



MARKET SURVEILLANCE COMMITTEE ACCOMPLISHMENTS

(JUNE 2006 – DECEMBER 2020)

July 2021

Zoom



A Premier Electricity Market & Champion of Governance

THE MSC MANDATE: AN OVERVIEW

**Market
Monitoring
and
Assessment**

**Enforcement
and
Compliance**

**Penalty
Design and
Manual
Review**



Promote market
efficiency and effective
competition



Foster the culture of
compliance



Participate meaningfully
in policy and rules
development

MONITORING AND ASSESSMENT IN THE WESM



Review, Update, and Define Monitoring Indices

- Supply margin price index
- Offer Pattern index
- Seasonality in monitoring
- Enhanced WESM Design



Assessment of Market Outcomes and Participant Behavior

- Market Assessment Reports
- Review Reports on Market Intervention / Suspension
- Review of Over-Riding Constraints
- Monitoring of Prolonged Testing and Commissioning
- Review of Grid Operating Program (GOP)



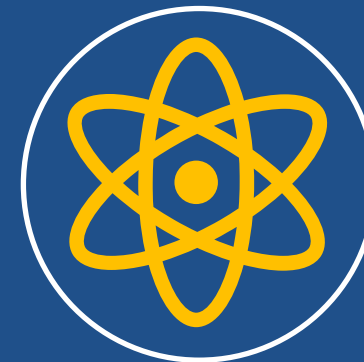
Analysis of Unusual Market Outcomes

- Interesting Pricing Events Reports on price outliers based on price-supply margin analysis
- Review of Extreme Negative Price Events
- Recommendation to implement the market floor price



Special Reports and Situationers

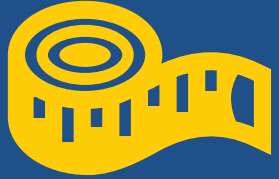
- Market Situationer Reports on Malampaya Shutdowns
- Assessment of Red and Yellow Alert Issuances
- Special Assessment Report on High Market Prices
- Offer Pattern Analysis during initial implementation of ECQ



Studies

- Competitiveness of the Visayas Market
- Study on the Mindanao Market
- Competitiveness of Reserves
- Position Paper on MMS Failure
- Study on the Economic Viability of the Generation Sector during the COVID-19 Pandemic
- Survey Paper on Competition Framework

MONITORING AND ASSESSMENT OF THE RCOA MARKET



Monitoring Indices

- Catalogue on Retail Market Monitoring Data and Indices



Periodic Assessment Reports

- Quarterly and Annual Retail Market Assessment Reports



Philippine RCOA Issues Paper

- Consultation Series with RCOA Stakeholders
- Assessment of the RCOA Implementation
- Benchmarking of Best Practices in Other Jurisdictions
- Recommendations to DOE and ERC

ENFORCEMENT AND COMPLIANCE

Streamlining of the compliance monitoring and investigation processes



Monitor Compliances

- Monitoring of compliance with the Must-Offer Rule (MOR), Nomination of Loading Levels and Projected Outputs (NOM), and Real-Time Dispatch (RTD) schedule/instruction
- Issuance of Requests for Investigations (RFIs)
- Policy on Compliance Monitoring during the COVID-19 Pandemic

5,935
RFIs

1,348
Concluded
Investigation
Cases



Review Investigation Reports

- Monthly Review of ECO Investigation Reports
- Submission of Recommendations to the PEM Board



Develop Criteria on Compliance Rating

- Developed the Criteria on the Compliance Rating of Generators
- Approved the Guidelines for the Conferment of the WESM Compliance Awards

PENALTY DESIGN AND MANUALS REVIEW

- Promulgation of the Financial Penalty Manual (2008)
 - Establishing the WESM Penalty Design
 - Schedule of financial penalties for breaches of the WESM Rules
- Proposed WESM Penalty Manual (2018)

Design of WESM Penalties



- Proposed Market Surveillance Manual Issue 4
- Proposed Enforcement and Compliance Manual Issue 1
- **WESM Industry Code of Ethics (WICOE)**
 - ✓ Standard of Behavior which WESM Entities are enjoined to follow

Review of Market Manuals



- Proposed enhancement to the Market Participant Interface (MPI)
- Submission of comments on:
 - Reduction of minimum offer block size from 5 MW to 1 MW
 - Cancellation of Offers
 - Management of MRUs/MSUs
 - Metering Standards and Procedures
 - Information Disclosure and Confidentiality
 - WESM Registration Manual
- Proposed amendments to the Administered Price Determination Methodology (APDM)

Participation in Rules Change Process



MARKET SURVEILLANCE COMMITTEE



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ACPE**
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Chairman, Electrical Engineering Board (PRC)



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