

PEMC MARKET ASSESSMENT HIGHLIGHTS

The average demand and the reserve schedule, recorded at 10,678 MW during the week of 09 - 15 Jan 2023, was higher than the previous week at 10,256 and higher than the same week last year at 9,629 MW.

The average effective supply during the week was 11,282 MW, higher than the 11,086 MW of the previous week and higher than the 10,140 MW during the same week last year. Ramping limitations were considered in the calculation of the effective supply.
The capacity on outage averaged at 3,491 MW, higher than last week's 3,074 MW. About 40% of the 3,491 MW involved Natural Gas plants, while in terms of category, about 60% were Forced Outages.

As a result, an average supply margin of 604 MW was observed during the week, which is lower by about 27% relative to the previous week and higher by about 18% in comparison with the same week last year. The thinnest supply margin was 54.05 MW on 09 January 2023 (11:00). The average supply margin was 565.43 MW at peak intervals and 633.55 MW at off-peak intervals.

Correspondingly, average GWAP was recorded at PHP 5,745/MWh from PHP 4,354/MWh last week. This is lower than the PHP7,277/MWh during the same week last year. Administered Prices were used in the Market Operator - initiated market intervention on 13 January 2023 (11:20).

No secondary price cap was imposed for this week

The top 5 participant groups accounted for about 82% 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.

The top 5 pivotal plants during the week were –

1. GNP DINGININ CFTPP (about 97.97% of the time)
2. STA RITA NGPP (about 77.63% of the time)
3. SMC LIMAY CFTPP (about 46.53% of the time)
4. SUAL CFTPP (about 32.94% of the time)
5. SAN LORENZO NGPP (about 27.93% of the time)

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

1. 138kV Maasin-Ubay Line 1 (about 33.5% of the time)
2. Currimao_Transformer 1 (about 1.7% of the time)
3. Calaca_Transformer 2 (about 1.2% of the time)
4. 138kV Cebu-Mandaue Line 2 (about 0.1% of the time)

Coal and oil-based plants offered less capacity during the week. Hydro and natural gas plants recorded minimal changes in offer prices in some portions of their respective offer curves.

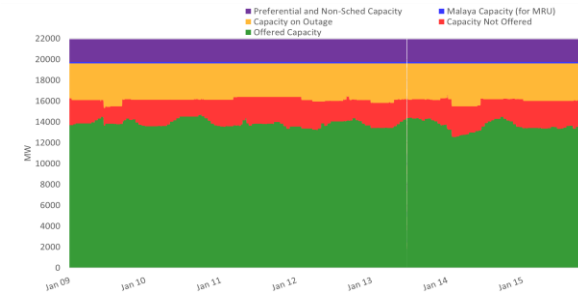
MEMOP MARKET SYSTEMS ADVISORY

The Market Operator initiated Market Intervention on 13 January 2023 (11:20) due to database related error.

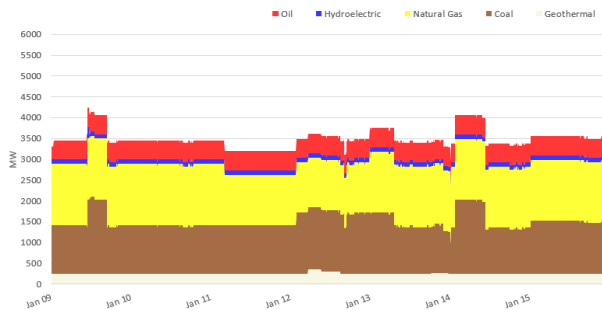
SUMMARY (PRICE, SUPPLY, DEMAND AND RESERVE SCHEDULE)

Particulars		09 - 15 Jan 2023	Previous Week (02 - 08 Jan 2023)	Same Week, Previous Year (10 - 16 Jan 2022)	Percent Change From	
					Previous Week	Same Week, Prev Year
GWAP (PHP/MWh)	max	34,572.79	18,347.47	29,740.47	88.43%	16.25%
	min	-0.99	-9,817.87	-565.79	99.99%	99.82%
	ave	5,745.11	4,354.35	7,276.54	31.94%	-21.05%
Effective Supply (MW)	max	12,999.06	13,145.39	11,886.08	-1.11%	9.36%
	min	9,222.02	9,060.89	8,588.82	1.78%	7.37%
	ave	11,281.88	11,086.26	10,140.40	1.76%	11.26%
System Demand (MW)	max	11,167.92	11,269.97	10,995.81	-0.91%	1.57%
	min	7,144.25	7,206.40	7,181.92	-0.86%	-0.52%
	ave	9,599.87	9,298.43	8,983.99	3.24%	6.86%
Demand + Reserve Schedule (MW)	max	12,573.42	12,452.95	11,427.66	0.97%	10.03%
	min	8,021.89	7,934.90	7,819.92	1.10%	2.58%
	ave	10,678.03	10,256.17	9,628.95	4.11%	10.90%
Supply Margin (MW)	max	1,258.68	1,417.63	1,085.23	-11.21%	15.98%
	min	54.05	369.39	26.50	-85.37%	103.93%
	ave	603.85	830.09	511.46	-27.25%	18.06%

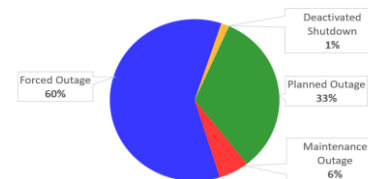
CAPACITY PROFILE



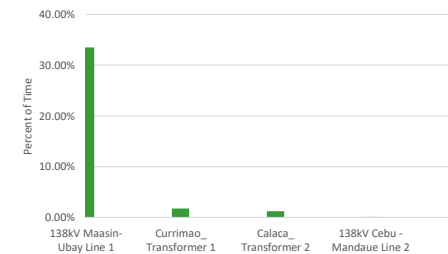
CAPACITY ON OUTAGE BY PLANT TYPE



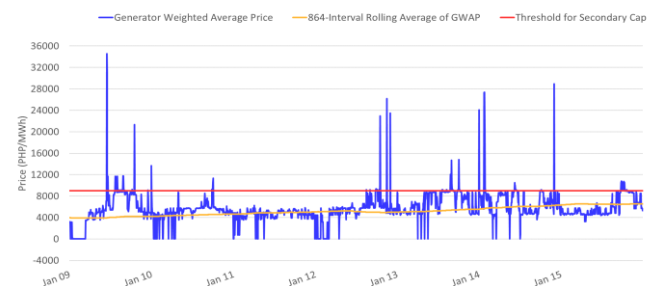
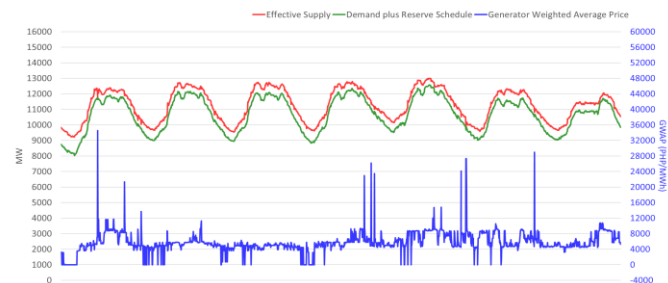
CAPACITY ON OUTAGE BY OUTAGE CATEGORY



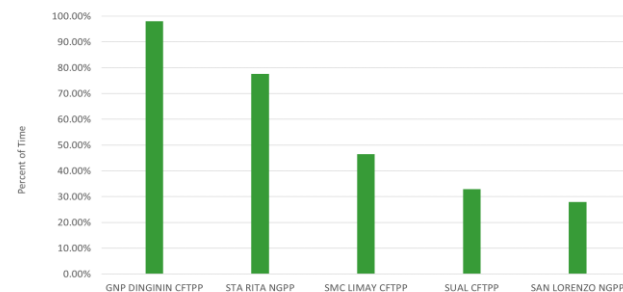
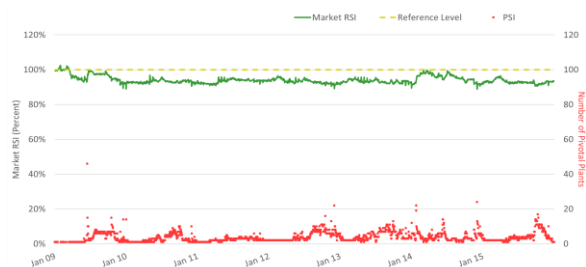
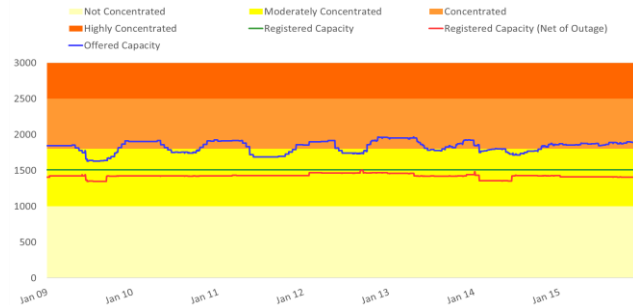
RTD CONGESTION



GENERATOR WEIGHTED AVERAGE PRICE



PSI

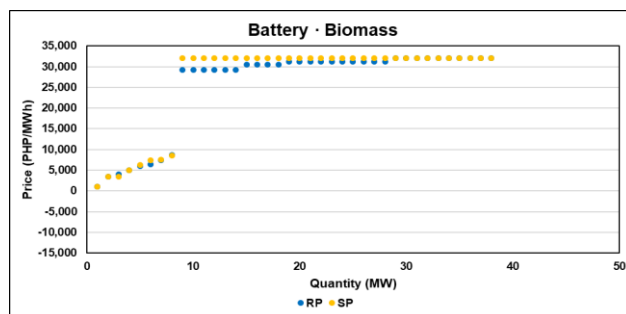
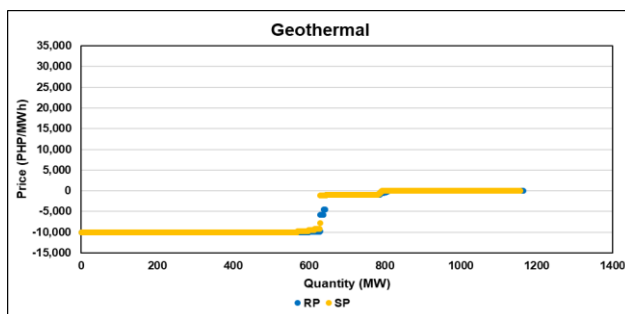
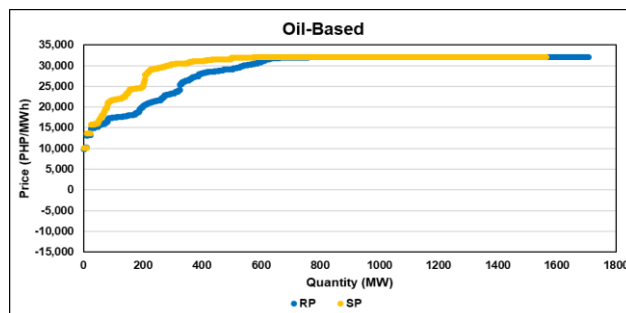
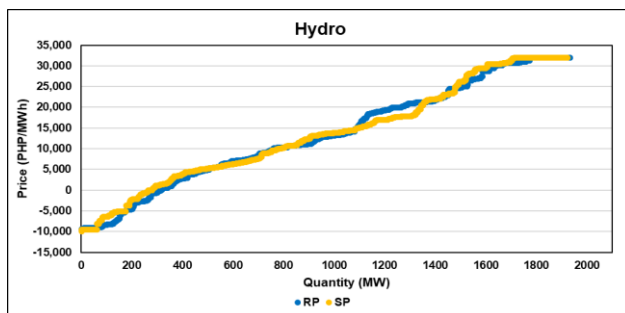
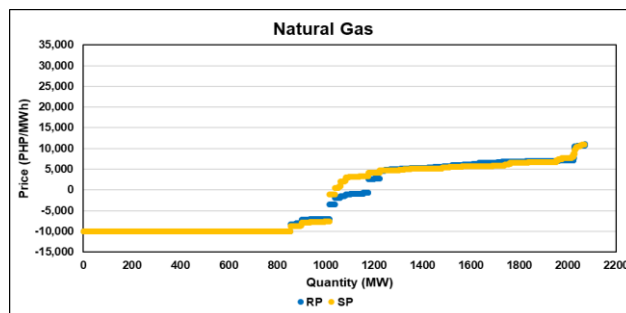
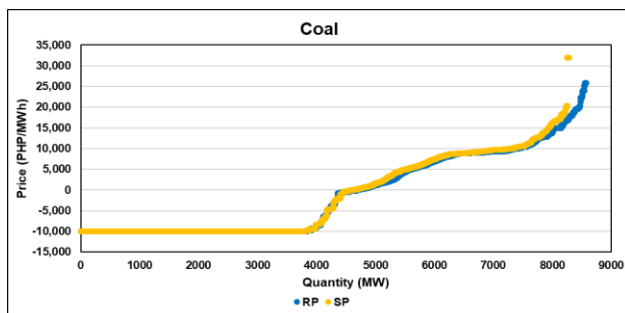
**HERFINDAHL-HIRSCHMAN INDEX**

OFFER PATTERN ANALYSIS

Legend

RP: Reference Offer Price – the week of 02-08 Jan 2023 was used as a control for the comparison with the subject price

SP: Subject Offer Price – the week of 09-15 Jan 2023



GLOSSARY OF TERMS

EFFECTIVE SUPPLY - The 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.

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.

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

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

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.

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 offer to supply electricity submitted by a generator.

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