

PEMC MARKET ASSESSMENT HIGHLIGHTS

· The average demand and the reserve schedule, recorded at 11,726 MW during the week of 21 - 27 Nov 2022, was higher than the previous week at 11,626 MW and lower than the same week last year at 11,780 MW.

· The WESM registered capacity stood at 21,816 MW at the end of the week.

· An average supply margin of 394 MW was observed during the period, which is higher by about 2% relative to the previous and lower by about 41% in comparison with the same week last year. The supply deficit of -199.62 MW observed on 27 November 2022 18:00 was the tightest during the week. The average supply margin was 341.09 MW at peak intervals and increased to 435.29 MW during off-peak.

· The outage capacity averaged at 4,246 MW, higher than last week's 3,779 MW. About 47% of the 4,246 MW involved Coal plants, while in terms of category, about 56% were Forced Outages.

· The average effective supply at this time was 12,120 MW, higher than the 12,012 MW of the previous and lower than the 12,453 MW during the same week last year. Ramping limitations in generators' offers persisted which contributed to the lower effective supply and at times load curtailment on the MMS' solution.

· Average GWAP was recorded at PHP 9,232/MWh from PHP 8,813/MWh last week. This is higher than the PHP 4,675/MWh during the same week last year.

· The secondary price cap was imposed at 1126 intervals out of the 2016 intervals of the week (about 56% of the time).

· The top 5 participant groups accounted for about 80% of the offered capacity. The Herfindahl-Hirschman Index (HHI) by participant group indicated partially concentrated and moderately concentrated market based on the offered and registered capacities respectively.

· Based on the effective supply, the top 5 pivotal plants during the week were –

1. GNP DINGIN CFTPP (about 100.0% of the time)
2. STA RITA NGPP (about 91.62% of the time)
3. MASINLOC CFTPP (about 87.5% of the time)
4. SMC LIMAY CFTPP (about 75.5% of the time)
5. PAGBILAO CFTPP (about 64.63% of the time)

· Based on the MMS Solution, the top 5 congested equipment during the week were –

1. 138kV Maasin-Ubay Line 1 (about 50.6% of the time)
2. 138kV Colon-Cebu Line 3 (about 5.1% of the time)
3. 138kV Samboan-Amlan Line1 (about 1.7% of the time)
4. 138kV Colon-Quiot Line 1 (about 1.5% of the time)
5. 138kV Colon-Cebu Line 2 (about 1.2% of the time)

· Hydro plants generally noted an increase in its offer prices during the week apart from a slight decrease in a small portion of its offer curve. Meanwhile, coal and oil-based plants observed lower offer prices in some portions of their respective offer curves.

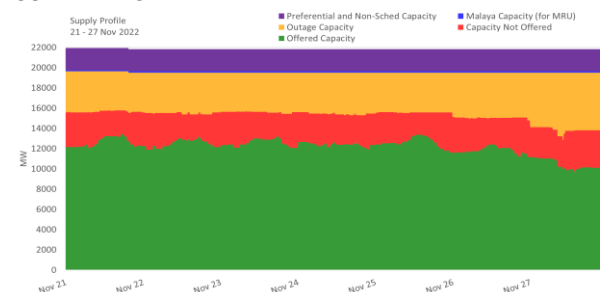
ITEMOP MARKET SYSTEMS ADVISORY

· No IT-related issue was advised in ITEMOP's market systems from 21 - 27 Nov 2022.

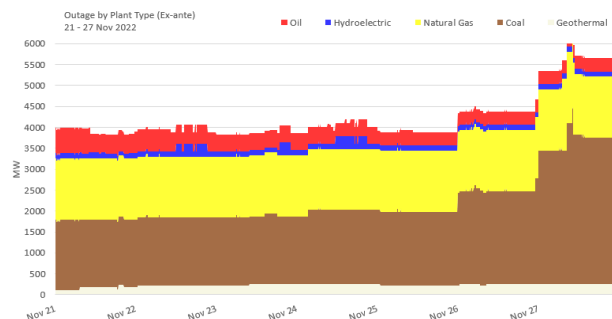
SUMMARY (PRICE, SUPPLY, DEMAND AND RESERVE SCHEDULE)

Particulars	21 - 27 Nov 2022	Previous Week (14 - 20 Nov 2022)	Same Week, Previous Year (15 - 21 Nov 2021)	Percent Change From	
				Previous Week	Same Week, Prev Year
GWAP (PHP/MWh)	max	33,827.11	33,048.17	2.36%	3.17%
	min.	0.00	-999.22	100.00%	100.00%
	w. ave.	9,232.28	8,812.90	4.76%	97.49%
Effective Supply (MW)	max	14,076.19	14,204.39	-0.90%	-1.42%
	min.	9,869.83	9,470.35	4.22%	-4.06%
	ave.	12,120.25	12,012.03	0.90%	-2.67%
System Demand (MW)	max	13,022.33	13,105.75	-0.64%	3.35%
	min.	8,179.48	8,137.15	0.52%	-3.25%
	ave.	10,823.32	10,755.21	0.63%	1.41%
Demand + Reserve Schedule (MW)	max	13,894.36	14,118.98	-1.59%	1.31%
	min.	8,995.70	8,428.70	6.73%	-5.31%
	ave.	11,726.45	11,625.70	0.87%	-0.46%
Supply Margin (MW)	max	977.39	1,041.65	-6.17%	-15.04%
	min.	-199.62	-0.79	-25K %	-4K %
	ave.	393.80	386.33	1.93%	-41.44%

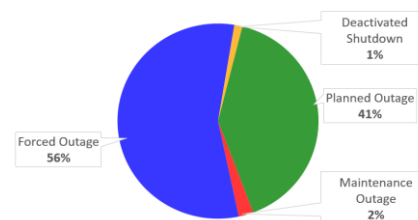
SUPPLY PROFILE



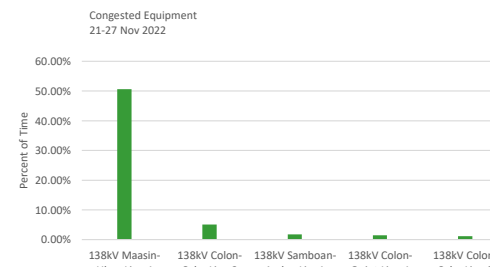
OUTAGE CAPACITY BY PLANT TYPE



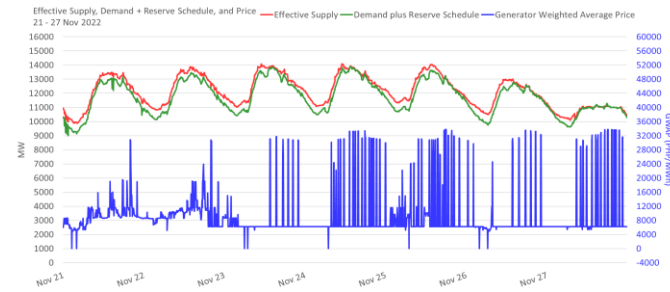
OUTAGE CAPACITY BY OUTAGE CATEGORY



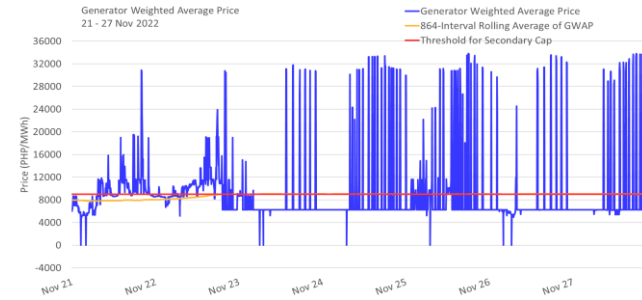
RTD CONGESTION



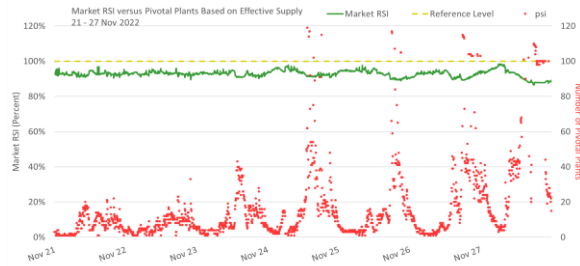
SUPPLY, DEMAND AND PRICE



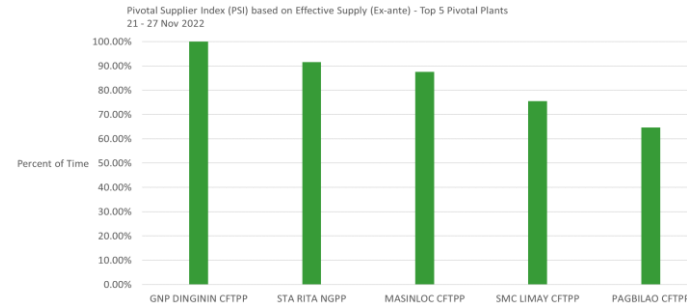
GENERATOR WEIGHTED AVERAGE PRICE



MARKET RSI VS PIVOTAL PLANTS



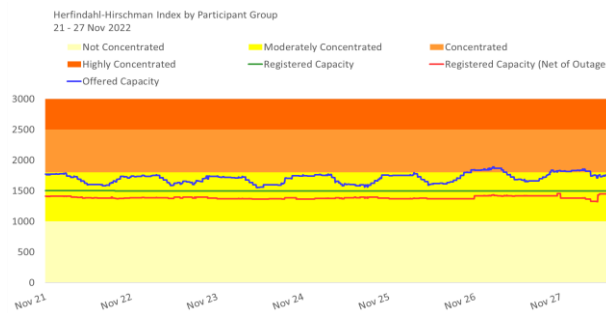
PSI



MARKET SHARE



HERFINDAHL-HIRSCHMAN INDEX

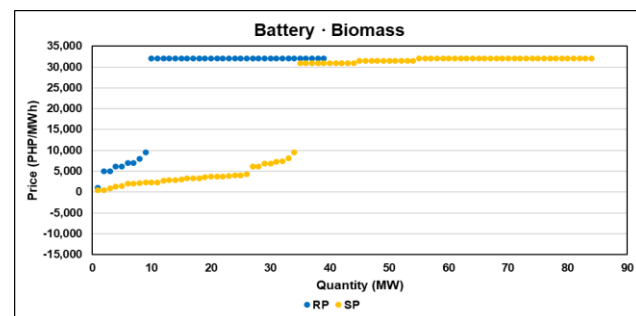
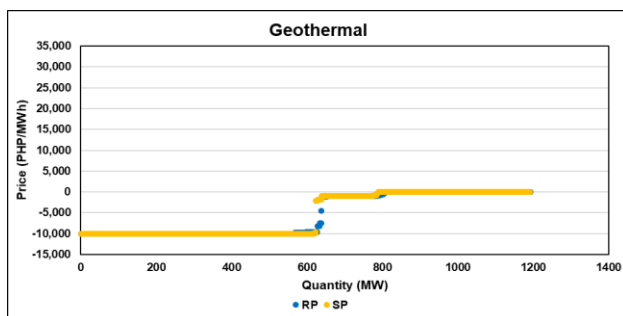
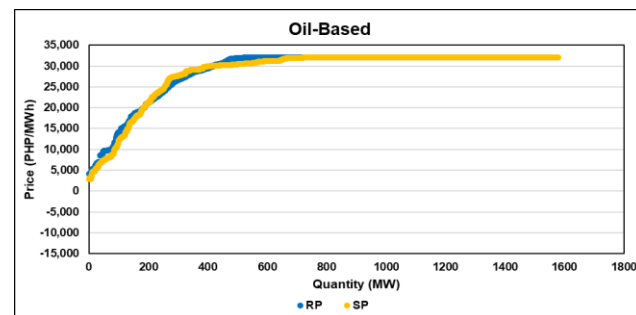
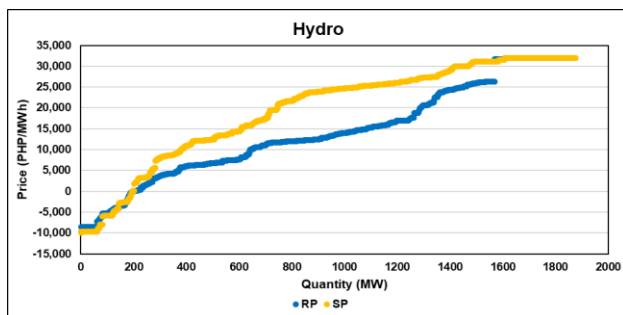
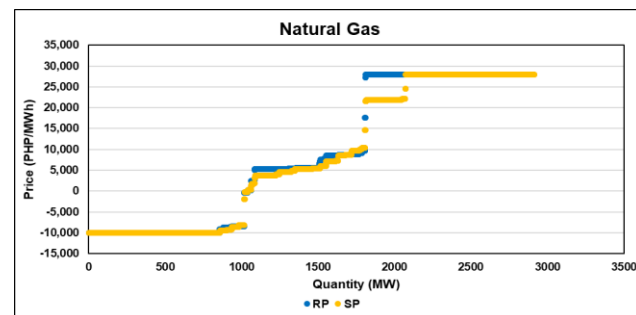
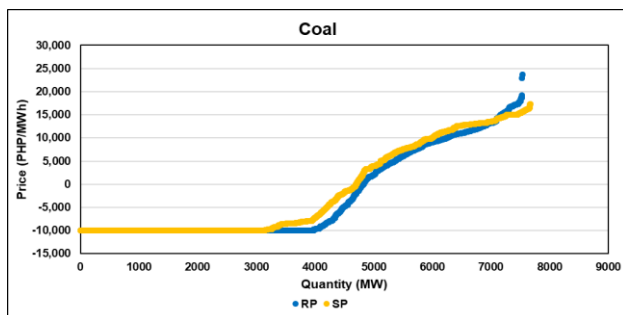


OFFER PATTERN ANALYSIS

Legend

RP: Reference Offer Price – the week of 14-20 Nov 2022 was used as a control for the comparison with the subject price

SP: Subject Offer Price – the week of 21-27 Nov 2022



GLOSSARY OF TERMS

HERFINDAHL-HIRSCHMAN INDEX (HHI) - is a commonly accepted measure of market concentration that takes into account the relative size and distribution of participants in the market. The HHI is a number between 0 and 10,000, which is calculated as the sum of squares of the participant's market share. The HHI approaches zero when the market has very large number of participants with each having a relatively small market share. In contrary, the HHI increases as the number of participants in the market decreases, and the disparity in the market shares among the participants increases. The following are the widely used HHI screening numbers: (1) less than 1,000 - not concentrated; (2) 1,000 to 1,800 - moderately concentrated; (3) greater than 1,800 - concentrated; and (4) greater than 2,500 - highly concentrated.

The HHI is calculated using the (i) registered capacity, (ii) registered capacity net of outage, (iii) offered capacity, (iv) metered quantity, and (v) spot transaction (metered quantity net of bilateral contract declarations).

MARKET RESIDUAL SUPPLY INDEX (Market RSI) - The RSI is a dynamic continuous index measured as ratio of the available generation without a generator to the total generation required to supply the demand. The RSI is measured for each generator. The greater the RSI of a generator, the less will be its potential ability to exercise market power and manipulate prices, as there will be sufficient capacity from the other generators. In contrary, the lower the RSI, the greater the market power of a generator (and its potential benefit of exercising market power), as the market is strongly dependent on its availability to be able to fully supply the demand. In particular, a RSI greater than 100% for a generator means that the remaining generators can cover the demand, and in principle that generator cannot manipulate market price. On the other hand, a RSI less than 100% means that the generator is pivotal in supplying the demand.

The RSI for the whole market (Market RSI) is measured as the lowest RSI among all the generators in the market. A Market RSI less than 100% indicates the presence of pivotal generator/s.

PRICE SETTING FREQUENCY INDEX (PSFI) - A generator trading node is considered as a price setter when its last accepted offer price is between 95% to 100% of its nodal price. A generating plant is considered as price setter if at least one of its trading nodes was price setter in a given trading hour. The price setters are determined from: (i) ex-ante for trading intervals without pricing error during ex-ante, (ii) ex-post with pricing error during ex-ante but without pricing error during ex-post, (iii) market re-run results for trading intervals with pricing error both in ex-ante and ex-post, and (iv) trading intervals where the price substitution methodology (PSM) was applied. For trading intervals affected by PSM, the unconstrained marginal plants are considered price setters. Further, in instances of regional price separation, price setters are determined separately for each region.

MARKET SHARE - The fraction of the total capacity or energy that a company or related group owns or controls in the market.

PIVOTAL SUPPLIER INDEX (PSI) - The pivotal supplier index is a binary variable (1 for pivotal and 0 for not pivotal) for each generator. The index identifies whether a generator is pivotal in supplying the demand. The PSI is calculated as the percentage of time that a generator is pivotal in a period (i.e. monthly).

CAPACITY FACTOR - The index assesses the performance of the generators in the market. A high capacity factor indicates the high utilization of the generators.

CAPACITY PROFILE - The hourly factors affecting supply, which include, among others, the offered capacity, outage capacity and ancillary services schedule.

MAJOR PARTICIPANT GROUP - The grouping of generators by ownership or control.

REGISTERED CAPACITY - The capacity registered by a generator with WESM.

REGISTERED CAPACITY (NET OF OUTAGE) - The capacity registered by a generator with WESM less capacity on outage.

OFFERED CAPACITY - The hourly offer to supply electricity submitted by a generator.

METERED QUANTITY - The hourly quantity of electricity generated by a generator.

SPOT TRANSACTION - The hourly quantity of electricity sold to the market by a generator net of bilateral contract declaration accounted for in the settlement.

ANCILLARY SERVICES SCHEDULES - The hourly quantity scheduled by the System Operator to provide regulating, contingency and dispatchable reserves.

EFFECTIVE SUPPLY - The hourly effective supply is equal to the offered capacity of all scheduled generator resources, nominated loading level of non-scheduled generating units and projected output of preferential dispatch generating units, adjusted for any security limit provided by the System Operator and other constraints considered during MMS simulation such as generator offered ramp rates. Scheduled output of plants on testing and commissioning through the imposition of security limit by SO and scheduled output of Malaya plant when it is called to run as Must Run Unit (MRU) are likewise accounted for in the effective supply.

DISCLAIMER: The information contained in this document is based on the available electricity spot market data. The same information is subject to change as updated figures come in. As such, the PEMC does not make any representation or warranty as to the completeness of this information. The PEMC likewise accepts no responsibility or liability whatsoever for any loss or cost incurred by a reader arising from, or in relation to, any conclusion or assumption derived from the information found herein.