuing emergency directions under clauses 6.6.4 and 6.6.5; (b) Making a decision under clause 6.6.3; and (c) Regulatory reporting.</p> | <p>The provision was agreed to be retained in order for it to be aligned with the proposed amendments under Clause 6.6.2.3.</p> | <p>Retained original provision with amendments</p> <p>The System Operator shall treat all information provided to it by a WESM Participant under clause 6.6.2.3 as confidential information and may only use that information for the following purposes:</p> <p>(a) Maintaining or re-establishing system security by issuing emergency directions under clauses 6.6.4 and 6.6.5; (b) Making a decision under clause 6.6.3; and (c) Regulatory reporting.</p> |
| 6.6.2.5 | <p>The <i>System operator</i> shall inform <i>WESM Participants</i> and the <i>Market Operator</i> immediately when it reasonably considers a threat to system security to be at an end.</p> | <p>6.6.2.56.6.2.3 The <i>System Operator</i>, <u>in coordination with the Market Operator shall recommend for market resumption if the emergency condition or threat in system security has ended.</u> The Market Operator shall inform the</p> | <p>Mr. Rosales expounded that instead of an end of a System Security threat, it was replaced to "market resumption" in order to be consistent with the amendments.</p> | <p>Approved: NGCP proposal (Renumber to 6.6.2.5)</p> <p>6.6.2.5 The <i>System Operator</i>, in coordination with the <i>Market Operator</i>, shall recommend for market resumption</p> |

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| | | WESM Participants of the market resumption. and the Market Operator immediately when it reasonably considers a threat to system security to be at an end. | | if the emergency condition or threat in system security has ended. The <i>Market Operator</i> shall inform the <i>WESM Participants</i> of the market resumption. |
| 6.6.3.1 | If the System operator has identified a threat to system security and reasonably considers that sufficient time exists for the threat to subside without intervention, the System operator shall, in accordance with the procedures set out in clause 6.6.4, facilitate a spot market response to overcome the threat to system security. | 6.6.3.1 If the <i>System Operator</i> has identified a threat to system security and reasonably considers that sufficient time exists for the threat to subside without intervention, the <i>System Operator</i> shall, in accordance with the procedures set out in clause 6.6.4, facilitate a spot market response to overcome the threat to system security. | | Approved: NGCP proposal 6.6.3.1 If the <i>System Operator</i> has identified a threat to system security and reasonably considers that sufficient time exists for the threat to subside without intervention, the <i>System Operator</i> shall facilitate a spot market response to overcome the threat to system security. |
| 6.6.4 | | | | |
| 6.6.4.1 | If the System operator believes that sufficient time exists for a threat to system security to subside without intervention, the <i>System operator</i> shall: (a) If it has not already done so, provide <i>WESM Participants</i> with the information set out under clause 6.6.2.1; and (b) Advise the <i>Market Operator</i> and those <i>WESM Participants</i> who the <i>System operator</i> considers would be required to take action or cease taking action if the threat to system security is not resolved without intervention of the following information: | If the <i>System operator</i> believes that sufficient time exists for a threat to system security to subside without intervention, the <i>System operator</i> shall: (a) If it has not already done so, provide <i>WESM Participants</i> with the information set out under clause 6.6.2.1; and (b) Advise the <i>Market Operator</i> and those <i>WESM Participants</i> who the <i>System operator</i> considers would be required to take action or cease taking action if the threat to system security is not resolved without intervention of the following information: (1) The existence of the threat to system security; and | Mr. Rosales stated that this has been proposed for deletion since this has already been covered by clause 6.5.2.1. Mr. Cacho Jr. suggested that the System Operator coordinate with the WESM Participants in case of an existence of a threat. Ms. Carabuena elaborated the essence of this clause with respect to the previous amendment on clause 6.6.2.1. The body agreed that this provision is needed as a guideline, that in case sufficient time still exists, the SO shall advise WESM Participants of the necessary action to address the threat. The body then agreed to retain the clause as amended which obligates the SO to coordinate | Retained original provision with amendments If the System Operator believes that sufficient time exists for a threat to system security to subside without intervention, the <i>System Operator</i> shall advise the <i>Market Operator</i> and those <i>WESM Participants</i> who the <i>System Operator</i> considers would be required to take action or cease taking action. |

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| | (1) The existence of the threat to <i>system security</i> ; and (2) The likely nature of any requirement of the Grid Operator if the <i>System operator</i> determines that it should <i>intervene</i> . | (2) The likely nature of any requirement of the Grid Operator if the <i>System operator</i> determines that it should intervene. | with the Market Operator and System Operator in addressing a threat. | |
| 6.6.4.2 | The action or cessation of action required under clause 6.6.4.1(b) may include, but is not limited to, changes by the Market Operator to the pre-dispatch schedule affecting scheduled generating units, schedule network services and/or scheduled load. | 6.6.4.2 ¹ The action or cessation of action required under clause 6.6.4.1(b) may include, but is not limited to, changes by the <i>Market Operator</i> to the pre-dispatch schedule affecting scheduled generating units, schedule network services and/or scheduled load. | The provision has been aligned to the respective clauses. | 6.6.4.2 The action or cessation of action required under clause 6.6.4.1 may include, but is not limited to, changes by the <i>Market Operator</i> to the pre-dispatch schedule affecting scheduled generating units, schedule network services and/or scheduled load. |
| 6.6.4.3 | The Market Operator may: (a) Invite <i>Trading Participants</i> to revise or re-bid their physical capabilities submitted by such <i>Trading Participants</i> in accordance with clause 3.4 in respect of the relevant trading interval; and (b) Notify all <i>Trading Participants</i> of significant changes to the information provided under this clause 6.6.4. | The Market Operator may: (a) Invite <i>Trading Participants</i> to revise or re-bid their physical capabilities submitted by such <i>Trading Participants</i> in accordance with clause 3.4 in respect of the relevant trading interval; and (b) Notify all <i>Trading Participants</i> of significant changes to the information provided under this clause 6.6.4. | The deletion was contested by Ms. Carabuena for it may be relevant in the future. She also added that it is better to have it retained, than to re-amend and place it back when needed. Subsequently, the RCC agreed to retain the original provision. | Retained original provision 6.6.4.3 The Market Operator may: (a) Invite <i>Trading Participants</i> to revise or re-bid their physical capabilities submitted by such <i>Trading Participants</i> in accordance with clause 3.4 in respect of the relevant trading interval; and (b) Notify all <i>Trading Participants</i> of significant changes to the information provided under this clause 6.6.4. |
| 6.6.4.4 | <i>WESM Participants</i> shall comply with all requests and directions issued by the Market Operator under this clause 6.6.4. | <i>WESM Participants</i> shall comply with all requests and directions issued by the Market Operator under this clause 6.6.4. | | Retained original provision 6.6.4.4 <i>WESM Participants</i> shall comply with all requests and directions issued by the Market Operator under this clause 6.6.4. |

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| 6.6.5 | | | | |
| 6.6.5.1 | <p>If, in the best judgment of the <i>System operator</i>, insufficient time exists for the <i>spot market</i> to address a threat to system security, the <i>System operator</i> shall take any measures it considers to be reasonable and necessary to overcome the threat to <i>system security</i>, including without limitation:</p> <p>(a) Increase the <i>generation</i> or <i>supply capability</i> such as requesting available but not committed <i>generating units</i> to start-up, or recall <i>transmission</i> equipment outages;</p> <p>(b) to (e) XXX</p> | <p>6.6.5.1 If, in the best judgment of the <i>System Operator</i>, <u>determines that</u> insufficient time exists for the <i>spot market</i> to address a threat to system security, the <i>System Operator</i> shall <u>intervene and</u> take any measures it considers to be reasonable and necessary to overcome the threat to system security, including without limitation:</p> <p>(a) Increase <u>or decrease</u> the <i>generation</i> or <i>supply capability</i> such as <u>giving instructions requesting to all</u> available but not committed generating units to start-up, <u>or to shutdown</u> or recall transmission equipment outages;</p> <p>(b) to (e) XXX</p> | | <p>Approved: NGCP proposal</p> <p>6.6.5.1 If, the <i>System Operator</i>, determines that insufficient time exists for the <i>spot market</i> to address a threat to system security, the <i>System Operator</i> shall intervene and take any measures it considers to be reasonable and necessary to overcome the threat to system security, including without limitation:</p> <p>(a) Increase or decrease the <i>generation</i> or <i>supply capability</i> such as giving instructions to all available but not committed generating units to start-up, or to shut down or recall transmission equipment outages;</p> <p>(b) to (e) XXX</p> |
| 6.6.5.2 | <p>Thereafter, the <i>System operator</i> shall report in detail to the PEM Board in detail regarding the actions and circumstances under which the intervention was made.</p> | <p>6.6.5.2 Thereafter, <u>as specified in clause 6.6.2</u>, the <i>System Operator</i> shall <u>prepare Market Intervention</u> report in detail <u>to be submitted to Market Surveillance Committee, PEMC, DOE & ERC</u> to the PEM Board in detail regarding the actions and circumstances under which the intervention was made.</p> | | <p>Approved: MO proposal</p> <p>6.6.5.2 Thereafter, as specified in clause 6.6.2, the <i>System Operator</i> shall prepare Market Intervention report to be submitted to Market Surveillance Committee, Market Operator, DOE & ERC regarding the actions and circumstances under which the intervention was made.</p> |
| 6.7 | | | | |
| 6.7.1 | <p>A <i>force majeure</i> is the occurrence in a <i>trading interval</i> of an event or</p> | <p>6.7.1 A force majeure is the occurrence of <u>an event or events in the grid where</u> a</p> | <p>MERALCO suggested the retention of "transmission", but Mr. Rosales stated that the</p> | <p>Approved: NGCP proposal</p> |

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| | events not within the reasonable control, directly or indirectly, of the <i>Market Operator</i> and <i>WESM member</i> , to the extent that such event, despite the exercise of the reasonable diligence, cannot be or be caused to be prevented, or removed and has resulted in a reduction in the normal capacity of part or all of the power <i>transmission system</i> during that <i>trading interval</i> and such reduction is likely to materially affect the operation of the <i>spot market</i> or materially threaten <i>system security</i> . | trading interval of an event or events is not within the reasonable control, directly or indirectly, of the <i>System Operator</i> , <i>Market Operator</i> and <i>WESM member</i> , to the extent that such event, despite the exercise of the reasonable diligence, cannot be or be caused to be prevented, or removed and has resulted in a reduction in the normal capacity of part or all of the power <i>transmission system</i> during that <i>trading interval</i> and such reduction is likely to materially affect the operation of the <i>spot market</i> or materially threaten <i>system security</i> . | term "Power System" includes the entirety of the system, to which the RCC concurred. | 6.7.1 A force majeure is the occurrence of an event or events in the grid where a trading interval is not within the reasonable control, directly or indirectly, of the <i>System Operator</i> , <i>Market Operator</i> and <i>WESM member</i> , to the extent that such event, despite the exercise of the reasonable diligence, cannot be or be caused to be prevented, or removed and has resulted in a reduction in the normal capacity of part or all of the power <i>system</i> during that <i>trading interval</i> and such reduction is likely to materially affect the operation of the <i>spot market</i> or materially threaten <i>system security</i> . |
| 6.7.2 | Force majeure event Events of <i>force majeure</i> shall include: (1) Major network trouble that caused partial or system-wide blackout; (2) Market system hardware or software failure that makes it impossible to receive or process market offer/bid information or produce market schedules due to erroneous real-time status input data or dispatch the system in accordance with the <i>WESM Rules</i> ; and (3) Any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing | 6.7.2 Force majeure event Events of force majeure shall include: (1) Major network trouble system disturbance that caused partial or system-wide blackout; (2) Market system hardware or software failure including that of the <i>System Operator</i> that makes it impossible to receive real-time status input data or process market offer/bid information or to produce market schedules due to erroneous for real time real-time status input data or dispatch the system in accordance with the <i>WESM Rules</i> ; and (3) Any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing. | | Approved: NGCP proposal 6.7.2 Events of force majeure shall include: (1) Major system disturbance that caused partial or system-wide blackout; (2) Market system hardware or software failure including that of the <i>System Operator</i> that makes it impossible to receive real-time status input data or process market offer/bid information to produce market schedules for real time or dispatch in accordance with the <i>WESM Rules</i> ; and (3) Any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing. |

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| 6.8.1 | 6.8.1 Development of Business Continuity and Disaster Recovery Procedures | 6.8.1 Development Review, Update & Implement of Business Continuity and Disaster Recovery Procedures | The wordings were suggested to be revised by Ms. Tanglao for clarity. Mr. Binondo, on the other hand, suggested retaining the word "Development" rather than replacing it with "Review" for consistency. | Approved: NGCP proposal with amendments 6.8.1 Development, Updating and Implementation Business Continuity and Disaster Recovery Procedures |
| 6.8.1.1 | In consultation with the <i>System Operator</i> , the <i>Market Operator</i> shall develop and implement Business Continuity Plan and Disaster Recovery Procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events. Provided that, the said plan and procedures, shall be approved by the <i>PEM Board</i> . | 6.8.1.1 In consultation with the System Operator, The Market Operator in consultation the System Operator shall review, update develop and implement Business Continuity Plan and Disaster Recovery Procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events. Provided that, the said plan and procedures shall be approved by the PEM Board. | Mr. Cacho Jr. suggested a rewording in the provision as follows: from "consultation" to "coordination" for clarity. | Approved: NGCP proposal with amendments 6.8.1.1 The <i>Market Operator</i> , in coordination with the <i>System Operator</i> , shall develop, update and implement Business Continuity Plan and Disaster Recovery Procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events. Any changes to the Business Continuity Plan and Disaster Recovery Procedures as may be necessary shall be approved by the PEM Board. |
| 6.8.1.2 | The <i>Market Operator</i> shall review and update the Business Continuity Plan and Disaster Recovery Procedures as may be necessary, provided that, any changes thereto shall be approved by the <i>PEM Board</i> . | 6.8.1.2 The <i>Market Operator in</i> consultation with the System Operator shall review, and update and implement the Business Continuity Plan and Disaster Recovery Procedures as may be necessary, provided that, any changes thereto shall be approved by the PEM Board. | Ms. Rodriguez drew the body's attention to the similarity between Clauses 6.8.1.1 and 6.8.1.2. Mr. Rosales then suggested the deletion of this clause. However, Mr. Cacho proposed the inclusion of the last phrase in Clause 6.8.1.2 to 6.8.1.1, which intent is to have the PEM Board approve any change to the BCP. | For deletion 6.8.1.2 The Market Operator, in consultation coordination with the System Operator, shall develop, review and update and implement the Business Continuity Plan and Disaster Recovery Procedures as may be necessary, provided that, any changes thereto shall be approved by the PEM Board. |

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| 6.8.2.1 | The <i>Market Operator</i> shall regularly simulate the procedures set forth in the Business Continuity Plan as well as the Disaster Recovery Procedures to ensure the preparedness of the <i>Market Operator</i> , <i>System Operator</i> and <i>Trading Participants</i> in the event of emergencies affecting market operations. The <i>Market Operator</i> shall evaluate the results of the simulation exercise and shall identify deficiencies in the procedures, if any. In cases of deficiencies in the procedures, the <i>Market Operator</i> shall recommend corrective measures for approval of the PEM Board. Thereafter, the <i>Market Operator</i> shall provide a report to the <i>PEM Board</i> , <i>DOE</i> , and <i>ERC</i> on the result of the simulation and the implementation of the Business Continuity Plan and Disaster Recovery Procedures. | 6.8.2.1 The <i>Market Operator</i> shall regularly <u>conduct at least once a year an emergency drill to</u> simulate the procedures set forth in the Business Continuity Plan as well as the <u>and</u> Disaster Recovery Procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. The <i>Market Operator</i> <u>in coordination with the System Operator</u> shall evaluate the results of the simulation exercise and shall identify deficiencies in the procedures, if any. In cases of deficiencies in the procedures, the Market Operator shall recommend corrective measures for approval of the PEM Board. Thereafter, the Market Operator shall provide a report to the PEM Board, DOE, and ERC on the result of the simulation and the implementation of the Business Continuity Plan and Disaster Recovery Procedures. | Mr. Cacho raised PEMC's suggestion to retain the word "regularly" which was subsequently agreed upon by the body. | Approved: NGCP proposal with amendments 6.8.2.1 The <i>Market Operator</i> shall regularly conduct an emergency drill to simulate the procedures set forth in the Business Continuity Plan and Disaster Recovery Procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. The <i>Market Operator</i> , in coordination with the <i>System Operator</i> , shall evaluate the results of the simulation exercise and shall identify deficiencies in the procedures, if any. In cases of deficiencies in the procedures, the Market Operator shall recommend corrective measures for approval of the PEM Board. Thereafter, the Market Operator shall provide a report to the PEM Board, DOE, and ERC on the result of the simulation and the implementation of the Business Continuity Plan and Disaster Recovery Procedures. |
| 6.8.2.2 | The <i>Market Operator</i> shall inform the <i>Trading Participants</i> and the <i>System Operator</i> of the simulations at least thirty (30) days prior to the conduct of the same. | 6.8.2.2 The <i>Market Operator</i> shall <u>coordinate with the System Operator and shall</u> inform the <i>Trading Participants</i> and the System Operator of the simulations at least thirty (30) days prior to the conduct of the same. | | Approved: NGCP proposal 6.8.2.2 The <i>Market Operator</i> shall coordinate with the <i>System Operator</i> and shall inform the <i>Trading Participants</i> of the simulations at least thirty (30) days prior to the conduct of the same. |

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| 6.9.1.1 | Pursuant to Section 30 of the <i>Act</i> , the <i>ERC</i> shall suspend the operation of the <i>spot market</i> or declare a temporary wholesale electricity <i>spot market</i> failure in cases of: (a) Natural calamities; or (b) Following official declaration of a national and international security emergency by the President of the Republic. | 6.9.1.1 Pursuant to Section 30 of the <i>Act</i> , the <i>ERC</i> shall suspend the operation of the <i>spot market</i> or declare a temporary wholesale electricity <i>spot market</i> failure in cases of: (a) Natural calamities; or (b) <u>System-wide Blackout occurrence;</u> or (c) (b) Following official declaration of a national and international security emergency by the President of the Republic. | The Secretariat relayed the comments of PEMC with respect to the proposed revision of NGCP, that following an occurrence of a total system black out, only a market intervention should be declared, by the SO. Mr. Rosales, on the other hand, stated that the SO can no longer declare a Market Intervention upon the existence of a System-wide Blackout, since the market would have already been suspended by then. In consideration of the referenced Section 30 of the <i>Act</i> , the RCC agreed to add a statement giving the ERC discretion to issue a market suspension in case of any System-wide Blackout occurrence. | Approved: NGCP proposal with amendments 6.9.1.1 Pursuant to Section 30 of the <i>Act</i> , the <i>ERC</i> shall suspend the operation of the <i>spot market</i> or declare a temporary wholesale electricity <i>spot market</i> failure in cases of: (a) Natural calamities; or (b) Following official declaration of a national and international security emergency by the President of the Republic. The ERC may also issue market suspension in case of a System-wide Blackout occurrence. |
| 6.9.2.1 | The <i>spot market</i> can only be suspended by a declaration by the <i>ERC</i> under clause 6.8.1.1 and if the <i>spot market</i> is suspended: (a) The ERC shall notify the Market Operator, and (b) The Market Operator shall notify all WESM Participants, as soon as possible. | 6.9.2.1 The <i>spot market</i> can only be suspended by a declaration by the <i>ERC</i> under clause 6.89.1.1 and if the <i>spot market</i> is suspended: (a) The <i>ERC</i> shall notify the <i>Market Operator and System Operator</i> , and (b) The <i>Market Operator</i> shall notify all <i>WESM Participants</i> , as soon as possible. | | Approved: NGCP proposal 6.9.2.1 The <i>spot market</i> can only be suspended by a declaration by the <i>ERC</i> under clause 6.9.1.1 and if the <i>spot market</i> is suspended: (a) The <i>ERC</i> shall notify the <i>Market Operator and System Operator</i> , and (b) The <i>Market Operator</i> shall notify all <i>WESM Participants</i> , as soon as possible. |
| 6.9.2.3 | Following a declaration by the <i>ERC</i> under clause 6.9.1.1, the <i>spot market</i> is to remain suspended until the <i>ERC</i> notifies the <i>Market Operator</i> that <i>spot market</i> operation is to resume. | 6.9.2.3 Following a declaration by the <i>ERC</i> under clause 6.9.1.1, the <i>spot market</i> is to remain suspended until the <i>ERC</i> notifies the <i>Market Operator in coordination with the System Operator</i> that spot market operation is to resume. | Mr. Cacho Jr. clarified that the statement on the amendment to this clause obliges the ERC to coordinate with the System Operator for the resumption of the market. Mr. Rosales explained that such was not the intent of the proposal. | Approved: NGCP proposal with amendments 6.9.2.3 Following a declaration by the <i>ERC</i> under clause 6.9.1.1, the <i>spot market</i> is to remain suspended until the |

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| | | | Upon further clarifications and discussion, the RCC then agreed to revise the clause, by deleting the phrase "in coordination with the System Operator" in the first sentence and by adding a statement to incorporate the System Operator's intent for the Market Operator to coordinate with SO upon the resumption of the spot market. | ERC notifies the <i>Market Operator</i> that spot market operation is to resume. The <i>Market Operator</i> shall then coordinate with the System Operator in resuming spot market operation. |
| 6.9.2.4 | The <i>Market Operator</i> shall promptly notify all <i>WESM Participants</i> that <i>spot market</i> operation is to resume and the time at which <i>spot market</i> operation is to resume. | 6.9.2.4 The <i>Market Operator</i> <u>in coordination with the System Operator</u> shall promptly notify all <i>WESM Participants</i> that <i>spot market</i> operation is to resume and the time at which <i>spot market</i> operation is to resume. | The body agreed that the Market Operator shall solely be responsible for notifying WESM Participants upon market resumption. | Retained original provision 6.9.2.4 The <i>Market Operator</i> shall promptly notify all <i>WESM Participants</i> that <i>spot market</i> operation is to resume and the time at which <i>spot market</i> operation is to resume. |
| 6.9.2.5 | Notwithstanding a suspension of the <i>spot market</i> , the <i>Market Operator</i> may issue emergency directions to <i>WESM Participants</i> in accordance with clause 6.5.1. | 6.9.2.5 Notwithstanding a suspension of the <i>spot market</i> , the <i>Market Operator</i> <u>or the System Operator</u> may issue emergency <u>directions instructions</u> to <i>WESM Participants</i> in accordance with clause 6.5.1. | Mr. Rosales explained that instructions may come from the System Operator or the Market Operator depending on the affected system. He expounded that upon an MMS failure or Grid failure, the Market Operator or the System Operator, respectively, shall be responsible for the issuance of emergency instructions. MERALCO then referred the RCC to clause 6.5.1. which states that during an <i>emergency</i> , the <i>System Operator</i> shall, in coordination with the <i>Market Operator</i> , issue <i>emergency directions</i> as it reasonably considers necessary. Given this, MERALCO stated that this amended Clause 6.9.2.5 should be aligned with the Clause 6.5.1.1 The body subsequently agreed to adopt MERALCO's comment. | Approved: MERALCO proposal 6.9.2.5 Notwithstanding a suspension of the spot market, the System Operator, in coordination with the Market Operator, may issue emergency directions instructions to WESM Participants in accordance with clause 6.5.1.1 |

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| 6.9.4.1 | <p>Upon the concurrence of one or more of the following events: (a) XXX; (b) XXX; (c) XXX; or (d) XXX;</p> <p>the PEM Board shall, within ten days thereof, direct the Market Surveillance Committee to investigate the circumstances of that event and prepare a report to assess:</p> <p>XXX</p> | <p>6.9.4.1 Upon the concurrence of one or more of the following events: (a) XXX (b) XXX; (c) XXX; or (d) XXX;</p> <p>the PEM Board shall, within ten days thereof, may direct the Market Surveillance Committee to investigate the circumstances of that event and shall prepare a report to assess:</p> <p>XXX</p> | <p>The body agreed to retain the original provision, in consideration of the comments of PEMC, to have the PEM Board direct the MSC to investigate the circumstances of the events under 6.9.4.1, not as an option but as an obligation.</p> | <p>Retained original provision</p> <p>6.9.4.1 Upon the concurrence of one or more of the following events: (a) XXX; (b) XXX; (c) XXX; or (d) XXX;</p> <p>the PEM Board shall, within ten days thereof, direct the Market Surveillance Committee to investigate the circumstances of that event and prepare a report to assess:</p> <p>XXX</p> |
| 6.9.4.2 | <p>A copy of the report prepared under clause 6.9.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.</p> | <p>A copy of the report prepared under clause 6.9.4.1 shall be provided to: (a) The PEM Board; (b) <u>The Market Operator</u>; ERC and the DOE; and (c) <u>The ERC</u>; WESM Participants and interested persons on request (d) <u>The DOE; and</u> (e) <u>WESM Participants and interested persons on request.</u></p> | | <p>Approved: NGCP proposal</p> <p>6.9.4.2 A copy of the report prepared under clause 6.9.4.1 shall be provided to:</p> <p>(a) The PEM Board; (b) The Market Operator; (c) The ERC; (d) The DOE; and (e) WESM Participants and interested persons on request.</p> |
| 6.9.5.1 | <p>Within ten <i>business days</i> following a declaration by the <i>ERC</i> under clause 6.9.1.1, the <i>Market Surveillance Committee</i> shall investigate the circumstances of that event and prepare a report to assess:</p> | <p>6.9.5.1 Within ten <i>business days</i> following a declaration by the <i>ERC</i> under clause 6.9.1.1, the <i>Market Surveillance Committee</i> <u>upon directive from the PEM Board</u> shall investigate the circumstances of that event and prepare a report to assess:</p> | | <p>Approved: NGCP proposal</p> <p>6.9.5.1 Within ten <i>business days</i> following a declaration by the <i>ERC</i> under clause 6.9.1.1, the <i>Market Surveillance Committee</i> upon directive from the <i>PEM Board</i> shall investigate</p> |

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| | (a) XXX; (b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and (c) XXX. | (a)XXX; (b) The appropriateness of actions taken by the <i>Market Operator or the System Operator</i> in relation to the event or events which occurred; and (c) XXX. | | the circumstances of that event and prepare a report to assess: (a)XXX; (b) The appropriateness of actions taken by the <i>Market Operator or the System Operator</i> in relation to the event or events which occurred; and (c) XXX. |