

MINUTES OF MEETING**Rules Change Committee****157th Regular Meeting (No. 2019-10)**

18 October 2019, 9:00 AM – 11:30 AM

18/F PEMC Board Room, Robinsons Equitable Tower
Ortigas Center, Pasig City

Agenda		Action Required	
I. Call to Order		There being a quorum, Mr. Francisco L.R. Castro, Jr. called the meeting to order at 9:08 AM.	
II. Determination of Quorum			
Attendance List			
In-attendance		Not In-attendance	
<u>Rules Change Committee</u> <i>Principal Members:</i> Francisco Leodegario R. Castro, Jr. – Independent Concepcion I. Tanglao – Independent Allan C. Nerves – Independent Abner B. Tolentino – Generation (PSALM) Cherry A. Javier – Generation (APC) Dixie Anthony R. Banzon – Generation (MPPCL) Jose P. Santos – Distribution (INEC) Ricardo G. Gumalal – Distribution (ILPI) Virgilio C. Fortich, Jr. – Distribution (CEBECO III) Lorreto H. Rivera – Supply (TPEC) Ambrocio R. Rosales – System Operator (NGCP) Isidro E. Gacho – Market Operator (IEMOP) <i>Alternate Member:</i> Manuel Luis Zagala – Distribution (MERALCO)		Maila Lourdes G. de Castro , Chairperson – Independent Jose Ildebrando B. Ambrosio – Generation (NorthWind) Ryan S. Morales – Distribution (MERALCO)	
<u>DOE Observers</u> Ryan Jasper Villadiego			
<u>PEMC – Market Assessment Group (MAG)</u> John Mark S. Catriz Marcial Brummel J. Jimenez			

Romellen C. Salazar
Divine Gayle C. Cruz
Dianne L. De Guzman
Karen A. Varquez

PEMC – Legal

Atty. Monica M. Martin

IEMOP:

Jonathan B. dela Viña
Edward I. Olmedo
Raymond Joseph A. Marqueses

Agenda	Agreements/Action Plans
III. Adoption of the Agenda	The proposed agenda was approved as revised.
Agenda	Agreements/Action Plans
IV. Review of the Minutes of the Previous Meeting (156 th Meeting, 20 September 2019)	The draft minutes was approved as submitted.

V. New Business	
Agenda	Agreements/Action Plans
5.1. Consultation on MSC's Proposed Amendments to the <i>Catalogue of Market Monitoring Data and Indices</i>	<ul style="list-style-type: none"> The Secretariat committed to provide the discussion paper and presentation material on the proposed amendments to the CMMDI. The RCC agreed to send to the Secretariat their comments to the proposed changes via e-mail.

- 1 Mr. Marcial Brummel J. Jimenez (PEMC-MAG), in behalf of the Market Surveillance
2 Committee (MSC), presented the overview of the proposed amendments to the Catalogue of
3 Market Monitoring Data and Indices (CMMDI). The presentation was conducted to solicit
4 comments from members of the RCC given the committee's sector-based composition. It was
5 clarified that the proposed amendments will not go through the normal rules change process
6 since, per the CMMDI, revisions to this Manual shall be directly endorsed by the MSC to the
7 PEM Board after undergoing a period of public consultation.
- 8 The proposed revisions are summarized as follows (*see Annex A for the presentation slides*):
9
- 10 I. Changes related to the implementation of 5-minute dispatch intervals, particularly the
11 deletion of references to a 1-hour dispatch interval and ex-post price.

II. Introduction of the following indices:

1. Spot Price Indices
 - a. Supply Margin-Price Index (SMPI)
 - b. Price Spike
 - c. Sustained High Price
 - d. Price Creep Up
2. Generation Offer Indices
 - a. Offer Average Price Difference
 - b. Offer Average Percent Difference
 - c. Offer Outlier Detection

Mr. Jimenez briefly explained the new indices to which the RCC provided initial comments. The MSC has been using the new indices in the performance of its market monitoring and surveillance functions. The indices are proposed to be updated and included in the CMMDI to align with the enhancements to the market design and the proposed Market Surveillance Committee Manual Issue 4.0. Below is the summary of the discussion:

On the Supply Margin-Price Index:

- Mr. Jimenez stated that the SMPI aims to correlate the supply margin with certain upper and lower price thresholds. He added that the price thresholds set are currently based on load-weighted average price (LWAP) while the proposed will use generator-weighted average price (GWAP).
- Mr. Manuel Luis Zagala (MERALCO) inquired if the price thresholds consider or are differentiated between peak or off-peak hours. Mr. Jimenez responded that this specific index does not consider hour type, but another index, the Price Spike index, does.
- It was further clarified that the GWAP are computed for both Luzon and Visayas and are not determined separately.

On the Price Spike Index:

- The Price Spike index considers the hour type (i.e., whether peak or off-peak hours) and also whether the spike occurs on a weekday, weekend or holidays.
- Mr. Jimenez stated that the current price spike thresholds were based on the weighted maximum LWAP from 2006 to 2013 data, while the proposed thresholds are revised to be based on weighted maximum GWAP from 2018 to 2019 data.
- Pointing out that the off-peak hour price spike threshold is proposed to be reduced to PhP14,000/MWH from the current PhP16,000/MWH, Mr. Abner Tolentino (PSALM) commented that the current one should be retained. He explained that Kalayaan HPP has been making adjustments where it cancels some of its pumping intervals when it anticipates that the price in the market is high, hence resulting to lower demand levels

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during those intervals which then contributes to a lower general market price. Mr. Jimenez noted the information, for the MSC's review of the threshold to consider the effect of Kalayaan HPP's pumping schedules.

- Mr. Jimenez informed that historically, the thresholds most breached are those of the Supply Margin-Price Index and the Price Spike Index than the other indices.

On Price Creep Up:

- The Price Creep Up index tracks 20% rise in price for 4 consecutive days or weeks. However, Mr. Jimenez clarified that even if a price creep up situation is observed, this will not be flagged if the average price up to the last day or week does not go beyond PhP9,000 (i.e., secondary cap).

On Offer Average Price Difference and Offer Average Percent Difference:

- Mr. Jimenez explained that reference offers are derived from plants' average historical offers. This index measures the difference between a plant's subject offer and the reference offer. Mr. Jimenez further clarified that reference offers could vary as they could be based on generators' offer in the same day and interval of the previous day, week, month or year.
- Mr. Jimenez likewise stated that the Offer Average Price Difference provides context to the Offer Average Percent Difference. For example, a plant was seen to have increased its average offer price by 50%. Though this may seem a drastic change, the Offer Average Price Difference would show that such plant may have just come from a PhP/MWh 0.50 offer to PhP/MWh1.00, which is insignificant.
- Ms. Lorreto Rivera (TeaM Energy) asked if the same reference offer will be used across all generating plants regardless of fuel type. Mr. Jimenez affirmed that the same reference offer for all plants will be used.
- Ms. Cherry Javier (Aboitiz Power) commented that a generator's subject offer and bidding behavior could vastly differ from the reference offer and behavior in the previous year. For instance, coal plants' offers consider coal prices which may have changed significantly over the year. Thus, there is no sound reason to look at the previous year's reference price as it is already too far off. Mr. Jimenez took note of the comment.
- Mr. Zagala suggested to compare the offer price difference across generators to see if the movement is similar with plants that have the same fuel type. For instance, coal price-driven plants are likely to have similar change in their average offer prices. Mr. Jimenez agreed with the suggestion. He stated that this could be done since the offer price difference is looked at per plant.

On Offer Outlier Detection:

- Mr. Jimenez relayed that this measure looks at whether a generator's subject offer is within the upper and lower limits of its historical offer behavior or not. He explained that while there have been an increase or decrease in a generator's subject offer, this index will show using four statistical methods if that change still falls within the generator's offer limits.
- Mr. Dixie Banzon (MPPCL) commented that there are instances where a plant does not want to be dispatched due to valid reasons like temporary technical limitation. In such case, it will offer at or close to the price cap. He asked how these will be reflected in the index. Mr. Jimenez stated that the Market Monitoring team can see those instances, such as when a generator offers its last offer block at a high price. This will affect that generator's average offer price and may be seen through the Offer Outlier Detection index.

Ms. Javier added that some generators strategize their offers in order to comply with environmental standards. A generator may need to restrict its generation for such reason by offering at or near the price cap.

Per Ms. Rivera, another example is when a plant is undergoing testing, but it is not always the case that the System Operator could set a security limit for it. For a plant to generate below its total capacity due to the conduct of testing, say only at 300MW, that plant could set a higher offer price to lessen the likelihood that the rest of its capacity will be dispatched (i.e., capacity beyond 300MW).

General Comments:

- Ms. Javier commented that the spot price indices seem redundant. Mr. Jimenez responded that the price indices do vary in terms of what the market prices are being measured against. For instance, the SMPI looks at prices in relation to the supply margin while the Price Spike Index looks at price in relation to the type of hour.
- Ms. Javier further inquired why the SMPI and Price Spike Index use different thresholds such that the former uses exact values while the latter uses rounded off values. She commented that a generator may 'pass' in one index but not in the other. Mr. Jimenez explained that each price index uses different statistical methods hence the slight difference in the value of the price thresholds.

To allay concerns from the generation sector that the indices could put in bad light some of the generators' business strategies, which are well within their right and are not prohibited in the market rules, Mr. Jimenez clarified that the assessment reports submitted by the MSC to the ERC, DOE or PCC do not merely contain the results based on the indices in the CMMDI, but also include thorough analyses of the context or general market situation that provide the reasons behind the market outcomes. For instance, when a price spike event is observed, a subject generator's behavior may be looked at in terms of the following:

- Is there a general increase in offers?

- Did the generator increase its spot transactions?
- What is the level of bilateral contract quantity that it declared?
- When the market price is high, did it also increase or change the volume of electricity it sold in the WESM?
- How does this affect its profit?

Mr. Tolentino inquired if further investigations are only done on the generator who cleared the market. Mr. Jimenez responded that in-depth analyses are conducted on all plants. This is because there is a possibility that a subject generator did not in fact change its offer pattern but just happened to set the market price, which could mean it is the other generators who changed their offers.

Mr. Jimenez added that several elements are correlated with each other to see if a pattern could be established. Moreover, the data points are looked at over a period of time and not just in a single point in time. Also, the MSC at times invite generators to find out why they change their offers. The indices will be likewise reviewed annually to ensure their relevance.

All of the RCC's initial as well as written comments, if any, will be relayed to the MSC for further discussion. The Secretariat will e-mail the RCC the official discussion paper and matrix of proposed changes.

Agenda	Agreements/Action Plans
5.2. Proposed Amendments to the WESM Metering Manual to Harmonize with the Site Specific Loss Adjustment Procedures of the Wholesale MSP	The proposal was approved for publication as submitted.

Mr. Jonathan dela Viña (IEMOP) presented the summary of the subject proposal, which intends to harmonize the Site-Specific Loss Adjustment methodology of the WESM with NGCP's procedures in determining point-to-point losses in cases when the revenue meter of a grid customer is not located at the connection point (*see Annex B for the presentation slides*).

The proposal takes off from DOE DC2018-05-0015 which adopts further amendments to the WESM Rules and various Manuals for enhanced market design, specifically in relation to the location of market trading node. Below is the highlight of the proposed changes:

1. Revision/additional provisions in the Site Specific Loss Adjustment to clarify the roles and responsibilities of the MSP and MO, for provisions of additional data, and application of SSLA based on prescribed distance for all Trading Participants.
 - Additional responsibilities of MSP include the submission to MO of the list of trading participants that will be applied SSLA and provision of the data on line parameters

2. Revision of appendices such as the general equation for the Site-Specific Loss Adjustments and update of cases as a result of the changes in the SSLA methodology

- Changes in the equation include changes in the calculation of line losses and calculation of transformer losses (i.e., the use of transformer loss factor)
- Changes of cases that will be applied SSLA in terms of location of connection point and metering point

The RCC approved the publication of the proposal, as submitted, in the PEMC website to solicit comments from Market Participants and industry stakeholders.

Agenda	Agreements/Action Plans
5.3. Proposed Amendments to the WESM Dispatch Protocol Manual to Enhance Procedures in MRU Accounting	The proposal was approved for publication as submitted.

Mr. dela Viña continued with a presentation on the highlights of the subject proposal which aims to improve accounting of energy produced due to a Must-Run Unit (MRU) dispatch instruction and to ensure a timelier settlement of MRUs.

Mr. dela Viña explained that currently, generators are not entitled for additional compensation when they ramp down from complying to an MRU instruction. When an MRU ramps down from the previous interval, it still technically produces energy beyond its dispatch instruction. However, it cannot claim additional compensation for that generation since it is no longer identified as an MRU for the succeeding interval. To address this, the proposal seeks to have MRUs still be treated as such during succeeding dispatch intervals when it ramps down from complying to an MRU instruction. Tagging these generators to be still an MRU would entitle them for additional compensation.

Mr. dela Viña continued that the proposal also seeks to provide a definite timeline of two (2) weeks for the System Operator (SO) to validate the discrepancy reports forwarded to it by the Market Operator that came from MRUs. This would prevent from occurring actual cases where the validation process took more than a year since there is currently no clear timelines.

In relation to issues regarding compensation for MRUs, Ms. Javier inquired if generators tagged by the SO as a 'constrain-on' plant may submit a discrepancy report stating that it should be tagged as an MRU instead for the purpose of being entitled for additional compensation. Mr. Ambrosio Rosales (SO) responded that if the issue is regarding compensation, the System Operator should no longer be involved. He stated that the SO just tags a generator as 'constrain-on' if it is in-merit. Mr. dela Viña answered that for the enhanced market design, 'constrain-on' generators will be entitled for additional compensation but currently, they are only paid at the clearing price.

The RCC approved the publication of the proposal, as submitted, in the PEMC website to solicit comments from Market Participants and industry stakeholders.



Agenda	Agreements/Action Plans
5.4. Proposed Amendments to the WESM Rules and WESM Manual on MO Information Disclosure and Confidentiality to Provide Exceptions for Confidentiality Undertaking for Oversight Bodies	The proposal was approved for publication as submitted

230 The subject proposal intends to exempt the DOE and the ERC from executing confidentiality
 231 and non-disclosure agreements for confidential market information and data, with them having
 232 the authority to oversee the WESM and its operations.

233
 234 Mr. Zagala commented that it would be prudent to still require the DOE and ERC to execute
 235 confidentiality undertaking for specific information that are not based on any legal document
 236 (e.g., law, resolution, circular, etc.) entitling them to be provided with such information.

237
 238 The RCC approved the publication of the proposal, as submitted, in the PEMC website to
 239 solicit comments from Market Participants and industry stakeholders.

VI. Matter Arising	
Agenda	Agreements/Action Plans
6.1 Deliberation on the Proposed Amendments to the WESM Manual on Dispatch Protocol for the Optimal Timing of Market Runs	<ul style="list-style-type: none"> • The RCC approved the endorsement of the proposal to the PEM Board as revised. • The RCC directed the Secretariat to finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting.

240 The RCC deliberated on the proposal taking into account the comments received from PEMC,
 241 the Technical Committee, SNAP-Benguet (SNAP), Global Business Power (GBP) and Aboitiz
 242 Power (AP), as well as the response from IEMOP as the proponent. The document for
 243 amendment was the WESM Manual on Dispatch Protocol.

244
 245 The RCC adopted the following changes to the proposal:

- 246
 247
 - As suggested by GBP and SNAP, the transmittal by the Market Operator to the System
 248 Operator of the results of the (1) Hour Ahead Projection (HAP) and (2) Real-Time
 249 Dispatch (RTD), and their publication in the Market Participant Interface shall be done
 250 at the same time instead of at different times. IEMOP agreed with the recommendation
 251 because in practice, these two activities are performed at the same time.

252
 253 The RCC rejected AP's suggestion to publish RTD at 8 to 10 minutes before the start
 254 of the dispatch interval considering the Market Operator's explanation that performing

market runs too early would compromise the accuracy of market results. Mr. dela Viña added that the Market Operator prefers to have market runs performed as near as possible to the start of the dispatch interval because the input data would be more reflective of actual system conditions.

As requested by the RCC from its August meeting, Mr. dela Viña showed the actual duration of executing the Day-Ahead Projection (DAP) Workflow which, from a 4-day data, takes a maximum of 1,200 seconds or 20 minutes. He explained that this could be attributed to the processing of five scenarios related to the demand level. Mr. dela Viña showed that if each of the five scenarios are isolated, the DAP execution timeline will be reduced to about 200 seconds.

With no other issues left for deliberation, the RCC approved the endorsement of the proposal to the PEM Board and directed the Secretariat to finalize the proposals and draft the corresponding resolution for the body's approval next meeting.

(See Annex C for the matrix of comments and RCC agreements on the proposed changes.)

Agenda	Agreements/Action Plans
6.2 Deliberation on the Proposed Amendments to WESM Manuals to Clarify Procedures for the Registration of a New Load Facility	<ul style="list-style-type: none"> The RCC approved the endorsement of the proposal to the PEM Board as revised. The RCC directed the Secretariat to finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting.

The RCC considered in its deliberation the comments received from PEMC, SNAP GBP and Aboitiz Power as well as the response from IEMOP as the proponent. The documents for amendments were:

- 1) WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures; and
- 2) WESM Manual on Registration, Suspension and De-registration Criteria and Procedures

In relation to the requirement for new load facilities to comply with the provision of prudential requirements (PR), PEMC proposed a new section mandating them to put up the appropriate PR amount before being energized. To this recommendation, Mr. dela Viña explained that IEMOP intended to apply the existing Margin Call process should a Market Participant's prudential security is found to be insufficient to cover the market exposure of its new load facility. In this way, the prudential security will be based on its actual exposure. The Market Participant must be able to top-up its prudential requirement in two (2) days from the issuance of the Margin Call. Mr. dela Viña explained that merely applying the usual Margin Call process implies that energization will not be hinged on the Market Participant's provision of initial prudential requirement.



As inquired by Mr. Zagala, Mr. dela Viña further clarified that the amount of initial prudential requirement is determined based on forecasted demand submitted by the load facility.

The RCC agreed that putting up the prudential requirement before energization would be beneficial for generators to prevent the occurrence of it being issued a Margin Call which they should be able to address in only two (2) days. The body agreed to revise PEMC's proposed new Section 3.3.6.3 as follows:

In compliance to prudential requirements, a WESM Member under the Customer category must, as soon as practical prior to energization, provide an additional security commensurate to the load profile of the additional load facility.

As requested by the RCC from its August meeting, Mr. dela Viña also presented a list of metering points that were energized without proper documentation with the Market Operator prior to their energization, as follows:

- **KABNOCE09:** Noceco at Kabankalan during November 2018 billing
- **KABNGCP02:** station service of NGCP at Kabankalan during December 2018 billing
- **CGCNGCP01:** station service of NGCP at Talavera during February 2019 billing
- **BBEHEDC08:** embedded generator of HEDCOR during June 2019 billing

IEMOP settled still the energy recorded from this metering points to ensure that no connection points has deficit or excess accounted energy

Mr. dela Viña clarified that the metering points above are now properly registered in the WESM.

With no other issues left for deliberation, the RCC approved the endorsement of the proposal, as amended, to the PEM Board and directed the Secretariat to finalize the proposals and draft the corresponding resolution for the body's approval next meeting.

(See Annex D for the matrix of comments and RCC agreements on the proposed changes.)

Agenda	Agreements/Action Plans
6.3 Deliberation on the Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers	<ul style="list-style-type: none"> • The RCC approved the endorsement of the proposal to the PEM Board as revised. • The Secretariat shall finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting.

The RCC considered in its deliberation the comments received from PEMC, SPC Power Corp. (SPC), Aboitiz Power, MERALCO and the response provided by IEMOP as the proponent. The documents for amendments were:

- 1) Retail Rules;
- 2) Retail Manual on Market Transactions; and
- 3) Retail Manual on Registration Criteria and Procedures

(See Annex E for the matrix of comments and discussions on the proposed changes.)

With no other issues left for deliberation, the RCC approved the endorsement of the proposal, as amended, to the PEM Board and directed the Secretariat to finalize the proposals and draft the corresponding resolution for the body's approval next meeting.

VII. Other Matters	
Agenda	Agreements/Action Plans
7.1. DOE Public Consultation Updates	The RCC noted the updates regarding the DOE's public consultation of rules change proposals.

The Secretariat informed the RCC of the DOE public consultation meetings on rules change proposals, as follows:

Proposal	DOE Circular
Proposed Amendments to the Retail Rules and WESM Rules to Reduce Barriers to Entry and Participation in Retail Competition	Adopting Further Amendments to the WESM Rules, Retail Rules and Various Market Manuals for the Implementation of Enhancements to WESM Design and Operations (Provisions to Promote Participation in the Retail Market) – Public Consultation for Luzon and Mindanao were conducted last 07 October 2019 and 10 October, respectively.
Revised Proposed Amendments to the Retail Rules to Reduce Barriers to Entry and Participation in Retail Competition	
Proposed Amendments to Retail Manuals and WESM Manuals to Reduce Barriers to Entry and Participation in Retail Competition	
Proposed Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures to Include Additional Modelling Requirements and Procedures	Adopting Further Amendments to the WESM Market Manual on Registration, Suspension, and De-Registration Criteria and Procedures for the Implementation of Enhancements to WESM Design and Operation – Public Consultation for Luzon and Mindanao were conducted last 07 October 2019 and 10 October, respectively.

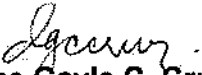
Proposal	DOE Circular
Proposed Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures to Harmonize with WESM Rules Changes	Adopting Further Amendments to the WESM Market Manual on Registration, Suspension, and De-Registration Criteria and Procedures for the Implementation of Enhancements to WESM Design and Operation – Public Consultation for Luzon and Mindanao were conducted last 07 October 2019 and 10 October, respectively.
Proposed Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures to Clarify Basis for Registered Capacities of Generating Units in the WESM	
Proposed Amendments to the WESM Rules and Manual on Metering Standards and Procedures to Clarify the Entity Monitoring Wholesale Metering Services Provider Performance	Adopting Further Amendments to the WESM Rules and its Market Manuals on Metering for the Implementation of Enhancements to WESM Design and Operation (Provisions to Metering Standards and Metering Service Providers' Performance) – Public Consultation for Luzon and Mindanao were conducted last 07 October 2019 and 10 October, respectively.
Proposed Amendments to the WESM Manual on Metering Standards and Procedures	

Agenda	Agreements/Action Plans
<p>7.2. Change in RCC Membership:</p> <p>Atty. Jose Ildebrando Ambrosio (NorthWind) tendered his resignation from the RCC in a letter to the RCC Chairperson dated 08 October 2019. The PEM Board was informed of Atty. Ambrosio's resignation to officially render his seat in the RCC vacant.</p>	The RCC noted the updates and information.
<p>7.3. Personnel Changes in the Rules Review Division</p> <p>a) Dianne L. de Guzman as new RRD Specialist beginning 02 October 2019</p> <p>b) Ms. Karen A. Varquez to serve as new Manager of the RRD effective November 2019 in view of Mr. John Mark S. Catriz's lateral transfer to the Market Monitoring and Analysis Division of the MAG</p>	


Agenda	Agreements/Action Plans
<p>7.4. PEM Board Meeting schedules:</p> <p>(a) BRC – 21 Oct 2019 (Mon)</p> <p>(b) PEM Board – 30 Oct 2019 (Wed)</p> <p><i>*No agenda for RCC</i></p>	
<p>7.5. Schedule of RCC Photoshoot:</p> <ul style="list-style-type: none"> • 08 November 2019 (Fri) <p><i>*for PEMC website re-launch</i></p>	

VIII. Schedules of Next Meetings	<ul style="list-style-type: none"> ▪ November 8th ▪ December 6th
IX. Adjournment	There being no other matters left for discussion, the RCC adjourned the meeting at 11:38 AM.

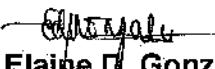
Prepared by:


Divine Gayle C. Cruz
 Specialist
 Market Assessment Group – Rules Review Division

Reviewed by:

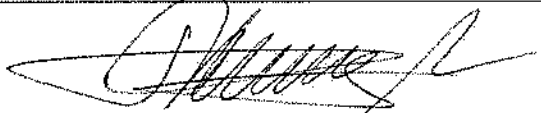



John Mark S. Catriz
 Manager
 Market Assessment Group – Rules Review Division

Noted by:


Elaine D. Gonzales
 Acting Head
 Market Assessment Group



<p>Approved by:</p> <p>THE RULES CHANGE COMMITTEE</p>	
Independent Members:	
<p>Maila Lourdes G. de Castro Chairperson</p>	 <p>Francisco L.R. Castro, Jr.</p>
 <p>Allan C. Nerves</p>	<p>Concepcion I. Tanglao</p>
Generation Sector Members:	
 <p>Dixie Anthony R. Banzon Masinloc Power Partners Co. Ltd. (MPPCL)</p>	 <p>Abner B. Tolentino Power Sector Assets and Liabilities Management Corporation (PSALM)</p>
<p><i>(Resigned as of 08 October 2019)</i></p> <p>Jose Ildebrando B. Ambrosio NorthWind Power Development Corp. (NorthWind)</p>	 <p>Cherry A. Javier Aboitiz Power Corp. (APC)</p>
Distribution Sector Members:	
 <p>Virgilio C. Fortich, Jr. Cebu III Electric Cooperative, Inc. (CEBECO3)</p>	 <p>Ryan S. Morales Manila Electric Company (MERALCO)</p>
<p>Ricardo G. Gumalal Iligan Light and Power, Inc. (ILPI)</p>	 <p>Jose P. Santos Ilocos Norte Electric Cooperative, Inc. (INEC)</p>

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)	

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ANNEX A



Proposed Amendments to the Catalogue of Market Monitoring Data and Indices (CMMDI)

October 18, 2019

Presentation to the RCC

OUTLINE

- I. Action Requested
- II. Proposed Amendments



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ANNEX A

Action Requested

- To solicit comments from the Rules Change Committee (RCC), prior to submission to the PEMC Board



3

Proposed Revision

- I. Updates related to the implementation of the 5-minute dispatch intervals
- II. Introduce the following indices:
 1. Spot Price Indices
 - a. Supply Margin-Price Index (SMPI)
 - b. Price Spike
 - c. Sustained High Price
 - d. Price Creep Up
 2. Generation Offer Indices
 - a. Offer Outlier Detection
 - b. Offer Average Price Difference
 - c. Offer Average Percent Difference



4

Proposed Revisions to the CMMDI

Updates related to the implementation of the 5-minute dispatch interval

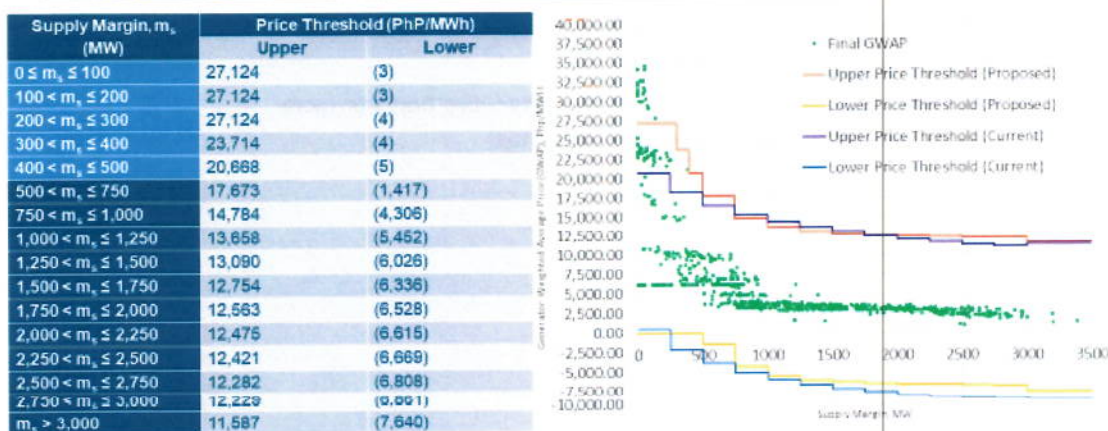
- The formula in the calculation of the indices was revised to refer to "dispatch interval" as defined in the WESM Rules and Manual instead of referring to "1-hour" period.
- References to ex-post were deleted



5

Spot Price Index

Supply Margin-Price Index



6

ANNEX A**Spot Price Index****Price Spikes**

	Monday–Saturday (not holiday)	Sundays and Holidays	Current (Php/MWH)	Proposed (Php/MWH)
Peak Hours	10-21	19 & 20	27,000	27,000
Off-peak Hours	01–09 & 22-24	01–18 & 21–24	16,000	14,000

- The current thresholds were based on the weighted average of monthly maximum LWAP for peak and off-peak hours from **26 June 2006–25 December 2013**
- The proposed thresholds were based on the weighted average of monthly maximum GWAP for peak and off-peak hours for **26 May 2018– 25 May 2019**



7

Spot Price Index**Sustained High Price**

- The threshold is 80% of the price spike threshold for peak hours
 - $0.8(27000) = \text{PHP } 21,600/\text{MWH}$
- The threshold must be breached for 10 consecutive hours or more
- Recommendation – retain the current threshold



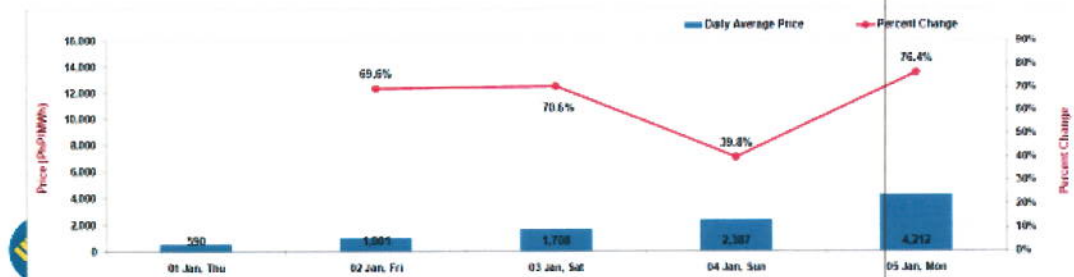
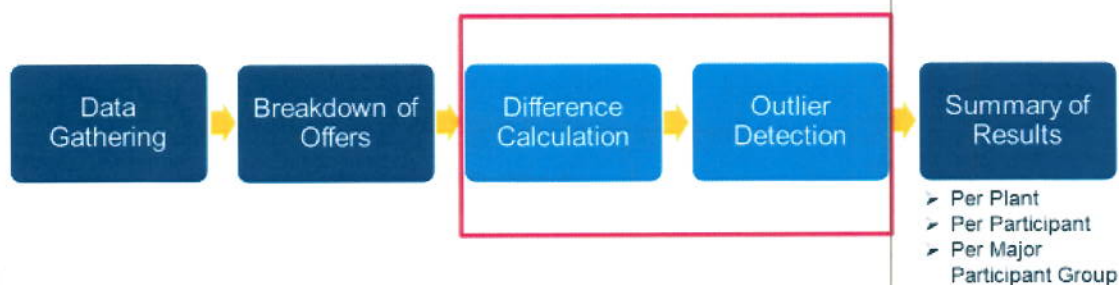
8

ANNEX A**Spot Price Index****Price Creep Up**

- 20% rise in price for 4 consecutive days or weeks

Example – 01 January 2015 to 05 January 2015

- The average price on the last day was PhP 4,212 only. To avoid such a trigger, the weighted average on the last day or week of a price creep must be over PhP 9,000.
- Currently, weighted and simple averages are computed. The proposal is to only consider the weighted averages.

**Generation Offer Indices****Measures of changes in offer behavior**

Generation Offer Indices

Offer Price Difference & Percent Difference



11

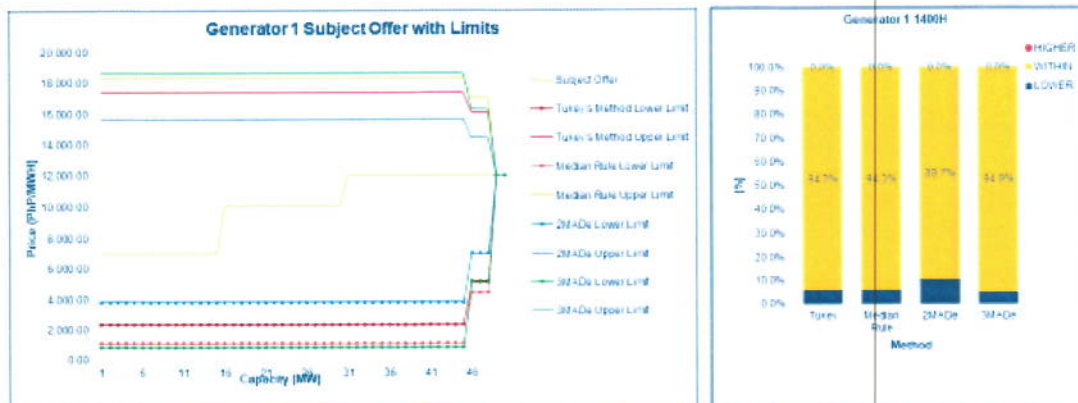
Generation Offer Indices

Offer Average Price Difference & Average Percent Difference



12

Generation Offer Indices Offer Outlier Detection



13

Action Requested

- To solicit comments from the Rules Change Committee (RCC), prior to submission to the PEMC Board



14

dycc

ANNEX A



**END OF
PRESENTATION**

18F Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City 1600, Philippines

☎ (632) 631-8734

☎ (632) 636-0802

🌐 www.wesm.ph

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PROPOSED AMENDMENTS TO THE WESM RULES AND VARIOUS MANUALS

18 OCTOBER 2019

INDEPENDENT ELECTRICITY MARKET OPERATOR OF THE PHILIPPINES
18F PEMC BOARDROOM

THE PROPONENT

- The proponent is the Independent Electricity Market Operator of the Philippines, Inc.
- IEMOP acts as the market operator of the WESM.



2

ANNEX B**OUTLINE**

**ACTION
REQUESTED**



**RATIONALE OF
THE PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



**OTHER RELEVANT
MATTERS**



3

ACTION REQUESTED

- For approval to publish

No.	Description	Document/s	Rationale
1	Harmonize with the Site Specific Loss Adjustment (SSLA) Procedures of the Wholesale Metering Services Provider (WMSP)	(1) WESM Metering Manual	More accurate calculation of losses and consistency of billed quantities
2	Enhance Procedures in Must-Run Unit (MRU) Accounting	(1) WESM Dispatch Protocol	More appropriate compensation and faster settlement of must-run units
3	Provide Exceptions for Confidentiality Undertaking for Oversight Bodies	(1) WESM Rules, (2) Market Operator Information Disclosure and Confidentiality	Reduced requirements for DOE and ERC in performing their oversight functions

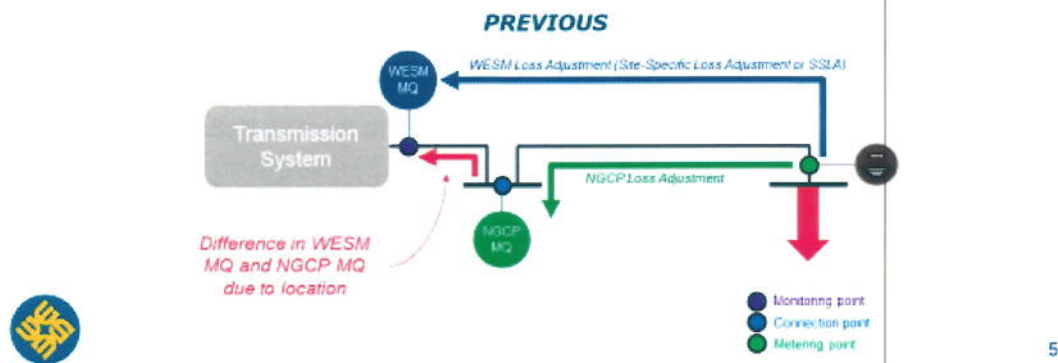


4

1) HARMONIZE WITH THE SSLA PROCEDURES OF THE WMSP

Rationale of the Proposal

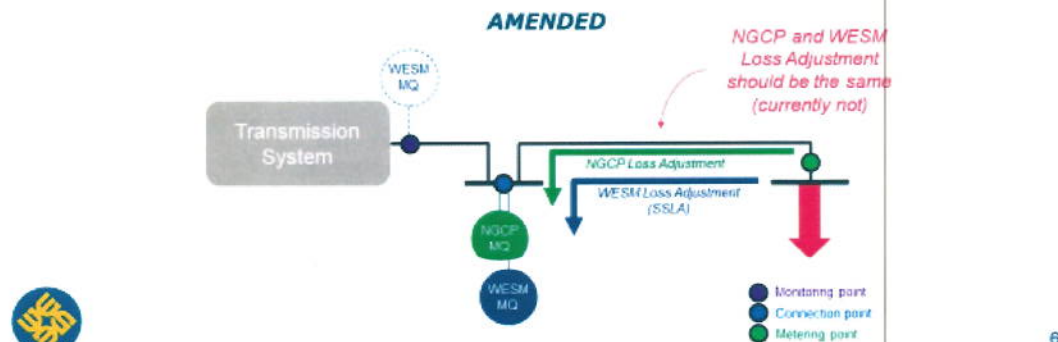
- DC2018-05-0015 approved WESM rules and manuals amendments regarding the location of metering points where metered quantities (MQ) are determined



1) HARMONIZE WITH THE SSLA PROCEDURES OF THE WMSP

Rationale of the Proposal

- DC2018-05-0015 approved WESM rules and manuals amendments regarding the location of metering points where metered quantities (MQ) are determined



ANNEX B**1) HARMONIZE WITH THE SSLA PROCEDURES OF THE WMSP****Summary of the Proposal****Proposed amendments - Procedures**

	Amended	Proposed
Who will be applied with SSLA?	Customers	<u>All trading participants</u>
When will SSLA be applied?	When the metering point is not at the connection point	When the metering point is not <u>located more than 500m from</u> at the connection point <u>as determined by the MSP: MSP will provide list</u>
What is the responsibility of the Network Service Provider?	Submit data to the Market Operator	Submit data to the <u>Metering Services Provider</u>
How will IEMOP calculate SSLA?	Next slide	Next slide



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1) HARMONIZE WITH THE SSLA PROCEDURES OF THE WMSP**Summary of the Proposal****Proposed amendments - Calculations**

	Amended	Proposed
Line parameters (R, X, b)	NGCP-submitted	NGCP-submitted
Current (I)	NGCP-submitted	<u>Derived</u>
Line Loss	$I^2 \times R; I^2 \times X$	$I^2 \times R; I^2 \times X$
Transformer Loss	% Transformer Loss (from NGCP)	% Transformer Loss <u>(from table in Manual)</u>
Cases	Single Settlement Point a) Load or Gen b) Before or After Metering Point	Single Settlement Point a) Load or Gen b) Before or After Metering Point c) <u>Line or Transformer Loss Only or Both</u>

Capacity (KVA), x	Transformer Loss Factor (%)
$x \leq 2000$	1.9
$2000 \leq x < 3000$	1.8
$3000 \leq x < 4000$	1.7
$4000 \leq x < 5000$	1.6
$5000 \leq x < 10000$	1.5
$x \geq 10000$	1.4

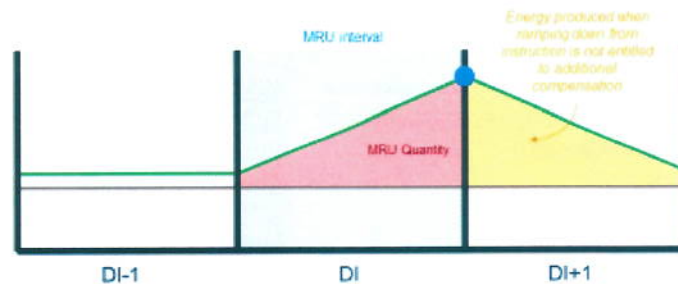


8

2) ENHANCE PROCEDURES IN MRU ACCOUNTING

Rationale of the Proposal

Issue 1: MRUs are not entitled to additional compensation when ramping down from an instruction.



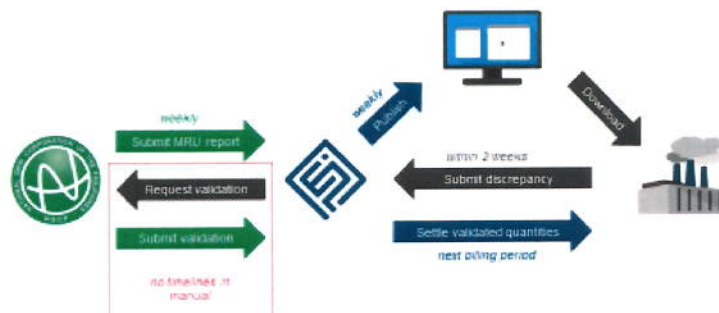
BCQ | Schedule | MRU

9

2) ENHANCE PROCEDURES IN MRU ACCOUNTING

Rationale of the Proposal

Issue 2: No clear timelines for discrepancy processing; takes as long as more than a year



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ANNEX B**2) ENHANCE PROCEDURES IN MRU ACCOUNTING****Summary of the Proposal**

Issue	Current	Proposed
1	If generating unit is not designated as MRU when ramping down from instruction, it is not entitled to additional compensation.	<u>Intervals when MRU is ramping down will be entitled to additional compensation</u>
2	No timeline for SO to provide validation results of discrepancy submissions from trading participants	<u>MO to compile discrepancy submissions and submit weekly report to SO every Monday</u> <u>The SO to provide validation results within two (2) weeks to MO. If no submission, discrepancies are considered valid.</u>



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3) CONFIDENTIALITY EXCEPTIONS FOR OVERSIGHT BODIES**Rationale of the Proposal**

- WESM Rules Clause 5.3.2 provides exceptions for DOE and ERC in receiving confidential data
- Section 5.4. of the Information Disclosure and Confidentiality Manual requires recipients under WESM Rules Clause 5.3.2 to execute confidentiality and non-disclosure agreements
- Regulatory framework of the WESM (Clause 1.2.3) provides DOE and ERC authority over the WESM and its operations



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ANNEX B**3) CONFIDENTIALITY EXCEPTIONS FOR OVERSIGHT BODIES****Summary of the Proposal**

Current	Proposed	Rationale
The MO shall require the recipient to execute confidentiality and non-disclosure agreements or undertaking with terms and conditions consistent with this Manual and the WESM Rules.	The MO shall require the recipient, <u>except for the DOE and ERC,</u> to execute confidentiality and non-disclosure agreements or undertaking with terms and conditions consistent with this Manual and the WESM Rules.	In view of the existing authority of both agencies over the WESM, it is proposed that the DOE and ERC not be required to execute confidentiality and non-disclosure undertakings for WESM data.



13

OTHER RELEVANT MATTERS

- None



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A handwritten signature in black ink, appearing to read 'dyce'.

ANNEX B**ACTION REQUESTED**

- For approval to publish

No.	Description	Document/s	Rationale
1	Harmonize with the Site Specific Loss Adjustment (SSLA) Procedures of the Wholesale Metering Services Provider (WMSP)	(1) WESM Metering Manual	More accurate calculation of losses and consistency of billed quantities
2	Enhance Procedures in Must-Run Unit (MRU) Accounting	(1) WESM Dispatch Protocol	More appropriate compensation and faster settlement of must-run units
3	Provide Exceptions for Confidentiality Undertaking for Oversight Bodies	(1) WESM Rules, (2) Market Operator Information Disclosure and Confidentiality	Reduced requirements for DOE and ERC in performing their oversight functions



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THANK YOU!

A handwritten signature in black ink, appearing to be 'JFC', is located at the bottom right of the page.

Proposed Amendments to the WESM Manual on Dispatch Protocol for the Optimal Timing of Market Runs

WESM Manual on Dispatch Protocol Issue 13.0							
Title & Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
				<p><u>PEMC:</u></p> <p>GENERAL COMMENTS:</p> <p>1. PEMC recommends a review of the WESM Timetable after the new MMS is fully operational since the proposed market run and publication timelines may still be considered preliminary until actual data can be gathered.</p> <p>2. The Market Operator Performance Standards shall</p>	<p><u>PEMC:</u></p> <p>To comment #1:</p> <p>4.1. BACKGRO UND</p> <p><u>4.1.4 The Market Operator shall review and update if necessary the WESM Timetable after the commencement of the full operations of the new Market Management System in accordance with DOE Department Circular Nos. 2016-10-0014 and 2018-04-0007.</u></p>	<p><u>PEMC:</u></p> <p>We agree with the proposed revised wording.</p>	<p>Adopt PEMC's proposed Sec. 4.1.4:</p> <p><u>4.1.4 The Market Operator shall review and update if necessary the WESM Timetable after the commencement of the full operations of the new Market Management System in accordance with DOE Department Circular Nos. 2016-</u></p>

WESM Manual on Dispatch Protocol Issue 13.0																								
Title & Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements																	
				be revised accordingly to be consistent with any changes to the market data publication timelines and the relevant obligations of the MO.			<u>10-0014 and 2018-04-0007.</u>																	
Day-Ahead Projection (DAP) – DAP Timeline Sec. 4.4.2	<p>The activities that shall be performed for the DAP, within the time specified, using inputs for the covered study period of that specific DAP run, are provided in Table 2. The covered periods for all DAP runs within a day are provided in Table 3.</p> <p>Table 2. DAP Timeline</p> <table><tr><th>Timeline</th><th>Activity</th><th>Responsible Party</th></tr><tr><td>Before STPH1*</td><td>Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the DAP run</td><td>Trading Participants</td></tr><tr><td>Before [STPH1 + 2 minutes]</td><td>Provide updates on the following, if any: 1. Outage Schedules</td><td>System Operator</td></tr></table>	Timeline	Activity	Responsible Party	Before STPH1*	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the DAP run	Trading Participants	Before [STPH1 + 2 minutes]	Provide updates on the following, if any: 1. Outage Schedules	System Operator	<p>The activities that shall be performed for the DAP, within the time specified, using inputs for the covered study period of that specific DAP run, are provided in Table 2. The covered periods for all DAP runs within a day are provided in Table 3.</p> <p>Table 2. DAP Timeline</p> <table><tr><th>Timeline</th><th>Activity</th><th>Responsible Party</th></tr><tr><td>Before [STPH1* - 10 minutes]</td><td>Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the DAP run</td><td>Trading Participants</td></tr><tr><td>Before [STPH1 + 2 1 minutes]</td><td>Provide updates on the following, if any: 1. Outage Schedules</td><td>System Operator</td></tr></table>	Timeline	Activity	Responsible Party	Before [STPH1* - 10 minutes]	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the DAP run	Trading Participants	Before [STPH1 + 2 1 minutes]	Provide updates on the following, if any: 1. Outage Schedules	System Operator	<p>The proposed changes will reflect the optimal timing of activities for the market runs considering the actual performance of the NMMS.</p> <p>Specifically, the justifications for the proposed changes for the Day-Ahead Projection (DAP) run are as follows:</p> <ul style="list-style-type: none">Before [STPH1* - 10 minutes]: Submission of self-scheduled nominations, bids/offers – To allow more processing time for market participant interface (MPI) transferBefore [STPH1 + 1 minute]: (a) Submission of load forecast and reserve requirement, (b) Submission of outage schedule, contingency list, overriding	<u>Global Business Power Corp.</u> Ok	<u>Global Business Power Corp.</u> N/A	
Timeline	Activity	Responsible Party																						
Before STPH1*	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the DAP run	Trading Participants																						
Before [STPH1 + 2 minutes]	Provide updates on the following, if any: 1. Outage Schedules	System Operator																						
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WESM Manual on Dispatch Protocol Issue 13.0

Title & Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
	<p>2. Contingency List</p> <p>3. Over-riding Constraints</p> <p>4. Reserve Requirements</p> <p>5. Real-time system snapshot</p> <p>6. VRE Aggregated Generation Forecasts</p> <p>7. Forecasts on the loading levels of Must dispatch generating units</p>	<p>2. Contingency List</p> <p>3. Over-riding Constraints</p> <p>4. Reserve Requirements</p> <p>5. Real-time system snapshot</p> <p>6. VRE Aggregated Generation Forecasts</p> <p>7. Forecasts on the loading levels of Must dispatch generating units</p>	<p>constraints and (c) Execution of DAP run – To align the processes to be as close as possible to the Start Time of the first Projected Hour (1) covered by the DAP run</p> <ul style="list-style-type: none"> Before [STPH1 + 25 minutes]: (a) Publish DAP Results in the MPI and (b) Transmit DAP Results to System Operator – To allow sufficient time for the performance of five (5) DAP run scenarios (1 base DAP run, 4 different load scenarios) which may take up to four (4) minutes each 				
	<p>Before [STPH1 + 2 minutes] Submit load forecast for the covered period Market Operator</p> <p>[STPH1 + 2 minutes] Execute DAP Market Operator</p> <p>Before [STPH1 + 15 minutes] Publish DAP Results in the MPI Market Operator</p> <p>Transmit DAP Results to System Operator Market Operator</p>	<p>Before [STPH1 + 2 1 minutes] Submit load forecast for the covered period Market Operator</p> <p>[STPH1 + 2 1 minutes] Execute DAP Market Operator</p> <p>Before [STPH1 + 15 25 minutes] Publish DAP Results in the MPI Market Operator</p> <p>Transmit DAP Results to System Operator Market Operator</p>	<p>*STPH1 refers to the Start Time of the first Projected Hour (1) covered by the DAP run. For example, the Projected Hour of 0900H has a start time of 08:00 AM and an end time of 09:00 AM.</p> <p>(See Appendix A for Figure 3)</p>				

WESM Manual on Dispatch Protocol Issue 13.0																																																							
Title & Section	Provision			Proposed Amendment			Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements																																												
	<u>(See Appendix A for Figure 3)</u>																																																						
Hour-Ahead Projection (HAP) – HAP Timeline Sec. 4.5.2	The following activities shall be performed for the HAP, within the time specified, using inputs for the covered study period of that specific HAP run. Table 4. HAP Timeline			The following activities shall be performed for the HAP, within the time specified, using inputs for the covered study period of that specific HAP run. Table 4. HAP Timeline			For the Hour-Ahead Projection (HAP) run, the following changes are proposed to consider actual system performance and accommodate SO's requirement:	<u>Global Business Power Corp.</u> Suggesting Publishing of HAP to MPI similar to the timeline of SO consistent with equal treatment in Dispatch Protocol Issue No. 13 for HAP and similar to DAP (same timeline of publishing and transmittal to SO)	<u>Global Business Power Corp.</u> <table><tr><th>Timeline</th><th>Activity</th><th>Responsible Party</th></tr><tr><td>Before [STD11 – 2 minutes]</td><td>Publish HAP Results in the MPI</td><td>Market Operator</td></tr><tr><td></td><td>Transmittal HAP Results to SO</td><td>Market Operator</td></tr></table>	Timeline	Activity	Responsible Party	Before [STD11 – 2 minutes]	Publish HAP Results in the MPI	Market Operator		Transmittal HAP Results to SO	Market Operator	<u>Global Business Power Corp.</u> We recommend to adopt the proposed revision. In practice, publication in the MPI and provision to SO are performed at the same time.	Adopt GBP and SNAP's recommendations: <i>Before [STD11 – 2 minutes]:</i> <i>Publish HAP Results in the MPI</i> <i>And</i> <i>Transmittal HAP Results to SO</i>																																			
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Timeline	Activity	Responsible Party																																																					
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WESM Manual on Dispatch Protocol Issue 13.0

Title & Section	Provision			Proposed Amendment			Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
	Before [STD11 – 1 minute]	Publish HAP Results in the MPI	Market Operator	Before [STD11 – 2 minute]	Transmit HAP Results to System Operator	Market Operator			to have enough time for their internal processes/applications.	the same time.	
		Transmit HAP Results to System Operator	Market Operator	Before [STD11 – 1 minute]	Publish HAP Results in the MPI	Market Operator					
	*STD11 refers to the Start Time of the first dispatch interval (1) covered by the HAP run. For example, the 0815H dispatch interval has a start time of 08:10 AM and an end time of 08:15 AM. And if this is the first dispatch interval of the HAP run, then it will cover the period until 09:10 AM.			Before [STD11 – 1 minute]	Transmit HAP Results to System Operator	Market Operator	*STD11 refers to the Start Time of the first dispatch interval (1) covered by the HAP run. For example, the 0815H dispatch interval has a start time of 08:10 AM and an end time of 08:15 AM. And if this is the first dispatch interval of the HAP run, then it will cover the period until 09:10 AM.				
Real-Time Dispatch (RTD) – RTD Timeline	The following activities shall be performed for the RTD, within the time specified, using inputs for the covered study period of that specific RTD run:			The following activities shall be performed for the RTD, within the time specified, using inputs for the covered study period of that specific RTD run:			For the Real-Time Dispatch (RTD) run, the following changes are proposed to consider actual system performance and accommodate SO's requirement:	Aboitiz Power Corp:	Aboitiz Power Corp:	Aboitiz Power Corp:	Adopt GBP and SNAP's recommendations:
	Table 5. RTD Timeline			Table 5. RTD Timeline			<ul style="list-style-type: none"> Before [STD11 – 9 minutes]: Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the RTD run – To ensure timely processing prior to RTD run execution considering actual system performance Before [STD11 – 2 minute]: Transmittal of Energy and 	For the RTD, our concern is the timeline in the publication of RTD which is [STDPI - 1 minute] this timeline is quite tight. Generators might not have enough time to prepare in order to attain its RTD considering the additional time it may take to retrieve	Recommended is 8 to 10 minutes, based on synch time of TMO and TMI.	Accuracy of the market results will be affected if the market runs are performed earlier.	Before [STD11 – 2 minute]: Publish RTD Results in the MPI
	Timeline	Activity	Responsible Party	Timeline	Activity	Responsible Party					
	Before [STD11* – 8 minutes]	Submit self-scheduled nominations, bids and offers for all relevant hours of the RTD run	Trading Participant	Before [STD11* – 9 minutes]	Submit self-scheduled nominations, bids and offers for all relevant hours of the RTD run	Trading Participant			Global Business Power Corp:	SN Aboitiz: We recommend to adopt the	And

WESM Manual on Dispatch Protocol Issue 13.0													
Title & Section	Provision			Proposed Amendment			Rationale	Comments	Proposed Revised Wording		Proponent's Response	RCC Agreements	
	Before [STDI – 7 minutes]	Provide updates on the following, if any: 1. Outage Schedules 2. Contingency List 3. Over-riding Constraints 4. Reserve Requirements 5. Real-time system snapshot	System Operator	Before [STDI – 7 minutes]	Provide updates on the following, if any: 1. Outage Schedules 2. Contingency List 3. Over-riding Constraints 4. Reserve Requirements 5. Real-time system snapshot	System Operator	Reserve Schedules, and WESM Merit Order Table to the System Operator – To accommodate SO's request that results shall be submitted two (2) minutes before the start of the dispatch interval in order to allow processing time for different SO applications	aid process the RTD. Additional factors should be considered such as internet connectivity, NMMS server reliability, and plant technical requirements. <u>Global Business Power Corp:</u> Suggesting Publishing of RTD to MPI similar to the timeline of SO consistent with equal treatment in Dispatch Protocol Issue No. 13 for HAP and similar to DAP (same timeline of publishing and transmittal to SO) <u>SN Aboltiz:</u>	Time line	Activity	Responsible Party	proposed revision. In practice, publication in the MPI and provision to SO are performed at the same time. <u>Global Business Power Corp:</u> We recommend to adopt the proposed revision. In practice, publication in the MPI and provision to SO are performed at the same time.	Transmittal of Energy Reserve Schedules, and WESM Merit Order Table to the System Operator
	Before [STDI – 7 minutes]	Submit load forecast for the relevant dispatch interval	Market Operator	Before [STDI – 7 minutes]	Submit load forecast for the relevant dispatch interval	Market Operator			Before [STDI – 2 minutes]	Publish RTD Results in the MPI	Market Operator		
	[STDI – 7 minutes]	Execute RTD	Market Operator	[STDI – 7 minutes]	Execute RTD	Market Operator				Transmittal of Energy Reserve Schedules, and WESM Merit Order Table to the System Operator	Market Operator		
	Before [STDI – 1 minute]	Publish RTD Results in the MPI	Market Operator	Before [STDI – 1 minute]	<u>Transmittal of Energy and Reserve Schedules, and WESM Merit Order Table to the System Operator</u>	<u>Market Operator</u>							
		Transmittal of Energy and Reserve Schedules, and WESM Merit Order Table to the System Operator	Market Operator										
				Before [STDI – 1 minute]	Publish RTD Results in the MPI	Market Operator							
*STDI refers to the Start Time of the relevant dispatch interval.				Before [STDI – 1 minute]	Transmittal of Energy and Reserve	Market Operator							
									If the RTD results are already available before				

WESM Manual on Dispatch Protocol Issue 13.0									
Title & Section	Provision	Proposed Amendment			Rationale	Comments			Proposed Revised Wording
			Schedules, and WESM Merit Order Table to the System Operator			Before [STD 1 – 2 minute]	Publication Results in the MPI	Market Operator	STD1-2mins , then it should immediately publish to the MPI. This will allow participants to have enough time for their internal processes/applications.
		*STD1 refers to the Start Time of the relevant dispatch interval.							

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Manual.

Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures and WESM Manual on Market Network Model Criteria and Procedures to Clarify Procedures for the Registration of a New Load Facility)

WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures Issue 3.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
RESPONSIBILITIES – Network Service Providers	3.3.2	N / A	<u>The Network Service Provider shall ensure that an equipment is included in the Market Network Model prior to its energization.</u>	To include in the Network Service Provider's responsibility, this is the recognition of the importance of the facility's registration in the WESM as a requirement for energization. Non-registered facilities should not be allowed to be energized to inject or withdraw from the grid.	<p>SN Aboitiz Power – Benguet:</p> <p>Who will be responsible for following-up the status for this? Do we require written notice available to SO.</p> <p>Global Business Power Corp:</p> <p>To consider the provision of the OATS Rules in the issuance of Approval to Connect.</p>	<p>Global Business Power Corp:</p> <p><u>The Network Service Provider shall ensure that an equipment is included in the Market Network Model prior to its issuance of Approval to Connect energization.</u></p>	<p>SN Aboitiz Power – Benguet:</p> <p>The NSP should notify the MO before energization of a load facility.</p> <p>Global Business Power Corp:</p> <p>We recommend to adopt the proposed revision with minor change.</p> <p><u>The Network Service Provider shall ensure that an equipment is included in the Market Network Model prior to its</u></p>	<p>Adopt IEMOP's revision to GBP's recommendation:</p> <p><u>The Network Service Provider shall ensure that an equipment is included in the Market Network Model prior to its issuance of Approval to Connect energization.</u></p>

WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures Issue 3.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
							<u>issuance of Approval to Connect energization.</u>	
MNM DEVELOPMENT TIMETABLE	4.5.3	The official notification from the <i>System Operator</i> should contain the date of energization, along with the details of the changes to the <i>transmission system</i> . The list of required information from the <i>System Operator</i> is described in Appendix A.	The official notification from the <i>System Operator</i> should contain the <u>target</u> date of energization, along with the details of the changes to the <i>transmission system</i> . The list of required information from the <i>System Operator</i> is described in Appendix A.	It is proposed that the notification only indicates the target date since the actual date is proposed to be allowed only when the equipment has been modelled.	<u>Global Business Power Corp.</u> Ok	<u>Global Business Power Corp.</u> N/A		Adopt proposal
MNM DEVELOPMENT TIMETABLE	<u>4.5.5</u> (new)	N / A	<u>The Network Service Provider shall only allow the energization of a facility when it has been included in the Market Network Model</u>	To include in the Network Service Provider's responsibility, this is the recognition of the importance of the facility's registration in the WESM as a	<u>PEMC:</u> Suggested revision for clarity. <u>Aboitiz Power Corp.</u>	<u>PEMC:</u> <u>The Network Service Provider shall only allow the energization of a facility when it has been included in the Market</u>	<u>PEMC:</u> We do not have any comment on the proposed wording.	Adopt PEMC and GBP's recommended revision

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ANNEX D

WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures Issue 3.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
			<u>and registered in the WESM.</u>	requirement for energization. Non-registered facilities should not be allowed to be energized to inject or withdraw from the grid.	We suggest to include a time element in fulfilling this provision. <u>Global Business Power Corp:</u> To consider the provision of the OATS Rules in the issuance of Approval to Connect.	<u>Network Model and registered in the WESM.</u> <u>Global Business Power Corp.</u> <u>The Network Service Provider shall only allow issue the Approval to Connect for the energization of a facility when it has been included in the Market Network Model and registered in the WESM.</u>	<u>Global Business Power Corp.</u> We recommend to adopt the proposed revision.	
MNM DEVELOPMENT TIMETABLE	<u>4.5.5</u> <u>4.5.6</u>	4.5.5 The table below describes the timeline of activities involved in updating the MNM. The variable "D" stands for the target date of uploading of the new MNM. This date is set by the Market Operator upon its assessment, and	<u>4.5.5</u> <u>4.5.6</u> The table below describes the timeline of activities involved in updating the MNM. The variable "D" stands for the target date of uploading of the new MNM. This date is set by the Market Operator upon its assessment, and is based on	Proposed re-numbering with the insertion of new Section 4.5.5	<u>Global Business Power Corp:</u> Suggesting consistency on the timeline with Energy Virtual One-Stop Shop Act and its IRR	<u>Global Business Power Corp:</u> For updating and verification on consistency	<u>Global Business Power Corp.</u> The proposal is consistent with the EVOSS Act. The EVOSS Act only requires the Market Operator to process new applications within 15 calendar days.	Adopt IEMOP's proposal



WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures Issue 3.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		is based on energization date or commissioning date of a new or upgraded equipment.	energization date or commissioning date of a new or upgraded equipment.					

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Manual.



WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures Issue 4.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
					PEMC:	PEMC:	PEMC:	Adopt IEMOP's proposal.
					GENERAL COMMENTS: 1) Is the proposal intended to be only implemented prospectively? What about the registration of existing load facilities that will not be covered by this rules change? 2) PEMC recommends for the Market Operator to already require a new generating company to provide information regarding its station use or house load upon registration in the WESM. Proper accounting of such loads would enable for a more efficient compliance monitoring in the market (e.g. compliance with the RTD schedule and the Must-Offer rule).	For comment #2: 2.5.3 Technical and Commercial Requirements. <u>2.5.33 Station Use. The Applicant must provide the Market Operator with information on the load profile of each of its generating facilities' station use or house load.</u> 2.5.33 <u>2.5.3.4</u> xxx 2.5.34 <u>2.5.3.5</u> xxx xxx	1) All load facilities are currently modelled in the WESM MNM although there were cases when the load facility was energized prior to its modeling. This proposal aims to ensure that future energization of new load facilities will be made after modeling. 2) Registration of generation company station use is part of the PEMB-approved changes to the WESM Registration Manual currently undergoing public	

WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures Issue 4.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
							consultation by the DOE (New Section 2.5.4.5).	
FACILITY-RELATED CHANGES	<u>3.3.6</u> (new)	N / A	<u>New Load Facility</u>	To include in the Market Operator's procedures, the addition of a load facility (i.e., new connection point that will withdraw energy from the grid) by a registered WESM generation company or customer (i.e., distribution utility, bulk user)				Adopt proposal
FACILITY-RELATED CHANGES	<u>3.3.6.1</u> (new)	N / A	<u>A WESM Member that has a new load facility and intends to withdraw energy from the grid through a separate market trading node shall register that load facility with the Market Operator.</u>	To clarify that load facilities that will withdraw energy from the transmission system through a connection point separate from existing facilities of the registered generation company or customer will be required to register that facility in the WESM.				Adopt proposal

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WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures Issue 4.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
FACILITY-RELATED CHANGES	3.3.6.2 (new)	N / A	<u>The WESM Member shall comply with the technical and commercial requirements under Section 2.5.3 for the registration of its additional load facility.</u>	To clarify that the existing technical and commercial requirements will be required for the registration of an additional load facility.	PEMC: Suggest to require the WESM Member to top-up its prudential requirements corresponding to the withdrawal of its additional load facility upon registration of that load facility in the WESM, instead of being accounted only during the MO's annual assessment. This will ensure that the WESM Member will meet its obligation to make payments as required under the WESM Rules. <u>SN Aboitiz Power – Benguet</u> Do we have the same technical requirements for load and generator?	PEMC: <u>3.3.6.3 In compliance to prudential requirements, a WESM Member under the Customer category must, as soon as practical, provide an additional security commensurate to the load profile of the additional load facility.</u>	PEMC: For RCC's consideration. <u>SN Aboitiz Power – Benguet:</u> Both load and generator are required to have RTU, revenue metering, and communication link.	Adopt PEMC's recommendation with revision: <u>3.3.6.3 In compliance to prudential requirements, a WESM Member under the Customer category must, as soon as practical prior to energization, provide an additional security commensurate to the load profile of the additional load facility.</u> The RCC agreed that putting up the prudential requirement before energization would be beneficial for generators to prevent the occurrence of it

WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures Issue 4.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
								being issued a Margin Call which they should be able to address within 2 days.
FACILITY-RELATED CHANGES	3.3.6.3 (new)	N / A	<u>The Market Operator shall assess and approve the request for the registration of an additional facility in accordance with the procedures under Sections 2.5.5, 2.5.6, and 2.5.7.</u>	To clarify that the MO will assess the registration of an additional load facility based on procedures and timelines for assessing the application of new WESM Members.	PEMC: Re-numbering per proposed insertion of new provision above.	3.3.6.3 3.3.6.4 xxx		Adopt PEMC's revision
					PEMC: To ensure compliance with the obligation to register of additional load facilities, the MO should duly report to PEMC any possible non-compliances to this registration requirement.	PEMC: <u>3.3.6.5. The Market Operator shall report to PEMC any possible non-compliance to the requirement of Section 3.3.6.</u>	PEMC: We agree to adopt the proposed revision.	Adopt PEMC's proposed Sec. 3.3.6.5

Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers)

Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
CONTESTABLE CUSTOMER TRANSACTIONS – Conditions for Customer switching	3.2.1.3	A <i>Supplier</i> may submit a <i>switch request</i> to the <i>Central Registration Body</i> if the following conditions are met: a) A supply contract has been entered into between the <i>Supplier</i> and the <i>Contestable Customer</i> for which the <i>Switch request</i> is made; and b) There is an existing and valid wheeling service agreement with the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> and a metering services agreement with a registered Metering Services Provider, covering the	A <i>Supplier</i> may submit a <i>switch request</i> to the <i>Central Registration Body</i> if the following conditions are met: a) A supply contract has been entered into between the <i>Supplier</i> and the <i>Contestable Customer</i> for which the <i>Switch request</i> is made; and b) There is an existing and valid wheeling service agreement with the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> and a metering	To incorporate the switch process requirement provided under Article II Section 1(a) of ERC Resolution No. 09, Series of 2018 that no Contestable Customer shall be allowed to switch or be supplied by new RES or SOLR should it have an outstanding balance with its NSP, in case of initial switch, or incumbent RES	<u>MERALCO:</u> We concur that the contestable customer must comply with all pending financial obligations with its Network Service Provider and/or incumbent Supplier prior to the submission of a switch request. To facilitate the verification, the Network Service Provider and/or incumbent Supplier may issue a Certificate of No Outstanding Balance or any similar attestation. ERC Resolution 9, Series of 2018 also provides the option for dual or multiple billing. Once the contestable	<u>MERALCO:</u> c) <u>The full compliance of the Contestable Customer with its financial obligations with its Network Service Provider in case of initial switch, its incumbent Supplier or both in case of dual/multiple billing, duly confirmed by said Network Service Provider and/or incumbent Supplier through the issuance of a Certificate of No Outstanding</u>	<u>MERALCO:</u> This clause provides the conditions before submitting a switch request. The proof of the condition (i.e., certificate from Supplier or NSP as also suggested) is provided under Section II-3:1.1 of the Retail Manual on Market Transactions. A contestable customer under dual billing scheme will not	Adopt IEMOP's proposal <i>Discussions:</i> Mr. dela Viña clarified that the CRB informs the DU when a Contestable Customer switches a Supplier. Ms. Rivera confirmed that the DU will be indeed informed because there will be a new contract between the Supplier and the DU due to

[Signature]

Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		Contestable Customer.	services agreement with a registered Metering Services Provider, covering the Contestable Customer; and c) <u>The Contestable Customer has no financial obligations with its Network Service Provider, in case of initial switch, or its incumbent Supplier.</u>		customer opts for dual billing, it is now responsible for certain financial obligations with the DU (e.g. bill deposit, settlement of DWSA, etc.). Section 5.2, item 3 of ERC Resolution No. 09, Series of 2018 also requires Contestable Customers under the Dual/Multiple Billing Scheme to submit its Switching requirements to the CRB. Hence, under dual/multiple billing, both the DU and the incumbent supplier should issue a Certificate of No Outstanding Balance. <u>SPC Power Corporation:</u> What if there are Disputes (i.e. Billing Disputes, etc.) between	<u>Balance or any similar attestation.</u>	change NSP when switching RES. Unlike with the incumbent RES, the relationship of the contestable customers with the NSP is retained even after the switch. <u>SPC Power Corporation:</u> Yes, as per Article II Section 1 of ERC Resolution No. 9 Series of 2018.	the new Customer.

Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
					the Contestable Customer and the Incumbent Supplier? Will this mean that the Contestable customer will be forced to continue drawing power from the incumbent supplier until the disputes are finally settled even though the contestable customer already expressed its intention to switch to another supplier?			
CONTESTABLE CUSTOMER TRANSACTIONS – Procedures for Switching	3.2.2.2	If the <i>Central Registration Body</i> verifies that all the conditions are met and <i>Contestable Customer</i> for which the <i>switch request</i> is made is registered as a <i>Direct WESM Member</i> . a) The <i>Direct WESM Member</i> shall update its prudential requirements if so required by the <i>Market Operator</i> to	If the <i>Central Registration Body</i> verifies that all the conditions are met and <i>Contestable Customer</i> for which the <i>switch request</i> is made is registered as a <i>Direct WESM Member</i> . a) The <i>Direct WESM Member</i> shall update its	Since the requirement for the compliance of the Contestable Customer with its financial obligations is already proposed to be included in the conditions for switching (Section 3.2.1.3), it should already be				Adopt proposal

Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		<p>ensure that it fully satisfies the prudential requirement as set out in the <i>WESM Rules</i>.</p> <p>b) Upon confirmation that the prudential requirements are satisfied, the <i>Central Registration Body</i> shall notify the new <i>Supplier</i>, the incumbent <i>Supplier</i>, the <i>Contestable Customer</i> and the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> of the confirmation of the <i>switch request</i> and the effective date of the switch.</p> <p>c) The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the</p>	<p>prudential requirements if so required by the <i>Market Operator</i> to ensure that it fully satisfies the prudential requirement as set out in the <i>WESM Rules</i>.</p> <p>b) Upon confirmation that the prudential requirements are satisfied, the <i>Central Registration Body</i> shall notify the new <i>Supplier</i>, the incumbent <i>Supplier</i>, the <i>Contestable Customer</i> and the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> of the</p>	<p>established prior to the conduct of the procedures in this clause.</p>				

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Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		incumbent <i>Supplier</i> and the new <i>Supplier</i> , including but not limited to the payment of outstanding obligations and posting of security deposits.	confirmation of the <i>switch request</i> and the effective date of the switch. e) The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the incumbent <i>Supplier</i> and the new <i>Supplier</i>, including but not limited to the payment of outstanding obligations and posting of security deposits.					
CONTESTABLE CUSTOMER TRANSACTIONS – Procedures for Switching	3.2.2.3	If the <i>Central Registration Body</i> verifies that all the conditions are met and <i>Contestable Customer</i> for which the <i>switch request</i> is made is an <i>Indirect WESM Member</i> .	If the <i>Central Registration Body</i> verifies that all the conditions are met and <i>Contestable Customer</i> for which the <i>switch request</i> is	Since the requirement for the compliance of the <i>Contestable Customer</i> with its financial obligations is				Adopt proposal

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Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		<p>a) If the new <i>Supplier</i> will also be the new <i>Direct WESM Member counterparty</i>, the new <i>Supplier</i> shall submit securities required by the <i>Market Operator</i> to fully satisfy the prudential requirements as set out in the <i>WESM Rules</i>.</p> <p>b) If the switch does not involve change in the <i>Direct WESM Member counterparty</i>, the latter shall update its prudential requirements if so required by the <i>Market Operator</i> to ensure that it continuously satisfies the prudential requirements as set out in the <i>WESM Rules</i>.</p>	<p>made is an <i>Indirect WESM Member</i>.</p> <p>a) If the new <i>Supplier</i> will also be the new <i>Direct WESM Member counterparty</i>, the new <i>Supplier</i> shall submit securities required by the <i>Market Operator</i> to fully satisfy the prudential requirements as set out in the <i>WESM Rules</i>.</p> <p>b) If the switch does not involve change in the <i>Direct WESM Member counterparty</i>, the latter shall update its prudential requirements if so required by</p>	<p>already proposed to be included in the conditions for switching (Section 3.2.1.3), it should already be established prior to the conduct of the procedures in this clause.</p>				

Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		c) Upon confirmation that the prudential requirements are satisfied, the <i>Central Registration Body</i> shall notify the new <i>Supplier</i> , the incumbent <i>Supplier</i> and <i>Direct WESM Member counterparty</i> , the <i>Contestable Customer</i> and the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> of the confirmation of the <i>switch request</i> and the effective date of the switch.	the <i>Market Operator</i> to ensure that it continuously satisfies the prudential requirements as set out in the <i>WESM Rules</i> .					
		d) The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the incumbent <i>Supplier</i> and <i>Direct WESM Member counterparty</i> , and the new <i>Supplier</i> ,	c) Upon confirmation that the prudential requirements are satisfied, the <i>Central Registration Body</i> shall notify the new <i>Supplier</i> , the incumbent <i>Supplier</i> and <i>Direct WESM Member counterparty</i> , the <i>Contestable Customer</i> and the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i>					

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Retail Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		including but not limited to the payment of outstanding obligations and posting of security deposits.	of the confirmation of the switch request and the effective date of the switch. d) The Contestable Customer shall be responsible for ensuring that it has fully complied with its obligations to the incumbent Supplier and Direct WESM Member counterparty, and the new Supplier, including but not limited to the payment of outstanding obligations and posting of security deposits.					

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Rules.

Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers

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Retail Manual – Registration Criteria and Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
INTRODUCTION AND GENERAL GUIDELINES - References	I-2.3	<p>2.3. References</p> <p>This Manual should be read in association with the -</p> <ul style="list-style-type: none"> a) Republic Act No. 9136 b) Implementing Rules and Regulations of Republic Act No. 9136 c) ERC's Transitory Rules on the Implementation of OARC d) WESM Rules e) Retail Rules f) Philippine Grid Code g) Philippine Distribution Code h) Department of Energy Circular No. 2010-05-006 i) Department of Energy Circular No. 2010-08-0010 j) Department of Energy Circular No. 2012-011-0010 	<p>2.3. References</p> <p>This Manual should be read in association with the -</p> <ul style="list-style-type: none"> a) Republic Act No. 9136 b) Implementing Rules and Regulations of Republic Act No. 9136 c) ERC's Transitory Rules on the Implementation of OARC d) WESM Rules e) Retail Rules f) Philippine Grid Code g) Philippine Distribution Code h) Department of Energy Circular No. 2010-05-006 i) Department of Energy Circular No. 2010-08-0010 j) Department of Energy Circular No. 2012-011-0010 	To include a reference to ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers adopted through ERC Resolution No. 9, Series of 2018 and the DSOAR				Adopt proposal

Retail Manual – Registration Criteria and Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		k) Department of Energy Circular No. 2013-01-0002 l) WESM Manual: Registration, Suspension and De-Registration Criteria and Procedures m) WESM Manual: Billing and Settlements n) Retail Metering Manual o) WESM Dispute Resolution Market Manual	k) Department of Energy Circular No. 2013-01-0002 l) WESM Manual: Registration, Suspension and De-Registration Criteria and Procedures m) WESM Manual: Billing and Settlements n) Retail Metering Manual o) WESM Dispute Resolution Market Manual p) <u>Distribution Services and Open Access Rules (DSOAR)</u> q) <u>ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the</u>					



Retail Manual – Registration Criteria and Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
			Contestable Customers					
INTRODUCTION AND GENERAL GUIDELINES – General Guidelines	I-3.2	3.2 Considering its implications, suspension and deregistration from the <i>WESM</i> shall be carried out in strict compliance with the procedures in <i>WESM</i> Manual on Registration, Suspension and De-Registration Criteria and Procedures.	3.2 Considering its implications, suspension and deregistration from the <i>WESM</i> shall be carried out in strict compliance with the procedures in <i>WESM</i> Manual on Registration, Suspension and De-Registration Criteria and Procedures. <u>The disconnection of contestable customers shall be in accordance with the relevant regulatory issuances.</u>	To clarify that the procedures for disconnection of retail market participants are also guided by the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers and the DSOAR	PEMC: GENERAL COMMENT: In cases when a Contestable Customer has a contract with multiple RESs, does the request for disconnection by one of the RESs require consent from the other RESs with whom the CC also has contract?	None	PEMC: Under Section 4.8.4 of the DSOAR, in the case that a contestable customer does not pay a RES, the RES has the right to request for disconnection with the DU.	Adopt IEMOP's proposal <i>Discussion:</i> Ms. Rivera inquired if a Secondary RES' request to disconnect a CC would just end up not acted upon if that CC has good financial standing with its Primary RES. After all, it is the Primary RES who is recognized in the market. Does a Secondary

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ANNEX E

Retail Manual – Registration Criteria and Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
								RES need the consent of the Primary RES? Mr. dela Viña responded that per the DSOAR, the CRB is mandated to forward any request for disconnection to the DU regardless whether the RES is primary or secondary. Also per the DSOAR, the DU is not required to perform validation before executing the disconnection of the CC.



Retail Manual – Registration Criteria and Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
SUSPENSION, DISCONNECTION AND DE-REGISTRATION	III	The suspension, de-registration and cessation of the membership of the Suppliers and Contestable Customers in the WESM shall be governed by the WESM Rules.	The suspension, de-registration and cessation of the membership of the Suppliers and Contestable Customers in the WESM shall be governed by the WESM Rules. <u>The disconnection of contestable customers shall be in accordance with the relevant regulatory issuances.</u>	To clarify that the procedures for disconnection of retail market participants are also guided by the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers and the DSOAR				Adopt proposal

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Rules.

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Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
INTRODUCTION AND GENERAL GUIDELINES - References	I-3.2	<p>3.2. References</p> <p>This Manual should be read in association with the -</p> <ul style="list-style-type: none"> p) Republic Act No. 9136 q) Implementing Rules and Regulations of Republic Act No. 9136 r) WESM Rules s) Retail Rules t) WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures u) Retail Manual: Registration Criteria and Procedures v) WESM Dispute Resolution 	<p>3.2. References</p> <p>This Manual should be read in association with the -</p> <ul style="list-style-type: none"> a) Republic Act No. 9136 b) Implementing Rules and Regulations of Republic Act No. 9136 c) WESM Rules d) Retail Rules e) WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures f) Retail Manual: Registration Criteria and Procedures g) WESM Dispute Resolution h) Department of Energy Circular 	To include a reference to ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers adopted through ERC Resolution No. 9, Series of 2018	<p><u>MERALCO:</u></p> <p>There are other RCOA-related ERC Rules that should be read alongside with the Retail Rules (e.g. Rules for Contestability, Distribution Services Open Access Rules, etc.). This should also be reflected in the proposed amendment.</p>	<p><u>MERALCO:</u></p> <p>"We propose to add additional references</p> <p><u>I) Other relevant rules issued by the Energy Regulatory Commission and Department of Energy</u></p>	<p><u>MERALCO:</u></p> <p>We do not have any comment on the proposed revised wording.</p>	<p>Adopt MERALCO's recommendation:</p> <p><u>I) Other relevant rules issued by the Energy Regulatory Commission and Department of Energy</u></p>

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Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		Market Manual	No. 2012-05-0005					
		w) Department of Energy Circular No. 2012-05-0005 x) Department of Energy Circular No. 2012-011-0010 y) Department of Energy Circular NO. 2013-01-0002	i) Department of Energy Circular No. 2012-011-0010 j) Department of Energy Circular NO. 2013-01-0002 k) <u>ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers</u>					
CUSTOMER SWITCHING	II-2.3	2.3 Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i> , the following must be present: 2.3.1. A valid <i>Retail Supply Contract</i>	2.3 Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i> , the following must be present: 2.3.1. A valid <i>Retail Supply Contract</i> between a	To incorporate the switch process requirement provided under Article II Section 1(a) of ERC Resolution No. 09, Series of 2018 that no Contestable Customer shall be allowed to switch or be	<u>Aboitiz Power Corporation:</u> We suggest that the full compliance certificate of the incumbent Supplier should be directly submitted to the CRB. In our opinion, it is quite	<u>MERALCO:</u> <u>2.3.3 The full compliance of the Contestable Customer with its financial obligations with its Network Service</u>	<u>Aboitiz Power Corporation:</u> As the CRB, we are mere recipients of documents for processing of switch	Adopt IEMOP's proposal <i>Discussion:</i> Regarding APC's comment, Mr. dela Viña further explained that

Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		between a Supplier and the Contestable Customer for which the request is made; and 2.3.2. An existing and valid wheeling service agreement with the relevant Distribution Utility or Network Service Provider and a metering services agreement with a registered Retail Metering Services Provider	Supplier and the Contestable Customer for which the request is made; and 2.3.2. An existing and valid wheeling service agreement with the relevant Distribution Utility or Network Service Provider and a metering services agreement with a registered Retail Metering Services Provider covering the Contestable Customer; and 2.3.3 The full compliance of	supplied by new RES or SOLR should it have an outstanding balance with its NSP, in case of initial switch, or incumbent RES	difficult for the new Supplier to secure this certificate from the incumbent supplier of a certain contestable customer. The submission of the incumbent supplier to the CRB should be done upon the application of the switch request of the new supplier <u>MERALCO:</u> We concur that the contestable customer must comply with all pending financial obligations with its Network Service Provider and/or incumbent Supplier prior to the submission of a switch request. To facilitate the verification, the Network Service	<u>Provider in case of initial switch, its incumbent Supplier or both in case of dual/multiple billing, duly confirmed by said Network Service Provider and/or incumbent Supplier through the issuance of a Certificate of No Outstanding Balance or any similar attestation.</u>	request. We recommend to retain the proposed revision. <u>MERALCO:</u> This clause provides the conditions before submitting a switch request. The proof of the condition (i.e., certificate from Supplier or NSP as also suggested) is provided under Section II-3.1.1 of the Retail Manual on Market Transactions.	the CRB will begin processing switch requests only when the required documents from the new Supplier are complete. Mr. Virgilio C. Fortich, Jr. (CEBECO3) agreed with IEMOP's proposal and commented that an incumbent Supplier is unlikely to voluntarily submit compliance certificates to the CRB. In practice, all involved in the switch of Supplier, including the DU, have all coordinated with

Retail Manual – Market Transactions Procedures 2.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		covering the <i>Contestable Customer</i> . 2.3.3. Switching shall take effect at the start of a billing period except in case of transfer from <i>Supplier of Last Resort</i> to a regular <i>Supplier</i> which may take effect within a <i>Billing Period</i> .	<u>the</u> <u><i>Contestable Customer</i></u> with <u>its financial obligations with its</u> <u><i>Network Service Provider</i></u> , in <u>case of initial switch, or its incumbent</u> <u><i>Supplier</i></u> . 2.3.34. Switching shall take effect at the start of a billing period except in case of transfer from <i>Supplier of Last Resort</i> to a regular <i>Supplier</i> which may take effect within a <i>Billing Period</i> .		Provider and/or incumbent Supplier may issue a Certificate of No Outstanding Balance or any similar attestation. ERC Resolution 9, Series of 2018 also provides the option for dual or multiple billing. Once the contestable customer opts for dual billing, it is now responsible for certain financial obligations with the DU (e.g. bill deposit, settlement of DWSA, etc.). Section 5.2, item 3 of ERC Resolution No. 09, Series of 2018 also requires Contestable Customers under the Dual/Multiple Billing Scheme to submit its Switching requirements to the CRB. Hence, under dual/multiple billing, both the DU and the incumbent supplier		A contestable customer under dual billing scheme will not change NSP when switching RES. Unlike with the incumbent RES, the relationship of the contestable customers with the NSP is retained even after the switch.	each before the submitting documents to the CRB.

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Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
					should issue a Certificate of No Outstanding Balance.			
SWITCHING PROCEDURES	II-3.1.1	Once all requirements are met, an accomplished switch request form shall be submitted by the new <i>Supplier</i> to the <i>Central Registration Body</i> not later than thirty (30) working days before the proposed effective date. ¹⁵ The request shall be accompanied by the following documentary requirements: a. Switch Request Form b. Copy of <i>Retail Supply Contract</i> c. Copy of valid Wheeling Service Agreement	Once all requirements are met, an accomplished switch request form shall be submitted by the new <i>Supplier</i> to the <i>Central Registration Body</i> not later than thirty (30) working days before the proposed effective date. ¹⁵ The request shall be accompanied by the following documentary requirements: a. Switch Request Form b. Copy of <i>Retail Supply Contract</i> c. Copy of valid Wheeling Service Agreement d. Copy of valid Metering Services Agreement	To include the documentary requirement to prove compliance of the contestable customer with its financial obligations with its incumbent supplier as provided under Article II Section 1(a) of ERC Resolution No. 09, Series of 2018	<u>MERALCO:</u> Consistent with our comment on section II-2.3. <u>SPC Power Corporation:</u> We understand that this new provision will protect the interest of the Supplier, but what if there is/are Billing Dispute/s between the Contestable customer and the Supplier? How can the contestable customer be allowed to switch to a new supplier? Considering that the incumbent supplier will	<u>MERALCO:</u> <u>e. Certification of the full compliance of the Contestable Customer with its financial obligations from its Network Service Provider in case of initial switch, its incumbent Supplier or both in case of dual/multiple billing</u>	<u>MERALCO:</u> A contestable customer under dual billing scheme will not change NSP when switching RES. Unlike with the incumbent RES, the relationship of the contestable customers with the NSP is retained even after the switch. Adopt IEMOP <u>SPC Power Corporation:</u>	Adopt IEMOP's proposal

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Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		d. Copy of valid Metering Services Agreement	<u>e. Certification of the full compliance of the Contestable Customer with its financial obligations from its Network Service Provider, in case of initial switch, or its incumbent Supplier.</u>		not issue a Certification of compliance of the Customer in its Financial obligation because of unsettled obligations due to the dispute/s. This will hinder the contestable customer from transferring to new supplier. It may be prudent that the Switch Request Form from the CRB includes a question if the customer have billing disputes from its Network Service Provider and how the dispute is being handle/resolve for resolution.		Under Article II Section 1 of ERC Resolution No. 9 Series of 2018, the contestable customer is required to settle its outstanding balance prior to switching whether under dispute or not.	
SWITCHING PROCEDURES	II- 3.1.3.1	3.1.3.1. Contestable Customer is registered as Direct WESM Member: a. The Central Registration	3.1.3.1. Contestable Customer is registered as Direct WESM Member: a. The Central Registration	Since the requirement for the certification of full compliance of Contestable Customer with its financial obligations is already				Adopt IEMOP's proposal



ANNEX E

Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		<p>Body shall inform the <i>Contestable Customer</i> of their updated <i>Prudential Requirements</i> within three (3) <i>working days</i> from confirming that the switch request meets the conditions in <i>Retail Rule 3.2.1.3</i>.</p> <p>b. The <i>Contestable Customer</i> shall update its <i>Prudential Requirements</i> if so required by the <i>Market Operator</i> to ensure that it fully satisfies the <i>Prudential Requirements</i></p>	<p>Body shall inform the <i>Contestable Customer</i> of their updated <i>Prudential Requirements</i> within three (3) <i>working days</i> from confirming that the switch request meets the conditions in <i>Retail Rule 3.2.1.3</i>.</p> <p>b. The <i>Contestable Customer</i> shall update its <i>Prudential Requirements</i> if so required by the <i>Market Operator</i> to ensure that it fully satisfies the <i>Prudential Requirements</i> as set out in the</p>	proposed to be included in the conditions for switching (Section II-2.3), it is suggested that Section II-3.1.3.1(d) be deleted for consistency.				



Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		as set out in the <i>WESM Rules</i> . The <i>Contestable Customer</i> shall post the <i>Prudential Requirements</i> within ten (10) business days from CRB notification.	<i>WESM Rules</i> . The <i>Contestable Customer</i> shall post the <i>Prudential Requirements</i> within ten (10) business days from CRB notification.					
		c. Within two (2) working days from confirming that the <i>Contestable Customer</i> has complied with the <i>Prudential Requirements</i> , the <i>Central Registration Body</i> shall notify the new <i>Supplier</i> , the incumbent <i>Supplier</i> , the	c. Within two (2) working days from confirming that the <i>Contestable Customer</i> has complied with the <i>Prudential Requirements</i> , the <i>Central Registration Body</i> shall notify the new <i>Supplier</i> , the incumbent <i>Supplier</i> , the <i>Contestable Customer</i> and					

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Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		<p><i>Contestable Customer and the relevant Distribution Utility or Network Service Provider of the confirmation and approval of the Switch Request and the effective date of the switch.</i></p> <p>d. The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the incumbent <i>Supplier</i> and the new <i>Supplier</i>, including but not limited to the payment of outstanding</p>	<p>the relevant <i>Distribution Utility or Network Service Provider</i> of the confirmation and approval of the <i>Switch Request</i> and the effective date of the switch.</p> <p>d. The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the incumbent <i>Supplier</i> and the new <i>Supplier</i>, including but not limited to the payment of outstanding</p>					



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Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		including but not limited to the payment of outstanding obligations and posting of security deposits.	obligations and posting of security deposits.					
		Compliance with such requirements will not be verified by the Central Registration Body and are not pre-requisites to its confirmation of the switch. Thus, the contracting parties should be responsible for ensuring that conditions set out in their	Compliance with such requirements will not be verified by the Central Registration Body and are not pre-requisites to its confirmation of the switch. Thus, the contracting parties should be responsible for ensuring that conditions set out in their					

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ANNEX E

Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		contracts affected by the switch are fulfilled.						
SWITCHING PROCEDURES	II-3.1.3.2	<p>3.1.3.2. Contestable Customer is registered as Indirect WESM Member:</p> <p>a. The <i>Central Registration Body</i> shall inform the new and incumbent <i>Suppliers</i> of their updated <i>Prudential Requirements</i> within three (3) <i>working days</i> of confirming that the switch request meets the conditions in <i>Retail Rule 3.2.1.3</i>.</p> <p>b. The new <i>Supplier</i> shall</p>	<p>3.1.3.2. Contestable Customer is registered as Indirect WESM Member:</p> <p>a. The <i>Central Registration Body</i> shall inform the new and incumbent <i>Suppliers</i> of their updated <i>Prudential Requirements</i> within three (3) <i>working days</i> of confirming that the switch request meets the conditions in <i>Retail Rule 3.2.1.3</i>.</p> <p>b. The new <i>Supplier</i> shall submit the additional</p>	Since the requirement for the certification of full compliance of Contestable Customer with its financial obligations is already proposed to be included in the conditions for switching (Section II-2.3), it is suggested that Section II-3.1.3.2(d) be deleted for consistency.				

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Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		submit the additional securities required by the <i>Market Operator</i> to fully satisfy the prudential requirement as set out in the <i>WESM Rules</i> .	securities required by the Market <i>Operator</i> to fully satisfy the prudential requirement as set out in the <i>WESM Rules</i> .					
		c. Within two (2) working days from confirmation that the <i>Prudential Requirements</i> are satisfied, the <i>Central Registration Body</i> shall notify the new <i>Supplier</i> , the incumbent <i>Supplier</i> and Direct WESM Member	c. Within two (2) working days from confirmation that the <i>Prudential Requirements</i> are satisfied, the <i>Central Registration Body</i> shall notify the new <i>Supplier</i> , the incumbent <i>Supplier</i> and Direct WESM Member counterparty, the <i>Contestable Customer</i> and					

Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers

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Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		<p>counterparty, the <i>Contestable Customer</i> and the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> of the confirmation and approval of the switch request and the effective date of the switch.</p> <p>d. The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the incumbent <i>Supplier</i> and</p>	<p>the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> of the confirmation and approval of the switch request and the effective date of the switch.</p> <p>d. The <i>Contestable Customer</i> shall be responsible for ensuring that it has fully complied with its obligations to the incumbent <i>Supplier</i> and Direct WESM Member counterparty, and the new <i>Supplier</i>, including but not limited to</p>					

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Retail Manual – Market Transactions Procedures 2.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Agreements
		Direct WESM Member counterparty, and the new <i>Supplier</i> , including but not limited to the payment of outstanding obligations and posting of security deposits.	the payment of outstanding obligations and posting of security deposits. Compliance with such requirements will not be verified by the <i>Central Registration Body</i> and are not pre-requisites to its confirmation of the switch.					

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Rules.

Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers

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