

**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2019-17

**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**

WHEREAS, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted the subject proposal to clarify procedures for the registration of a new load facility of a registered WESM Member and to add provision on the energization of new facilities only upon WESM registration;

WHEREAS, Clause 3.3 of the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures (WESM Registration Manual) under the Post-Registration Transactions and Changes section enumerates the facility-related changes of WESM members and the related requirements and procedures for approving and implementing those changes;

WHEREAS, the registration of new load facilities is not identified as one of the facility-related changes;

WHEREAS, non-registration and non-modelling of a new load facility of a registered WESM Member would affect the scheduling and the settlement process of the energy consumed in the WESM;

WHEREAS, the proponent's recommendation is to prevent the possible discrepancies or disputes in the scheduling and settlement processes of the WESM caused by the non-registration of new load facilities;

WHEREAS, the RCC approved the publication of the proposal in the PEMC website on 16 August 2019 to solicit comments from industry stakeholders and interested parties;

WHEREAS, following the 30-working day commenting period from publication date on 20 August 2019, comments were received from PEMC, Global Business

Power Corp., SN Aboitiz Power - Benguet, and Aboitiz Power Corp., which, together with the proponent's responses to these comments, were considered in the RCC's deliberation during its 157th meeting on 18 October 2019;

WHEREAS, the RCC agreed to make the following amendments to the proposal:

- (i) to facilitate an efficient settlement process, added new provision stating that a Customer who is registering an additional load facility must provide prudential requirements equivalent to the load profile of that additional facility prior to energization;
- (ii) for clarity on the process, indicated that the Network Services Provider issues an Approval to Connect for the energization of a facility; and
- (iii) reflected clerical revisions for enhancement;

WHEREAS, the RCC approved the proposal, as amended, and its endorsement to the PEM Board;

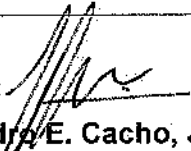

NOW THEREFORE, we, the undersigned in behalf of the sectors we represent, hereby resolve as follows:

RESOLVED, that the RCC approves the 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;

RESOLVED FURTHER, that the 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 (Annexes) are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation;

Done this 15 November 2019, Pasig City.

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

Annex A

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	Clause	Provision	Proposed Amendment	Rationale
RESPONSIBILITIES – Network Service Providers	<u>3.3.2</u>	N / A	<u>The Network Service Provider shall ensure that an equipment is included in the Market Network Model prior to its issuance of the Approval to Connect for 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.
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 Apperdx 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.
MNM DEVELOPMENT TIMETABLE	<u>4.5.5</u> (new)	N / A	<u>The Network Service Provider shall issue the Approval to Connect for the energization of a facility only when it has been included in the Market Network Model and registered in the WESM.</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.

Annex A

WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures Issue 3.0				
Title	Clause	Provision	Proposed Amendment	Rationale
MNM DEVELOPMENT TIMETABLE	4.5.5 <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 is based on energization date or commissioning date of a new or upgraded equipment.	4.5.5 <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 energization date or commissioning date of a new or upgraded equipment.	Proposed re-numbering with the insertion of new Section 4.5.5

Annex B

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 Registration, Suspension, and De-Registration Criteria and Procedures Issue 4.0				
Title	Clause	Provision	Proposed Amendment	Rationale
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)
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.
FACILITY-RELATED CHANGES	<u>3.3.6.2</u> (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.
FACILITY-RELATED CHANGES	<u>3.3.6.3</u> (new)	N/A	<u>In compliance to prudential requirements, a WESM Member under the Customer category must, prior to energization, provide an additional security commensurate to the load profile of the additional load facility.</u>	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.

Annex B

WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures Issue 4.0				
Title	Clause	Provision	Proposed Amendment	Rationale
FACILITY-RELATED CHANGES	<u>3.3.6.4</u> (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.
FACILITY-RELATED CHANGES	<u>3.3.6.5</u> (new)	N / A	<u>The Market Operator shall report to PEMC any possible non-compliance to the requirement of Section 3.3.6.</u>	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.