



RULES CHANGE COMMITTEE

Proposed Urgent Amendments to the WESM Manual on Billing and Settlement to Harmonize with ERC Directives on Additional Compensation Process

Effective Date : 26 April 2021

Page : 1 of 27

WHEREAS, the DOE on 23 October 2015 adopted¹ enhancements to WESM design and operations which includes among others the change from a 1-hour dispatch interval to a 5-minute dispatch interval;

WHEREAS, the Market Operator was tasked² to propose changes to the WESM Rules and Market Manuals, and ensure upgrading of the Market Management System and other systems which are necessary for the implementation of the enhancements to WESM design and operations;

WHEREAS, among the preparations made for the implementation of the enhanced market design, on 29 December 2020, the ERC promulgated its decision dated 29 August 2020 on ERC Case No. 2017-042RC approving the Price Determination Methodology (PDM) for the enhanced WESM design and operations;

WHEREAS, in line with the implementation of the enhancements to WESM design and operations, the ERC approved the pricing and settlement formulas to be applied in the five-minute dispatch interval market and provided further guidelines in the processing of additional compensation claims, as follows:

- eligibility of constrained-on plants during price substitution methodology (PSM) to claim additional compensation to recover their operating costs;
- two-week deadline for the reporting of discrepancies to the Dispatch Deviation Report and System Operator by generators;
- two-week deadline for the reconciliation of the reported discrepancies by the System Operator and generators;
- submission of the claim as disputed under the dispute resolution process of the WESM if the reported discrepancy was not reconciled within the two-week deadline;
- validation of actual generation against scheduled generation in determining the quantity eligible for additional compensation;
- one-year timeline for submission of claim for additional compensation in cases of must-run units (MRU) and constrain-on plants from the Merit Order Table (MOT), and fourteen-working day timeline for submission of claim in cases of oil-based plants during secondary price cap (SEC) mechanism, administered pricing (AP), and constrained-on plants during PSM;
- sixty (60) day timeline for submitting supporting documents of a claim;
- non-exhaustive list of required supporting documents;
- fourteen (14) working day deadline for the Market Operator's approval of a claim in cases of MRU, MOT, AP, and PSM, and thirty-day deadline for the Market Operator's approval of a claim in case of SEC;
- filing of dispute by the claimant in case of inaction by the Market Operator within the prescribed deadline; and
- staggered collection from customers if rate impact is greater than PhP 0.005 / kWh.

¹ Department Circular No. 2015-10-0015 dated 23 October 2015

² Section 3, *ibid*.

WHEREAS, on 16 April 2021, the Market Operator (Independent Electricity Market Operator of the Philippines or IEMOP) submitted to the Rules Change Committee (RCC) the proposed urgent amendments to the WESM Manual on Billing and Settlement Issue 6.1 (BSM) in view of the forthcoming implementation of the enhanced WESM design and operations on 26 June 2021 (“Go-Live Date”);

WHEREAS, the proposal seeks to:

- (1) harmonize the BSM with the abovementioned ERC Decision on ERC Case No. 2017-042RC;
- (2) provide supplementary guidelines on the additional compensation process in the BSM; and
- (3) consistently apply the guidelines to the different pricing or dispatch conditions eligible for additional compensation;

WHEREAS, following the procedures for processing proposed urgent amendments specified in Section 7.2 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals (“Rules Change Manual”), the RCC convened for the 178th (Special) Meeting on 21 April 2021 to determine if the proposal is urgent based on the criteria set forth in Section 3.1 of the Rules Change Manual, and if so, deliberate on the proposal for endorsement to the PEM Board;

WHEREAS, the IEMOP presented to the RCC a summary of the proposed changes, as follows:

Feature	WESM Manual on Billing and Settlement Issue 6.1	Proposal
Conditions for additional compensation	AP, MRU, MOT	Add PSM and Price Mitigation Measures
Deadline for filing of claim	AP: 14 working days (WD) after resumption; MRU, MOT: 1 year after designation	Include PSM and Price Mitigation Measures with 14 WD after resumption / designation deadline
Deadline for submitting supporting documents	None	60 calendar days after claim
Deadline for approval by Market Operator	AP, MRU, MOT: 14 WD after receipt of complete documents	Add deadlines for PSM (14 WD) and Price Mitigation Measures (30 business days)
Effect of inaction by Market Operator on claim after deadline	Deemed approved	No approval; generator may submit claim as dispute under the dispute resolution process
List of required supporting documents	1) Certified correct Fuel Consumption and Inventory Report; 2) Purchase Invoices, Official Receipts and other supporting documents; and 3) ERC approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.	Certified correct Fuel Consumption and Inventory Report to be required for MRU, AP, and MOT; Actual fuel consumption and inventory report, duly certified by the Vice President of Finance of the power plant applying for additional compensation to be required for PSM and Price Mitigation Measures
Quantity eligible for additional compensation	Not indicated	For AP, PSM, MOT, and Price Mitigation Measures: If actual production is beyond the allowed deviation from the scheduled generation, scheduled generation will be used; otherwise, actual generation will be used

Feature	WESM Manual on Billing and Settlement Issue 6.1	Proposal
Cost recovery from customers	Not indicated	If rate impact is more than PhP 0.005 / kWh, recovery from customer shall be made in the next four (4) billing periods; otherwise, recovery will be made in the next billing period
Cost recovery from Indirect WESM Members	Not indicated	Recover from current Direct WESM Member
Hierarchy of conditions	Not indicated	<p>In cases when two (2) or more pricing or dispatch condition are present at the same dispatch interval, the timelines and procedures applicable to the generator will follow the hierarchy below (from highest priority to lowest):</p> <ul style="list-style-type: none"> • AP • Other Price Mitigation Measures • PSM • MRU or MOT <p>For example, if a constrained-on generator was re-dispatched during PSM using the MOT, the procedures and timelines for PSM will be applicable and not MOT.</p>

WHEREAS, following initial discussions, the RCC certified the proposal as urgent since it satisfies the criteria for urgent proposals per Section 3.1 of the Rules Change Manual to facilitate the implementation of any regulation, circular, order or issuance of the DOE or ERC pursuant to the EPIRA;

WHEREAS, the RCC proceeded to deliberate the proposal during the same meeting and noted that the abovementioned ERC directives and IEMOP's proposal on additional compensation require changes to the Central Registration and Settlement System (CRSS), where the audit of such changes is ongoing and being overseen by PEMC, through the PEM Audit Committee;

WHEREAS, the RCC proceeded to deliberate on the proposal, requesting that IEMOP identify which among the proposed changes differs from the said ERC Decision. Highlights of the deliberation are as follows:

- (a) IEMOP noted that the procedures on data verification are already included in the RCC-approved urgent proposal on Enhancements to MO-SO Procedures (RCC Resolution No. 2021-02);
- (b) Proposed hierarchy in cases when two or more conditions are present in a dispatch interval is not explicitly provided in the said ERC Decision and is based on the hierarchy provided in Section 4.12 of the Price Determination Methodology Manual, as follows:
 - a. Claim category in Section 10.1.1(a) – AP
 - b. Claim category in Section 10.1.1(d) – SEC
 - c. Claim category in Section 10.1.1(c) – PSM
 - d. Claim category in Section 10.1.1(b) – MOT/MRU
- (c) Adopted IEMOP's proposed timeline that the Trading Participant shall submit any data or document required from System Operator or other WESM Service Providers within the same sixty-business days from the receipt of the written claim;

- (d) IEMOP noted that the additional compensation will be applied to the additional MRU intervals as identified under the PEM Board-approved proposal on MRU accounting;³ and
- (e) IEMOP clarified that Trading Participants are not precluded to file dispute in case they do not agree with the decision of the Market Operator on their application for additional compensation, in reference to proposed amendments to Section 10.2.4 (Filing of Claims);

WHEREAS, the RCC provisionally approved the proposal, as revised, for endorsement to the Board, pending the proponent's revision of the definition for the variable $DT_{g,i-1}$ under proposed Section 10.3.3, for more clarity;

WHEREAS, upon review of revised proposal with the variable definition as submitted by IEMOP on 23 April 2021, the RCC approved the final version of the proposal and its endorsement to the PEM Board, providing Proposed Urgent amendments to the WESM Manual on Billing and Settlement Issue 6.1 (BSM);

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve via electronic communication platforms, as follows:





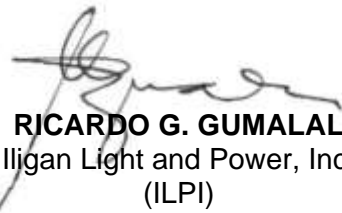

RESOLVED, that the RCC approves the Proposed Urgent Amendments to the WESM Manual on Billing and Settlement Manual Issue 6.1 (BSM) attached as Annex A;

RESOLVED FURTHER, that the said Proposed Urgent Amendments to the WESM Manual on Billing and Settlement Issue 6.1 (BSM), are hereby endorsed to the PEM Board for approval and transmitted to the DOE and ERC for information.

Done this **26th** day of **April 2021**, Pasig City.

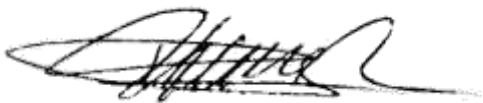
³ RCC Resolution No. 2020-03 dated 19 February 2020



Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 MAILA LOURDES G. DE CASTRO Chairperson	 FRANCISCO L.R. CASTRO, JR.
 ALLAN C. NERVES	 CONCEPCION I. TANGLAO
Generation Sector Members:	
 DIXIE ANTHONY R. BANZON Masinloc Power Partners Co. Ltd. (MPPCL)	 CHERRY A. JAVIER Aboitiz Power Corp. (APC)
 CARLITO C. CLAUDIO Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI)	 MARK D. HABANA Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
 VIRGILIO C. FORTICH, JR. Cebu III Electric Cooperative, Inc. (CEBECO III)	 RYAN S. MORALES Manila Electric Company (MERALCO)
 RICARDO G. GUMALAL Iligan Light and Power, Inc. (ILPI)	 NELSON M. DELA CRUZ Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)



Supply Sector Member:



LORRETO H. RIVERA
TeaM (Philippines) Energy Corporation
(TPEC)

Market Operator Member:



ISIDRO E. CACHO, JR.
Independent Electricity Market Operator of the Philippines
(IEMOP)

System Operator Member:



AMBROCIO R. ROSALES
National Grid Corporation of the Philippines
(NGCP)



Proposed Urgent Amendments to the WESM Manual on Billing and Settlement to Harmonize with ERC Directives on Additional Compensation Process

WESM Manual on Billing and Settlement Issue 6.1				
Title	Section	Provision	Proposed Amendment	Rationale
CRITERIA FOR ADDITIONAL COMPENSATION	10.1	<p>In accordance with Section 8.3.3 of the Price Determination Methodology Manual, Trading Participants may be entitled to additional compensation when the cost incurred in complying with the dispatch instruction are not sufficiently covered by the trading amounts, related to <i>settlement intervals</i> with <i>dispatch intervals</i> under any of the following conditions:</p> <ul style="list-style-type: none"> a) Market suspension or Market intervention; or b) When the trading participant is designated as must run unit or constrain on generating unit. 	<p>10.1.1 In accordance with Section 8.3-3 of the Price Determination Methodology Manual, <i>Trading Participants</i> may be entitled to additional compensation when the cost incurred in complying with the <i>dispatch instruction</i> are not sufficiently covered by the trading amounts, related to <i>settlement intervals</i> with <i>dispatch intervals</i> under any of the following conditions:</p> <ul style="list-style-type: none"> a) <i>Market suspension</i> or <i>Market Intervention</i>; or b) When the <i>Trading Participant</i> <u>has a generating unit that</u> is designated as <i>must run unit</i> or <i>constrain-on generating unit</i> <u>as shown in the Dispatch Instruction Report submitted by the System Operator to the Market Operator in accordance with the WESM Rules or relevant market manual; or</u> c) <u>When the Trading Participant has a generating unit that was</u> 	<p>Include all conditions allowing for additional compensation provided under Section 4.4 of ERC Decision on Case No. 2017-042RC (“ERC Decision”)</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>scheduled and dispatched as a <i>constrained-on generator</i> in <i>dispatch intervals</i> when price substitution methodology due to congestion was applied; or</u></p> <p>d) <u>A <i>Trading Participant</i> has a <i>generating unit</i> that was scheduled and dispatched in <i>dispatch intervals</i> when price mitigation measure imposed by the <i>ERC</i> or other competent government agency was applied may also be entitled to additional compensation in accordance with and subject to the conditions set out in the issuance of the <i>ERC</i> or the competent government agency that imposed the price mitigation measure. In case of conflict between the provisions of this <i>Market Manual</i> and said issuances in respect to payment of compensation to affected</u></p>	



WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<u><i>Trading Participants, the latter issuances shall prevail.</i></u>	
CRITERIA FOR ADDITIONAL COMPENSATION			<p><u>10.1.2 In the event that two (2) or more of the conditions occur in the same dispatch interval and a Trading Participant is entitled to additional compensation due to more than one condition, the Trading Participant and the Market Operator shall adhere with the procedures and timelines of the condition with the highest priority based on the following hierarchy:</u></p> <ul style="list-style-type: none"> a) <u>Claim category in Section 10.1.1(a)</u> b) <u>Claim category in Section 10.1.1(d)</u> c) <u>Claim category in Section 10.1.1(c)</u> d) <u>Claim category in Section 10.1.1(b)</u> 	Include a hierarchy in cases when two or more conditions are present. The proposed hierarchy is consistent with the order applied when determining the final energy dispatch price for a dispatch interval provided under Section 4.12 of the Price Determination Methodology Manual
FILING OF CLAIMS	10.2.1	<i>Trading Participants</i> shall submit the written claim for additional compensation within the allowable timeframe, as follows:	<i>Trading Participants</i> shall submit the written claim for additional compensation within the allowable timeframe, as follows:	Harmonize with the timelines for filing of claims provided under the following sections of the ERC Decision:

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
		<p>a) <i>Market suspension or market intervention</i> – fourteen (14) days after the resumption of the market; and</p> <p>b) <i>Must-run unit or constrain-on generating unit</i> – within one (1) year after the <i>trading participant</i> was designated as <i>MRU</i> or <i>constrain-on generating unit</i>.</p> <p>Any claims not filed within such period shall be deemed waived.</p>	<p>a) <i>Market suspension or market intervention</i> – <u>not later than</u> fourteen (14) <u>working</u> days after the resumption of the market; and</p> <p>b) <i>Must-run unit or constrain-on generating unit</i> – within one (1) year after <u>from the time</u> the <u>affected</u> <i>trading participant</i> was designated <u>complied with</u> <u>dispatch instructions</u> as <i>MRU</i> or <i>constrain-on generating unit</i>;</p> <p>c) <u>Constrained-on generators in dispatch intervals when the price substitution methodology due to congestion was applied – not later than fourteen (14) working days after the trading day when the generating unit was constrained-on;</u></p> <p>d) <u>Qualified Trading Participants in dispatch intervals when price mitigation measure was applied – not later than fourteen (14) working days after the imposition of the price</u></p>	<ul style="list-style-type: none"> • PSM: 4.4.2.4.1 • Price Mitigation Measure: 4.4.2.2.1 <p>For market suspension or market intervention, ERC Decision Section 4.4.2.3.1 uses the word “days” only. For consistency with the PSM and Price Mitigation Measure timelines, it is also proposed that the timeline be set to 14 “working days”.</p> <p>The timeline for MRU and MOT are retained to one (1) year as provided under ERC Decision Sections 4.4.2.1.1 and 4.4.2.5.1.</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>mitigation measure has been lifted, unless a different period is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure.</u></p> <p>Any claims not filed within such period shall be deemed waived.</p>	
FILING OF CLAIMS	10.2.2	<p><i>Trading Participants</i> shall submit sufficient proof regarding the costs incurred, which are limited to fuel cost and variable operating and maintenance costs, which may include start-up and shut down cost. Below is the non-exhaustive list of requirement documents in filing claims for additional compensation:</p> <ul style="list-style-type: none"> a) Certified correct Fuel Consumption and Inventory Report; b) Purchase Invoices, Official Receipts and other supporting documents; and 	<p><u>Within a maximum period of sixty (60) business days from the Market Operator's receipt of the written claim, Trading Participants shall submit the complete documentation that provides</u> sufficient proof regarding the costs incurred, which are limited to fuel cost and variable operating and maintenance costs, which may include start-up and shut down cost. Below is the non-exhaustive list of requirement documents in filing claims for additional compensation:</p> <ul style="list-style-type: none"> a) <u>Market suspension, market intervention, must-run unit or constrain-on generating unit –</u> 	<p>Harmonize with the timeline for submitting supporting documents under ERC Decision Sections 4.4.2.1.2, 4.4.2.2.2, 4.4.2.3.2, 4.4.2.4.2, and 4.4.2.5.2.</p> <p>Harmonize with the list of supporting documents under ERC Decision Sections 4.4.3.1, 4.4.3.2, 4.4.3.3, 4.4.3.4, and 4.4.3.5.</p> <p>Also propose to identify the responsibilities of parties on the provision of data and clarify impact of submission of</p>

WESM Manual on Billing and Settlement Issue 6.1				
Title	Section	Provision	Proposed Amendment	Rationale
		c) ERC-approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.	<p><u>i.</u> Certified correct Fuel Consumption and Inventory Report;</p> <p><u>ii.</u> Purchase Invoices, Official Receipts and other supporting documents; and</p> <p><u>iii.</u> <i>ERC-approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.</i></p> <p>b) <u>Constrained-on generators in dispatch intervals when the price substitution methodology due to congestion was applied or qualified Trading Participants in dispatch intervals when price mitigation measure was applied, unless a different set of requirements is set out in the relevant issuance of the ERC or competent agency</u></p>	supporting documents beyond the sixty-day timeline.

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>imposing the price mitigation measure, –</u></p> <ul style="list-style-type: none"> <u>i. Actual fuel consumption and inventory report, duly certified by the Vice President of Finance of the power plant applying for additional compensation;</u> <u>ii. Purchase Invoices, Official Receipts and other supporting documents; and</u> <u>iii. List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.</u> <p><u>The Trading Participant shall also ensure that any data or document required from the System Operator or other WESM Service Providers, as may be applicable, shall be submitted to the Market</u></p>	



WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>Operator within the same sixty-business day period.</u></p> <p><u>Any data or document submitted after the prescribed period shall not be used by the Market Operator as basis for additional compensation.</u></p>	
FILING OF CLAIMS	10.2.3	The Market Operator shall determine validity of the costs incurred based on the aforementioned supporting documents.	The <i>Market Operator</i> shall determine validity of the <u>claim and the</u> costs incurred based on the aforementioned supporting documents.	Clarify that the MO will only validate if additional compensation is warranted based on the costs indicated in the supporting documents submitted by the generator but will not validate the cost items submitted
FILING OF CLAIMS	10.2.4	The Market Operator shall inform the requesting Trading Participant of the approval or disapproval of the claim within fourteen (14) working days from receipt of the complete documents from the Trading Participant. Any claim not decided within fourteen (14) working days shall be deemed approved and shall be allocated and billed immediately in the succeeding billing period.	<p>The <i>Market Operator</i> shall inform the requesting <i>Trading Participant</i> of the approval or disapproval of the claim within <u>the following periods reckoned</u> fourteen (14) working days from receipt of the complete documents from the <i>Trading Participant</i>;</p> <p><u>a) For claims under the claim category in Section 10.1.1 (a), (b), and (c) - within fourteen (14) working days;</u></p>	<p>Harmonize the timelines for the Market Operator's approval or disapproval of the claim with ERC Decision Sections 4.4.4.1.1, 4.4.4.2, 4.4.4.3.1, 4.4.4.4.1, and 4.4.4.5.1.</p> <p>Harmonize the procedures if the claim was not acted upon by the Market Operator with ERC Decision Sections 4.4.4.1.2, 4.4.4.3.2, 4.4.4.4.2,</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>b) For claims under the claim category in Section 10.1.1 (d) - within thirty (30) business days, unless a different period is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure.</u></p> <p>Any claim not decided <u>upon by the Market Operator</u> within <u>the specified timelines</u> fourteen (14) working days shall be deemed disapproved and shall be allocated and billed immediately in the succeeding billing period. <u>The Trading Participant whose claim was not acted upon within the specified timelines may submit a complaint against the Market Operator under the dispute resolution process in accordance with the WESM Rules or relevant market manual.</u></p>	<p>and 4.4.4.5.2. The same procedure is proposed to be applied for claims due to the imposition of price mitigation measure for consistency.</p>
			<p><u>10.3 QUANTITY ELIGIBLE FOR ADDITIONAL COMPENSATION</u></p>	<p>Proposed new section to describe the procedures in determining the quantities</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
				eligible for additional compensation
			<u>10.3.1 For claims due to designation as must run units, the Market Operator shall determine the must-run unit quantity or volume that shall be eligible for additional compensation in accordance with the relevant provision under Section 8.3 of the Price Determination Methodology Manual.</u>	Provide reference to the PDM for the calculation of additional compensation quantity of must run units
			<u>10.3.2 For claims due to market suspension, market intervention, designation as constrain-on units, implementation of price substitution methodology, or imposition of price mitigation measures unless a different formula is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure, the Market Operator shall determine the volume that shall be eligible for additional compensation in accordance with the following formula:</u> a) <u>If the actual generation of the generating unit, $GESQ_{g,i}$, is less than or equal to its</u>	It is proposed that the calculation of additional compensation quantity for the rest of the conditions be harmonized with ERC Decision Section 4.4.1.2 for consistency.

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>scheduled generation plus the allowable deviation, $SG_{g,i} + \text{Max}[1, (1.5\% \times SG_{g,i})]$.</u></p> $\underline{ACQ}_{g,i} = \underline{GESQ}_{g,i} - \sum_{b \in B} \underline{BCQ}_{g,b,i} - \underline{ASIE}_{g,i}$ <p>b) <u>If the actual generation of the generating unit is more than its scheduled generation plus the allowable deviation,</u></p> $\underline{ACQ}_{g,i} = \underline{SG}_{g,i} - \sum_{b \in B} \underline{BCQ}_{g,b,i} - \underline{ASIE}_{g,i}$ <p><u>Where:</u> <u>$\underline{ACQ}_{g,i}$ refers to the additional compensation quantity of generating unit g for dispatch interval i</u> <u>$\underline{GESQ}_{g,i}$ refers to the gross energy settlement quantity of generating unit g for dispatch interval i</u></p>	

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>BCQ_{q,b,i} refers to the bilateral contract quantity of generating unit q to buying trading participant b for dispatch interval i</u></p> <p><u>B set of all buying trading participants that generating unit q has a contract with</u></p> <p><u>ASIE_{q,i} refers to the ancillary services incidental energy of generating unit q for dispatch interval i</u></p> <p><u>SG_{q,i} refers to the scheduled generation of generating unit q for dispatch interval i calculated in accordance with Section 10.3.3</u></p>	
			<p><u>10.3.3 The scheduled generation of a generating unit that filed a claim for additional compensation shall be calculated using the following formulas:</u></p> <p>a) <u>If due to declaration of market suspension or market intervention,</u></p>	<p>Include the proposed formula for determining the scheduled generation of a generating unit for each additional compensation condition. In general, the formulas calculate the equivalent energy resulting from the linear compliance of the</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			$SG_{g,i} = \frac{(DT_{g,i-1} + DT_{g,i})}{2} \times \frac{1}{12}$ <p>b) <u>If due to designation as constrain-on unit,</u></p> $SG_{g,i} = \frac{(IL_{g,i} + DI_{g,i})}{2} \times \frac{1}{12}$ <p>c) <u>If due to scheduling and dispatch as a constrained-on unit during price substitution methodology,</u></p> $SG_{g,i} = \frac{(IL_{g,i} + DT_{g,i})}{2} \times \frac{1}{12}$ <p>d) <u>If due to imposition of a price mitigation measure, unless a different formula is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure,</u></p>	generating unit to its dispatch target.

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			$\underline{SG}_{g,i} = \frac{(IL_{g,i} + DT_{g,i})}{2} \times \frac{1}{12}$ <p>Where:</p> <p><u>$SG_{g,i}$</u> refers to the scheduled generation of <i>generating unit g</i> for <i>dispatch interval i</i></p> <p><u>$DT_{g,i}$</u> refers to the most recent dispatch target either based on the <i>dispatch schedule</i> from the <i>Market Operator</i> or a <i>dispatch instruction</i> from the <i>System Operator</i> received by <i>generating unit g</i> for <i>dispatch interval i</i></p> <p><u>$DT_{g,i-1}$</u> refers to the most recent dispatch target either based on the <i>dispatch schedule</i> from the <i>Market Operator</i> or a <i>dispatch instruction</i> from the <i>System Operator</i> received</p>	

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>by generating unit q for the immediately preceding dispatch interval of dispatch interval i</u></p> <p><u>IL_{g,i}</u> refers to the initial loading of generating unit q as determined by the <i>Market Management System</i> for <u>dispatch interval i</u></p> <p><u>DL_{g,i}</u> refers to the most recent <u>dispatch instruction from the System Operator received by generating unit q for dispatch interval i</u></p>	
			<p><u>10.3.4 In the event that the scheduling point of the generating unit is not at the same location as its market trading node, the Market Operator shall adjust the scheduled generation calculated under Section 10.3.3 such that the volume shall correspond to the scheduled output of the generation unit at its market trading node. The Market Operator shall adjust the scheduled</u></p>	<p>Propose to include procedure for adjusting scheduled generation to the market trading node if the scheduling point is at a different location. This is to have a proper comparison between the actual generation and scheduled generation in the determination of the</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>generation in accordance with the following formula:</u></p> $SG_{n,g,i} = SG_{sp,g,i} \times \frac{\sum_{n \in N_g} SQ_{n,i}}{\sum_{sp \in SP_g} SQ_{sp,i}}$ <p><u>Where:</u></p> <p><u>SG_{n,g,i}</u> refers to the <u>scheduled generation of generating unit g at its market trading node n for dispatch interval i</u></p> <p><u>SG_{sp,g,i}</u> refers to the <u>scheduled generation of generating unit g at its scheduling point sp for dispatch interval i</u></p> <p><u>SQ_{n,g,i}</u> refers to the <u>snapshot quantity at market trading node n for dispatch interval i</u></p> <p><u>SQ_{n,g,i}</u> refers to the <u>snapshot quantity at scheduling point sp for dispatch interval i</u></p> <p><u>N_g</u> refers to the set of <u>market trading nodes of the generating units within the generating system of which</u></p>	<p>additional compensation quantity of the claimants.</p>

WESM Manual on Billing and Settlement Issue 6.1				
Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>generating unit q is a member</u></p> <p><u>SP_q refers to the set of scheduling points of the generating units within the generating system of which generating unit q is a member</u></p>	
			<u>10.4 BILLING AND SETTLEMENT OF ADDITIONAL COMPENSATION</u>	Proposed new section to include billing and settlement procedures under the ERC Decision
			<u>10.4.1 The Market Operator shall determine the share in the additional compensation amount of each Trading Participant in accordance with the provisions under Section 8.3 of the Price Determination Methodology Manual.</u>	Provide reference to the allocation of the additional compensation amount from the PDM
			<u>10.4.2 The Market Operator shall calculate the possible rate impact to each WESM Customer of each approved claim in accordance with the following formula:</u> $RI_{c,ac} = \frac{ACA_{c,ac}}{GESQ_{c,m}}$	Include formula for calculating the rate impact to WESM customers which will be used as the criteria for determining whether the WESM customer will have one-time or staggered payment

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>Where:</u></p> <p><u>RI_{c,ac}</u> refers to the rate impact to customer c of additional compensation claim ac</p> <p><u>ACA_{c,ac}</u> refers to the share in the additional compensation amount of customer c for additional compensation claim ac</p> <p><u>GESQ_{c,m}</u> refers to the total gross energy settlement quantity of customer c for the billing period m when the additional compensation amount ac will first be recovered</p> <p><u>The customer rate impact shall be calculated for each claiming Trading Participant and shall cover its claim for each billing period and for each claim category.</u></p>	<p>consistent with ERC Decision Section 4.4.5.2</p>
			<p><u>10.4.3 The approved claim of each Trading Participant covering each billing period and for each claim category shall be billed on the billing period</u></p>	<p>Include the procedure for charging in one-time or staggered payment as</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>immediately following the approval of the claim and payments shall be collected as follows:</u></p> <p>a) <u>If the calculated customer rate impact is less than or equal to PhP0.005/kWh – in one (1) payment on the scheduled due date of the <i>billing period</i> immediately following the approval of the claim; or</u></p> <p>b) <u>If the calculated customer rate impact is more than PhP0.005/kWh – in four (4) equal installments over four (4) successive <i>billing periods</i> starting on the scheduled date of the <i>billing period</i> immediately following the approval of the claim.</u></p>	<p>provided under ERC Decision Section 4.4.5.2</p>
			<p><u>10.4.4 The <i>Market Operator</i> shall collect payments for the approved claim within the following timeframe –</u></p> <p>a) <u>For claims with rate impact equal or less than PhP0.005/kWh – on the due date of the <i>billing period</i></u></p>	<p>Clarify the procedure for collecting in one-time or staggered payment consistent with ERC Decision Section 4.4.5.3</p>

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>immediately following the approval of the claim; and</u></p> <p>b) <u>For claims with rate impact of higher than PhP0.005/kWh – installment payment shall be collected starting from the due date of the <i>billing period</i> immediately following the approval of the claim.</u></p> <p><u>It is provided, however, that if a <i>Trading Participant</i> has more than one (1) approved claim for each claim category (i.e., covering more than one (1) billing period), only one claim shall be billed in a <i>billing period</i>, starting with the earliest <i>billing period</i>.</u></p>	
			<p><u>10.4.5 The collected amounts from staggered payments shall be pro-rated to the <i>Trading Participants</i> which the payment is due.</u></p>	Include the procedure for paying claimants when staggered collection is applied as provided under ERC Decision Section 4.4.5.4
			<p><u>10.4.6 The payment for additional compensation of customers that have switched to a different <i>Direct WESM Member</i> shall be billed to the current</u></p>	Harmonize the collection from Indirect WESM Members with ERC Decision Section 4.4.5.5

WESM Manual on Billing and Settlement Issue 6.1				
Title	Section	Provision	Proposed Amendment	Rationale
			<u>Direct WESM Member provided that the bill shall reflect the period of consumption and the corresponding Direct WESM Member during the period of the additional compensation event under claim.</u>	

Note: Please underline and put in bold letters the proposed changes to the Market Rules or Manual.