



MINUTES OF MEETING

Rules Change Committee

151st Regular Meeting No. 2019-04

12 April 2019, 9:00 AM – 3:00 PM

PEMC Executive Board Room, Robinsons Equitable Tower
Ortigas Center, Pasig City

Agenda	Presenter	Action Required
I. Call to Order		
II. Determination of Quorum		There being a quorum, Dr. Allen Nerves (Independent) called the meeting to order at around 9AM.
<p>The attendees are as follows:</p> <p><u>Rules Change Committee</u></p> <p><i>Principal Members:</i></p> <p>Maila Lourdes G. de Castro, Chairperson – Independent Francisco Leodegario R. Castro, Jr. – Independent Concepcion I. Tanglao – Independent Allan C. Nerves – Independent Abner B. Tolentino – Generation (PSALM) Cherry A. Javier – Generation (APC) Jose Ildebrando B. Ambrosio – Generation (NorthWind) Dixie Anthony R. Banzon – Generation (MPPCL) Jose P. Santos – Distribution (INEC) Virgilio C. Fortich, Jr. – Distribution (CEBECO3) Ricardo G. Gumalal – Distribution (ILPI) Isidro E. Cacho – Market Operator (IEMOP)</p> <p><i>Alternate Member(s):</i></p> <p>Ryan S. Morales – Distribution (MERALCO)</p> <p><i>Observers:</i></p> <p>Dennis Paragas – Supply (TPEC) Ferdinand B. Binondo – DOE</p>		
<p><u>PEMC – Market Assessment Group (MAG)</u></p> <p>Elaine D. Gonzales</p>		

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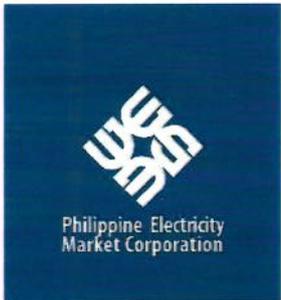
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John Mark S. Catriz Marcial Brummel J. Jimenez Romellen C. Salazar Aldjon Kenneth M. Yap Divine Gayle C. Cruz		
<u>IEMOP</u> Jonathan B. de la Viña		
<u>NGCP</u> Francis Vicencio Raquel L. Matienzo Amelia L. Cumpas		
Agenda	Presenter	Action/s Taken
III. Adoption of the Agenda	Secretariat	Approved as revised
Agenda	Presenter	Action/s Taken
IV. Review of the Minutes of the Previous Regular Meeting (150 th Meeting, 15 March 2019)	Secretariat	Approved as submitted
V. Matters Arising from Previous Meetings		
Agenda	Presenter	Action/s Taken
Revisions to the Proposed Urgent Amendments Regarding the Contingency Plan during Prolonged Market System Failure	PEMC & IEMOP (proponents)	(i) Approved the general concept of the contingency plan for scheduling and settlement processes during PMSF (ii) Instructed proponent to look at two options



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		for the basis of AP during prolonged MI: (a) based on PSA price, or (b) true cost of generators
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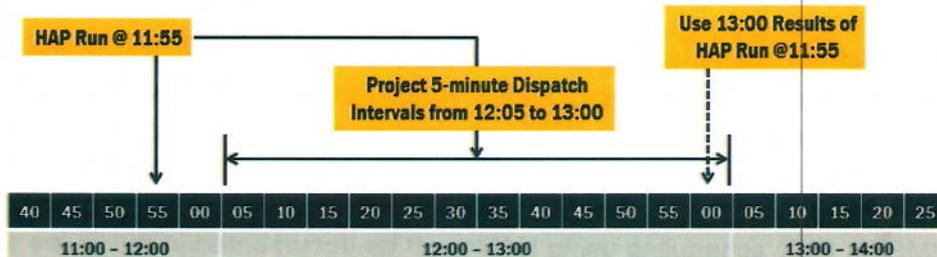
Mr. Marcial Brummel J. Jimenez (PEMC) and Mr. John Mark S. Catriz (PEMC) presented to the body the revisions to the subject proposal emanating from the RCC's discussions during its previous meeting as well as the result of subsequent discussions by the joint PEMC-IEMOP Technical Working Group. The proponents sought to have the proposal approved by the RCC in concept before submitting the detailed proposed amendments to the relevant provisions of the WESM Rules and Manuals.

During the previous meeting, the RCC and the proponent took note of the System Operator's objections to the original proposal for the Market Operator to provide the System Operator an unconstrained solution for dispatch schedules during prolonged market intervention/suspension (MI/MS). Considering this, the proponent revised the proposal, as follows (*see Annex A for the full presentation*):

- *On Scheduling:*

The revised proposal recommends using the new Market Management System for conducting hour-ahead projection (HAP) run. The HAP Run at the 55th minute of the previous hour will be used, and the results of the last 5-minute dispatch interval (xx:00) of the relevant HAP run will serve as the new Real-Time Dispatch.

Use of the NMMS HAP



HAP runs every 5 minutes to project the prices and schedules of each five-minute dispatch interval for the next hour

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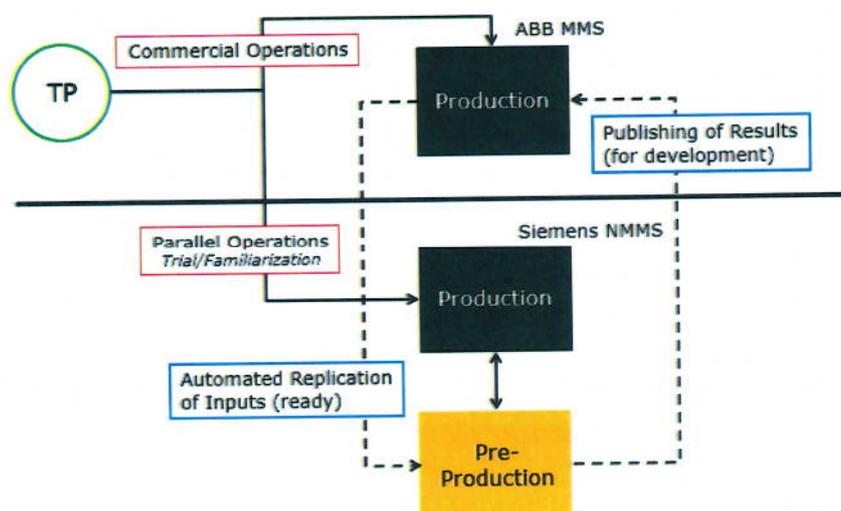
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To implement this, Mr. Jimenez explained that the current and new MMS will be operated in parallel such that the new MMS will conduct the HAP and the current MMS will communicate the RTD schedules to the Trading Participants and the System Operator.



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- *On Pricing and Settlement:*

Mr. Jimenez explained that with the proposed scheduling process, the existing pricing mechanisms will still apply (i.e., local marginal pricing, pricing substitution, secondary price cap, etc.).

- *RCC Discussion and further clarifications:*

- Ms. Cherry A. Javier (APC) inquired if there is still a need to amend the WESM Rules or Manuals since, with the proposal, it will be as if the market is under normal condition as far as the generation of RTD schedule is concerned. Atty. Maila Lourdes G. de Castro (Ind) also raised a similar question since, essentially, the change is in the back-end processes of the Market Operator. Mr. Jimenez responded that the use of the new MMS for RTD scheduling using HAP must be documented in the Rules and Manuals.
- Dr. Nerves asked if certification by the auditor of the new MMS is required, to which Mr. Jimenez replied that the NMMS already has audit certification by a third party which

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Market Corporation

50 was already presented to the ERC during hearings for the approval of the Price
51 Determination Methodology for the new market design.

52

53 ○ As inquired by Mr. Dixie Anthony Banzon (MPPCL), Mr. Jimenez clarified that there
54 must first be a market intervention beyond twenty-four (24) hours due to market system
55 failure before the proposed scheduling process is applied. Thus, there is still a need to
56 amend the Rules and Manuals to specify the conditions for which the contingency
57 process will be implemented.

58

59 ○ Mr. Ryan S. Morales (MERALCO) sought clarification if the pay-as-bid pricing will no
60 longer be used as in the original proposal. Mr. Jimenez confirmed that pay-as bid will
61 not be used since the existing pricing mechanism will be implemented.

62

63 ○ Mr. Abner Tolentino (PSALM) asked if the current and new MMS will produce the same
64 results for the RTD schedule or if there will be deviations. Mr. Cacho responded that if
65 the data inputs are the same, then theoretically they should produce the same results.

66

67 Mr. Tolentino followed-up that if the current MMS is supposed to be failing (during
68 PMSF), would it then be appropriate to still use it? Mr. Cacho explained that the MMS
69 actually has two components: Market Application (MA) which performs the
70 optimization, and Market Interface (MI) which is the user interface seen by Trading
71 Participants. During PMSF, the MA is the one that failed, but the MI is still working. The
72 proposed scheduling process will use the MI only to receive input data (e.g., generation
73 offers) and communicate the RTD schedules to the participants as a result of the
74 optimization done in the new MMS.

75

76 ○ Mr. Isidro E. Cacho, Jr. (IEMOP) further explained that the 'production' and 'pre-
77 production' systems of the new MMS (as shown in the diagram above) use the same
78 software. Testing is done in 'pre-production', but both systems use the same software.

79

80 ○ Mr. Ferdinand B. Binondo (DOE) asked the probability of prolonged PMSF occurring.
81 Mr. Jimenez informed that the two most recent occurrences of market system failure
82 happened in January 2019, while the longest that occurred lasted for 7 hours in
83 November 2017. The intention of the proposal is to prepare for the worst-case scenario
84 due to the deterioration of the current MMS.

85

86 Mr. Binondo further asked what the root cause was of the market system failure. He
87 added that if the root problem is the 'hardware' or the 'machine' and not the program,
88 then maintenance would be the more appropriate solution, not the contingency plan



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89 that is being proposed. Mr. Jimenez responded that the IEMOP have been
90 coordinating with the vendor, ABB, on what caused the system failure, but it is possible
91 that the problem is related to the increase in inputs to the system. Mr. Cacho added
92 that hardware support agreement for the current MMS was already terminated in 2011
93 so new parts can no longer be acquired.

- 94
- 95 ○ Mr. Binondo recommended to find the actual cause of the system failure. He stated
 - 96 that the proposal is merely a transitory process. If it is indeed due to the capacity
 - 97 limitation of the current MMS in terms of input, then this must be reported to the DOE
 - 98 so that the approval of the commercial operations of the new MMS would be expedited.
 - 99

100

101 Having no further comments and clarifications, the RCC approved the overall concept of the
102 proposed contingency plan due to prolonged market system failure. With the body's approval,
103 the proponent will then draft the proposed amendments to the relevant provisions in the
104 WESM Rules and affected Manuals.

- 105
- 106
- 107 ■ *Administered Pricing during Prolonged market intervention/suspension:*
- 108

109 Mr. Jonathan B. de la Viña (IEMOP) presented an overview of a study on an alternative
110 calculation for administered price (AP) to be applied during prolonged market intervention
111 (e.g., MI lasting for 7 days) (see Annex B for the full presentation).

112

113 Mr. de la Viña explained that the current administered price determination methodology is
114 deemed an appropriate scheme for market intervention in the short-term to compensate the
115 short-run marginal costs of dispatched generators. However, the same cannot be said during
116 MI lasting for longer periods since generators incur other relevant generation costs in the long-
117 run which would have been incorporated in their bids during normal market conditions. Though
118 procedures are in place for generators to apply for additional compensation, these could only
119 cover generators' short-term marginal costs. Also, the AP may eventually be no longer
120 reflective of present spot market conditions if the same 4 weeks were used as basis for AP
121 during the entire duration of prolonged MI. The objective of the study therefore is to assess a
122 possible AP determination methodology during prolonged MI that could better approximate
123 the market were it under normal conditions.

124

125 Instead of using the four most recent same-day, same-hour prices as basis for calculating the
126 AP, it was presented that an option is to use results from the same month of the previous year
127 for AP during prolonged MI:



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Use results of same month from previous year

- To account for seasonality of spot prices
- Methodology
 - Monthly generation-weighted average
 - Per day (Monday to Sunday)
 - Per hour (1 to 24)
 - Per generator node

Mr. de la Viña presented simulations which showed that the administered price determined via the presented methodology better closely tracks the actual final prices. However, he also stated that the presented methodology that uses the previous year's data and accounts for seasonality could still not guarantee a close approximation of the actual current prices at all times since price shocks may occur every year (e.g., Malampaya outage). These discrepancies would still be addressed through application of additional compensation. Since one of the goals of exploring an alternative methodology for prolonged AP is to reduce the applications for additional compensation, using the presented methodology may not be a clear upgrade from the current methodology.

▪ *RCC Discussion and further clarifications:*

- It was clarified that generators' nodal prices are used as basis for the calculation of AP, while zonal prices are used for customers' AP.
- Ms. Javier raised an issue that occurred during typhoon Yolanda when diesel-based generators, which are normally not dispatched at night, were dispatched in all intervals at that time when the market was suspended. She stated that there would still be no reference prices for those diesel generators even with the proposed AP methodology.

Ms. Javier stated that past and present market conditions and data are still too different so the prices are still not close enough to cover generators' present costs. She suggested that instead of applying the proposed AP methodology, the market could just use generators' ERC-approved contract price or the generators themselves could nominate a price to be used during market intervention or suspension which must be subject to the approval of the ERC.



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- 163 Mr. Morales concurred that since the market is already suspended, then the true costs
164 of the generators should just be used as AP. Market-based prices can no longer be
165 applied, hence there is no advantage in using the previous year's data.
166
- 167 ○ Mr. Cacho clarified that should this proposal be approved, this will be filed to the ERC
168 after its approval of the Price Determination Methodology for enhanced market design.
169
- 170 The RCC instructed the proponent to look at the two suggested options on the basis for
171 determining AP during prolonged MI: (i) based on ERC-approved Power Supply Agreement
172 price, and (ii) based on true generation cost (to be nominated by generators). The body also
173 agreed for the proponent to define the timeframe criteria for 'prolonged MI' when the
174 alternative AP mechanism will be applied.

VI. New Business		
Agenda	Presenter	Action/s Taken
6.1. Proposed Amendments to the WESM Registration Manual to Include Additional Modelling Requirements and Procedures	IEMOP (proponent)	Approved for endorsement to the PEM Board, as amended

175 The RCC deliberated on the subject proposal with the assistance of Mr. de la Viña who
176 presented IEMOP's responses to the comments received from the DOE, PEMC and the
177 Technical Committee.

178
179 Refer to Annex C for the matrix and deliberation of the proposed amendments.

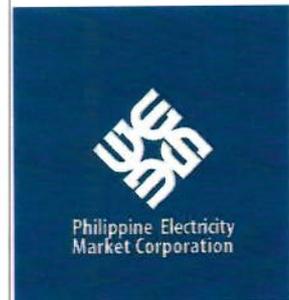
Agenda	Presenter	Action/s Taken
6.2. Proposed Amendments to the WESM Registration Manual to Harmonize with the WESM Rules	IEMOP (proponent)	Approved for endorsement to the PEM Board as amended

180 The RCC deliberated on the subject proposal giving due consideration to the comments
181 received from the Technical Committee, NGCP, MERALCO and the responses given by the
182 IEMOP as the proponent.

183
184 Refer to Annex C for the matrix and deliberation of the proposed amendments.

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Agenda	Presenter	Action/s Taken
6.3. Proposed Amendments to the WESM Registration Manual to Clarify Basis for Registered Capacities	IEMOP (proponent)	Approved for endorsement to the PEM Board, as amended

185 The RCC deliberated on the subject proposal giving due consideration to the comments
 186 received from the NGCP, MERALCO, SPC Power Corporation and the responses given by
 187 the IEMOP as the proponent.

188

189 Refer to Annex C for the matrix and deliberation of the proposed amendments.

Agenda	Presenter	Action/s Taken
6.4. Proposed Amendments to the WESM Rules and WESM Registration Manual on MSP Performance Monitoring	IEMOP (proponent)	Approved for endorsement to the PEM Board, as amended

190 The RCC deliberated on the subject proposal giving due consideration to the comments
 191 received from the NGCP, MERALCO and the responses given by the IEMOP as the
 192 proponent.

193

194 Refer to Annex C for the matrix and deliberation of the proposed amendments.

Agenda	Presenter	Action/s Taken
6.5. Proposed Amendments to the Forecast Accuracy Standards Manual	PEMC (proponent)	Approved for publication as submitted

195 Mr. Aldjon Kenneth M. Yap (PEMC) presented PEMC's proposal to amend the calculation of
 196 the Forecast Percentage Error specified in the Forecast Accuracy Standards Manual, with the
 197 following rationale:

198

199 • To align with the 5-minute dispatch interval



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- To provide a more appropriate calculation and exclusions for forecast percentage error (FPE) which consequently affects the mean absolute percentage error (MAPE) and Percentile 95 (Perc95)
 - To reflect clarification on the roles of PEMC and the procedures on the monitoring of forecast accuracy standards
 - To introduce clerical and minor revisions for clarity

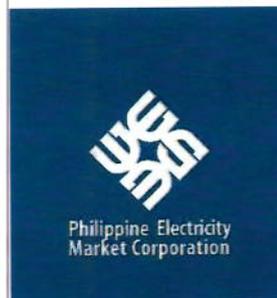
207 For the information of the RCC, PEMC raised that the DOE provided last year its
 208 recommendation for monitoring the forecast accuracy for intermittent resources, which serve
 209 as the starting off point of PEMC in its review of the relevant procedures and calculation of
 210 forecast accuracy.

211 The summary of the proposal is provided below (*see Annex D for the full presentation*):
 212

Item	Current	Proposed
Frequency of evaluation	Hourly	Per dispatch interval
Monitoring responsibility	MO	ECO
Reviewing responsibility	MO	PEMC
Additional exclusion		Metered Quantity = 0 & Projected Quantity = 0
FPE Formula	$FPE = \left \frac{PQ - MQ}{ICQ} \right \cdot 100\%$ Where ICQ = Pmax	$FPE = \left \frac{PQ - MQ}{PQ} \right \cdot 100\%$

213 Further, Mr. Yap explained that the proposed use of projected quantity is more aligned with
 214 what is prescribed in the PGC where the forecast of a VRE should be measured against its
 215 dependable capacity. PEMC interprets dependable capacity as a VREs projected quantity.
 216 Mr. Yap clarified that the thresholds for MAPE and Perc95 are retained.

217
 218 Based on the simulation, Ms. Javier stated that if only very few passed the threshold using the
 219 proposed formula in the current 1-hour dispatch interval, then the results could be worse if
 220 implements with the shorter 5-minute interval. Mr. Ambrosio (NorthWind) concurred that it is
 221 going to be extremely difficult for VREs to comply especially with the forthcoming 5-minute



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222 dispatch interval. Mr. Yap explained that though the proposal might be more stringent, the
223 enhanced market design via the new MMS would allow VRE generators to revise their
224 forecasts as often as necessary.

225

226 With no further comments, the RCC approved the proposal for publication as submitted.

Agenda	Presenter	Action/s Taken
6.6. Proposed Amendments to the WESM Manual on Metering Standards and Procedures	NGCP (proponent)	Approved for publication, as submitted

227 Mr. Francis Vicencio (NGCP-MSP) presented the summary of the NGCP's proposed
228 amendments to the WESM Rules and WESM Manual on Metering Standards and Procedures
229 submitted to the RCC on 03 April 2019. The proposal is in response to the DOE's directive to
230 the NGCP to submit a proposal to address its concerns related to inconsistencies between
231 the WESM Rules and WESM Metering Manual, and the PGC and the PDC.

232

233 The highlights of the proposal are as follows:

234 1. Clarification on the appropriate location of the metering point consistent with the
235 provisions set forth under the WESM Rules, the PGC 2016 Edition, the PDC, and other
236 relevant issuances of the ERC and the DOE.

237

238 The proposal specifies that revenue metering point must be located within 500 meters
239 from the connection point between the Network Service Provider and the Trading
240 Participant. If the metering equipment cannot be located within the prescribed location,
241 the Trading Participant must request the Market Operator to apply an agreed Site-
242 Specific Loss Adjustment for that metering point.

243

244 2. Harmonization of the technical requirements for the Metering Facilities in accordance
245 with PGC 2016 Edition, PDC 2017 Edition, and other applicable reference.

246

247 3. Provision of a transitory period to allow existing revenue meters with non-compliant
248 mass memory requirement to remain in service until such time that it is due for
249 replacement.

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- 251 4. Revision of “SEIN” to “SEIL” as a standard term for labelling Metering equipment,
252 where “L” stands for Label.
253
- 254 5. Revision/additional provisions in the Metering Installation Registration, Site Specific
255 Loss Adjustment, and Metering Deregistration to clarify the roles of the MSP and MO.
256
- 257 Mr. Vicencio clarified that there is no change in the formula for computing SSLA. An
258 additional provision is being proposed such that the MSP will submit information on
259 transformer parameters to the Market Operator as required in the Market Network
260 Model. Mr. Cacho (IEMOP) also added that the MSP is in a better position to provide
261 the parameters rather than the Market Operator who currently would still have to
262 compute for those information from raw data. Mr. Vicencio added that having the MSP
263 itself providing the parameters would simplify the process.
264
- 265 6. Enhancement of provisions in Data Validation, Estimation and Editing (DVEE) based
266 on the learnings and experiences of both MSP and MO in the past in resolving valid
267 missing data.
268
- 269 The proposal recommends a change in the methodology for meter data estimation and
270 editing to be conducted by the MSP. Whenever there is no meter data, Mr. Vicencio
271 clarified that the NGCP coordinates with the Trading Participant, the Market Operator
272 and the MSP before it adopts an agreed upon estimated values for the missing or
273 erroneous meter data.
274
- 275 7. Revision of provisions in the Meter Trouble Report to provide enhancements and
276 practical timeline in the resolution of MTRs issued to the MSP considering the
277 geographical location of the metering points especially in the Visayas and Mindanao
278 as well as the security threats in identified areas.
279
- 280 The proposal recommends that the Market Operator suspend the issuance of MTRs in
281 cases where there is a massive communication link failure affecting large areas due to
282 force majeure and telco-related problems beyond the MSP’s control. Mr. Vicencio cited
283 an actual instance in the past year when there was a massive communication link
284 failure on the part of the telco service provider that affected Quezon City during which
285 no data were retrieved from all metering points.
286
- 287 8. Minor enhancements/clarifications in the computation of daily meter data delivery as
288 part of the performance measures used for the MSP. Moreover, the re-allocation of
289 percentage weight used in the performance standards set by the WESM relative to the



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290 performance of the MSP is proposed to provide a more reflective measure of the
291 important deliverables of the MSP as far as monthly billing and settlement in the WESM
292 is concerned.

293

294 9. Revision of appendices such as Meter Trouble Report and Metering Service
295 Agreement to update the old template forms.

296

297 Having no further questions and clarifications, the RCC motioned for the approval of the
298 publication of the proposal to solicit comments from WESM Members and stakeholders.

VII. Other Matters		
Agenda	Presenter	Action/s Taken
Update on the 27 March 2019 PEM Board Meeting	Mr. Francisco Castro (Independent)	Updates were duly noted

299 Mr. Castro apprised the RCC that all the proposals endorsed to the PEM Board and presented
300 during its meeting on 27 March 2019 were approved as submitted:

301

302 1. Proposed Urgent Amendments for Determination of Initial Prudential
303 Requirements

304 2. Proposed Amendments to the WESM and Retail Rules and Various Manuals to
305 Reduce Barriers to Entry and Participation in Retail Competition;

306 3. Proposed Amendments to the WESM Rules and Manual on Guidelines on Significant
307 Variations In and Between Trading Intervals to Refine Publication Procedures; and

308 4. Proposed Amendments to Provisions Related to Audit and Performance Monitoring
309 Under the WESM Rules, Retail Rules, PEM Audit Manual, and Guidelines Governing
310 the Constitution of the PEM Board.



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Agenda	Presenter	Action/s Taken
VIII. Next Meeting	Secretariat	The RCC agreed to schedule its next meetings as follows: <ul style="list-style-type: none"> ▪ May 17 ▪ June 21 ▪ July 19
IX. Adjournment		The RCC meeting was adjourned at 2:15 PM.

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:

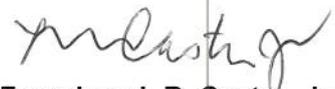
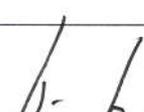
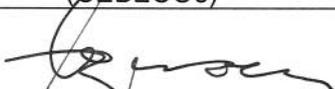

Elaine D. Gonzales
 Acting Head
 Market Assessment Group



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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)
 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)

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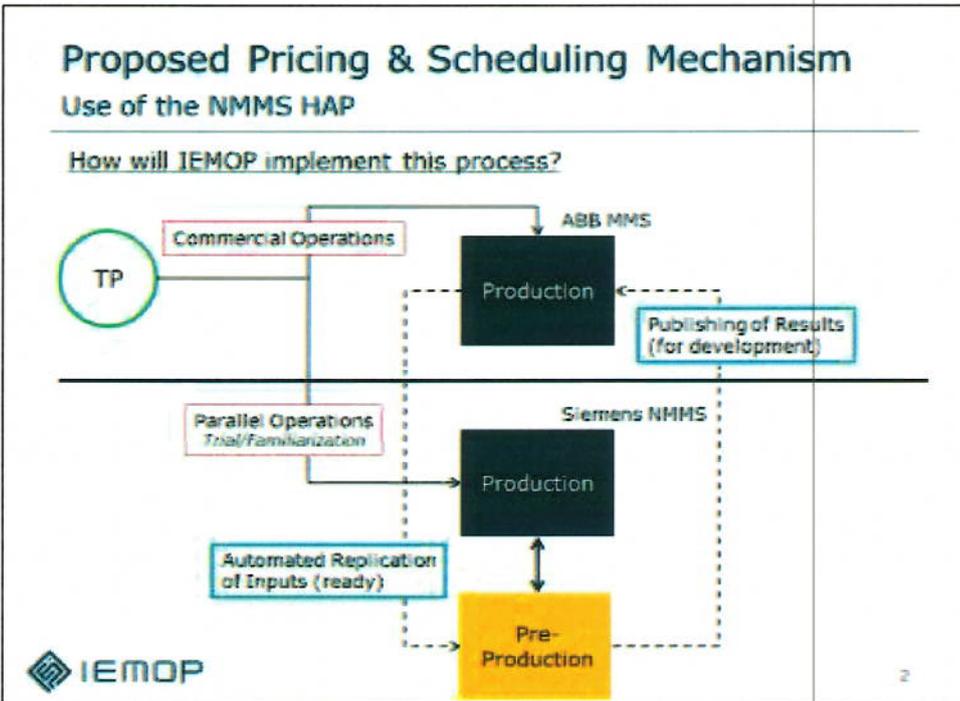
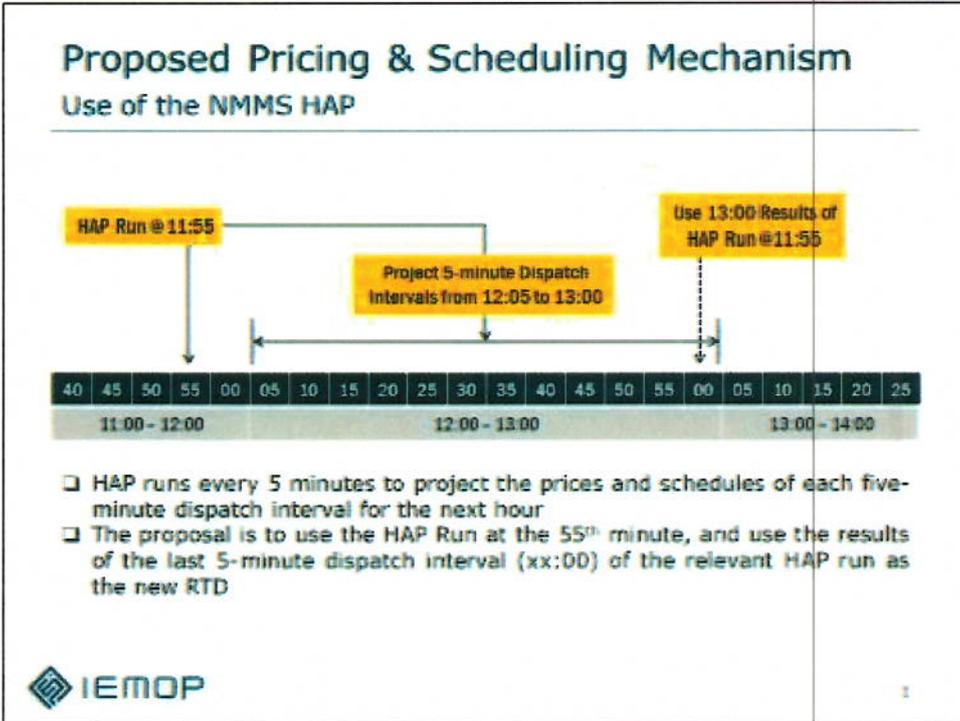
12 April 2019, 9:00 AM – 3:00 PM

PEMC Executive Board Room, Robinsons Equitable Tower
Ortigas Center, Pasig City

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)

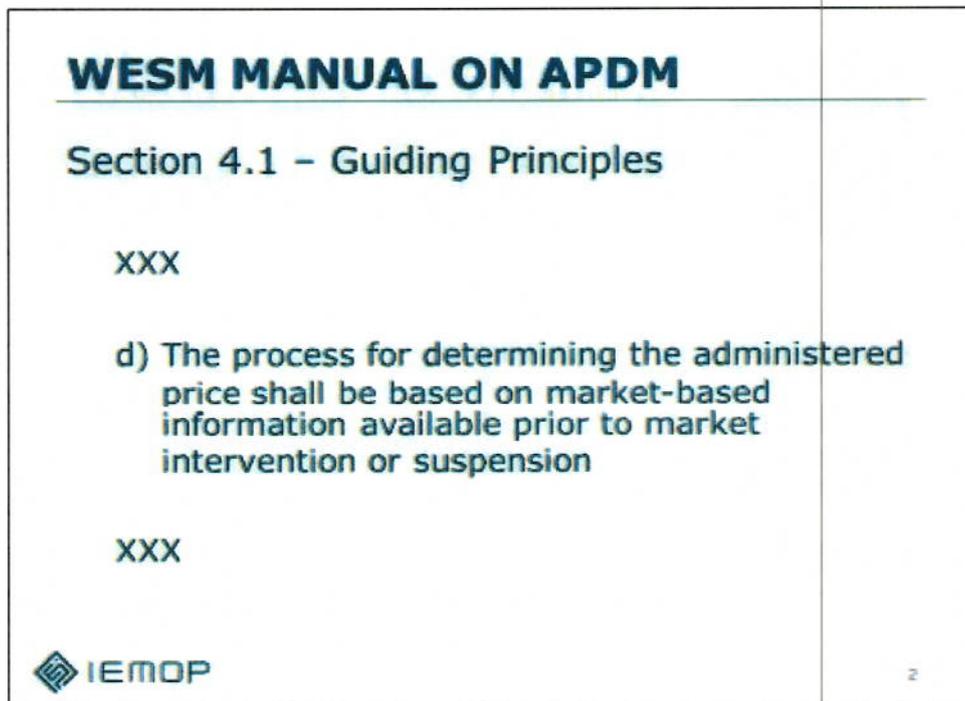
Annex A

Revisions to the Proposed Urgent Amendments Regarding the Contingency Plan during Prolonged Market System Failure



Annex B

Administered Pricing during Prolonged Market Intervention/Suspension



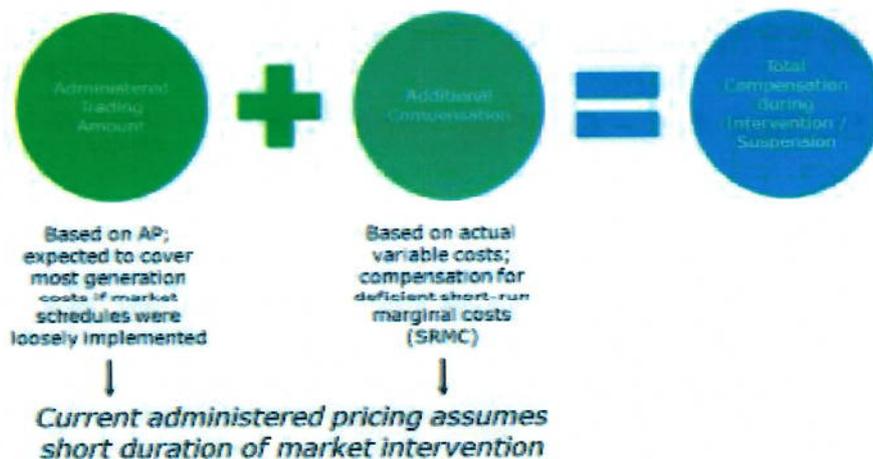
WESM MANUAL ON APDM

Section 4.2.1 Methodology – Generator Administered Prices

Feature	Impact
Based on nodal price	Different price for each generator
Calculated from recent same-day (Monday to Sunday) and same-hour (1 to 24)	Considers general supply-demand condition
Averaged using metered quantities as weights	Includes only prices where previous bids of the generator cleared (as per MQ) but would be less than costs compared with at least one interval
Referred to past non-administered four (4) weeks	Reflects recent bids based on current input costs (e.g., fuel price, ForEx) and spot market conditions

In general, the administered price estimates what could have been the nodal price of the generator if the market were in a normal state

ADDITIONAL COMPENSATION



SHORT VS PROLONGED

Factor	Duration of MI / MS	
	Short	Prolonged
Scheduling	Based on most recent market schedules	Based on System Operator procedures (cost-based)
Relevant Generation Costs	Short-Run Marginal Costs (SRMC) <ul style="list-style-type: none"> Fuel Variable Operating 	Long-Run Marginal Costs (LRMC) <ul style="list-style-type: none"> Fuel Variable Operating Fixed Costs Capital Recovery

The current administered pricing is appropriate for short interventions given the applied scheduling procedures and relevant generation costs.

For prolonged interventions, generation companies would require LRMC compensation, which is assumed to be considered in their bids under normal market conditions.



PROLONGED MI / MS

Assessment of current APDM for applicability to prolonged MI / MS

Feature	Impact on Price	Impact of Prolonged	Assessment
Based on nodal price	Different price for each generator	None	Applicable for prolonged
Calculated from recent same-day and same-hour	Considers general supply-demand condition	Same-day and same-hour will still reflect general supply-demand condition	Applicable for prolonged
Averaged using metered quantities as weights	Includes only prices where previous bids of the generator cleared (as per MQ) but would be less than costs compared with at least one interval	Quantities will still reflect bids that previously cleared but averaging removes some revenues	Use of quantities is applicable for prolonged but averaging may be reducing prices below LRMC
Referred to past four (4) non-administered weeks	Reflects recent bids based on current market conditions	Same four weeks will be the basis for whole duration of prolonged intervention	Bids may not reflect inputs costs and spot market conditions



PRICING DURING PROLONGED MI/MS

To avoid the use of the same four (4) weeks and approximate current market conditions:

Option: Use results of same month from previous year

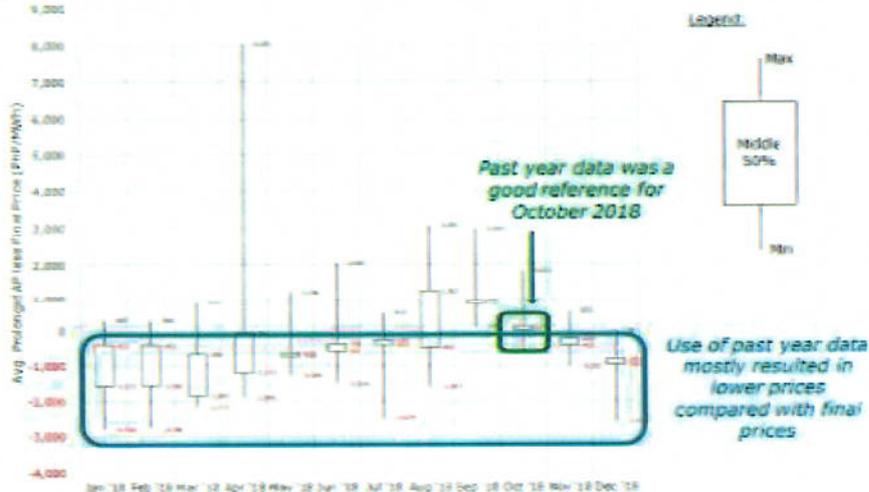
- To account for seasonality of spot prices
- Methodology
 - 1) Monthly generation-weighted average
 - 2) Per day (Monday to Sunday)
 - 3) Per hour (1 to 24)
 - 4) Per generator node



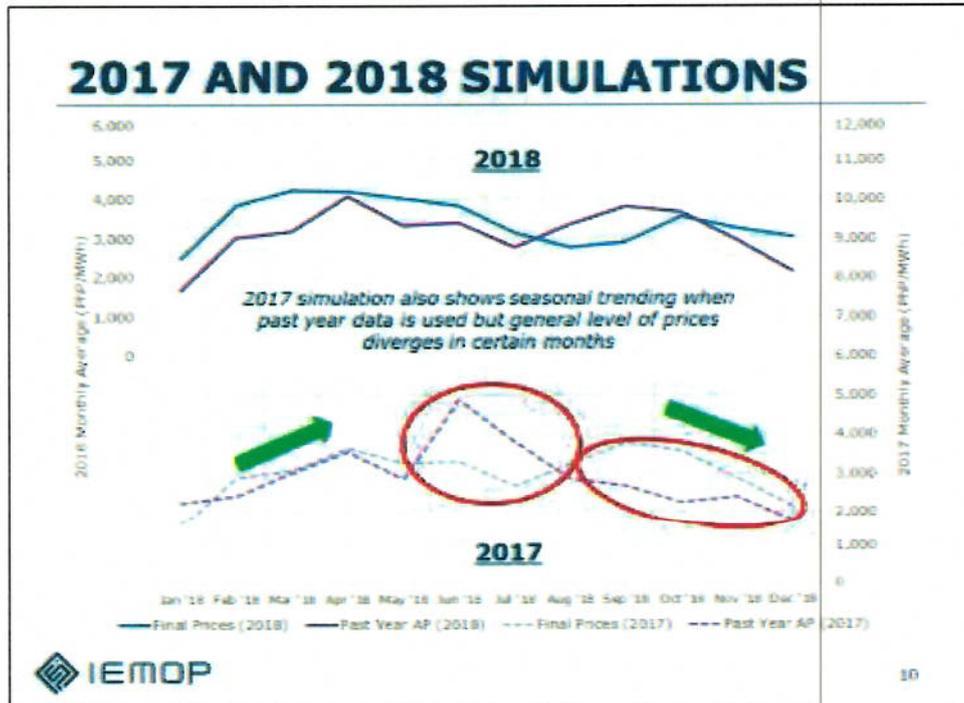
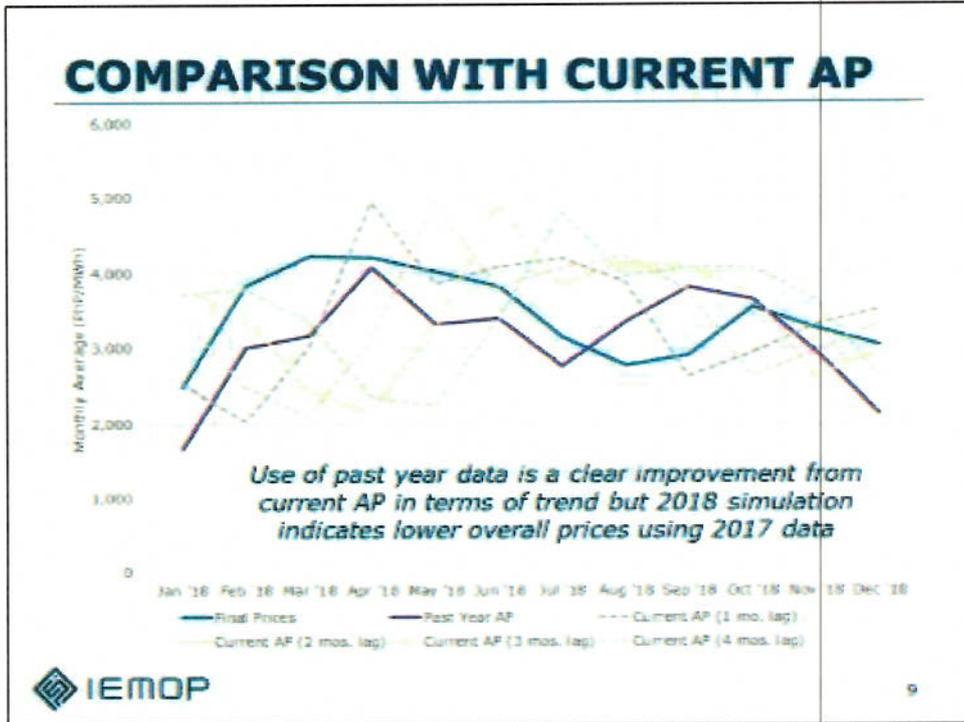
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USE OF PAST YEAR

Figure below shows the spread of the average difference between "Past Year AP" and final prices of all generator nodes



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CONCLUSIONS & RECOMMENDATIONS

Option: Use results of same month from previous year

- Use of past year data incorporates monthly trending of spot prices
- Although there is trend, general level of administered prices may not reflect expected spot prices under recent market conditions (may be higher or lower)



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**END OF
PRESENTATION**

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Annex D

Proposed Amendments to the Forecast Accuracy Standards Manual



**PROPOSED AMENDMENTS TO
THE FORECAST ACCURACY
STANDARDS**

12 April 2019
PEM Board Room

ACTION REQUESTED

For Approval for Publication of the Proposed Amendments to WESM Manual on Procedures for the Monitoring of Forecast Accuracy Standards to the Rules Change Committee



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RATIONALE

- Align with the 5-minute dispatch interval
- Provide a more appropriate calculation and exclusions for forecast percentage error (FPE) which consequently affects the mean absolute percentage error (MAPE) and Percentile 95 (Perc95)
- Reflect clarification on the roles of PEMC and the procedures on the monitoring of forecast accuracy standards
- Introduce clerical and minor revisions for clarity



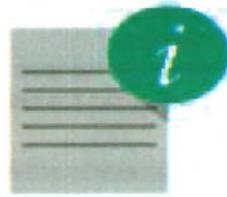
3

DOE RECOMMENDATIONS (BACKGROUND)

- March 2017 – ***DOE approval of FAS Manual, Issue 1***
- 23 April 2018 – ***PEMC submitted to DOE the 2017 Annual Report on the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units***
- 20 August 2018 – ***DOE letter to PEMC with subject "FAS for VRE Generators"***



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SUMMARY OF PROPOSED AMENDMENTS



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SUMMARY OF THE PROPOSED AMENDMENTS

Item	Current	Proposed
Frequency of evaluation	Hourly	Per dispatch interval
Monitoring responsibility	MO	ECO
Reviewing responsibility	MO	PEMC
Additional exclusion		Metered Quantity = 0 & Projected Quantity = 0
FPE Formula	$FPE = \left \frac{PQ - MQ}{ICQ} \right \cdot 100\%$ <p>Where ICQ = Pmax</p>	$FPE = \left \frac{PQ - MQ}{PQ} \right \cdot 100\%$



8

$$G_{uv} = 8\pi G(T_{uv} + \rho\lambda g_{uv})$$

$$\int_a^b f'(x) dx = f(b) - f(a)$$

$$E = mc^2$$

$$t = t \frac{1}{\sqrt{1 - \frac{v^2}{c^2}}}$$

$$3.141592653$$

Proposed Forecast Percentage Error



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Issues with the current formulation

$$FPE = \left| \frac{PQ - MQ}{ICQ} \right|$$

Where:
ICQ = Pmax

The use of Pmax is not aligned with the PGC which uses dependable capacity to compute FPE. Dependable capacity is defined as *the Maximum Capacity, modified for ambient limitations for a specified period of time, such as month or a season.*



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Proposed Formulation

$$FPE = \left| \frac{PQ - MQ}{ICQ} \right| \quad \text{Current} \qquad FPE = \left| \frac{PQ - MQ}{PQ} \right| \quad \text{Proposed}$$

- Instead of pegging the denominator with a fixed value (ICQ) over a period of time, we propose to use a more dynamic number (PQ)
- **PQ** is more aligned with the standard percentage error formula, as well as with the compliance to dispatch instruction

$$PE = \left| \frac{\text{Theoretical} - \text{Experimental}}{\text{Theoretical}} \right|$$

$$= \left| \frac{\text{Reference} - \text{Actual}}{\text{Reference}} \right|$$



The standard percentage error formula is utilized in various studies such as:

- (1) Universiti Malaysia Perlis - "Forecasting Error Calculation with Mean Absolute Deviation and Mean Absolute Percentage Error" (2011)
- (2) Banko Sentral ng Pilipinas - "Forecasting the Volatility of Philippine Inflation using GARCH Model"

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Simulation Result



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Permutations

Scenario	Initial Loading	Proj. Output	Metered Qty.	FPE	Subs. FPE Value for N
1	Positive	Positive	Positive	Y	
2	Zero	Positive	Positive	Y	
3	Negative	Positive	Positive	Y	
4	Positive	Zero	Positive	Y	
5	Zero	Zero	Positive	N	100%
6	Negative	Zero	Positive	Y	
7	Positive	Positive	Zero	Y	
8	Zero	Positive	Zero	Y	
9	Negative	Positive	Zero	Y	
10	Positive	Zero	Zero	Y	
11	Zero	Zero	Zero	N	
12	Negative	Zero	Zero	Y	
13	Positive	Positive	Negative	Y	
14	Zero	Positive	Negative	Y	
15	Negative	Positive	Negative	Y	
16	Positive	Zero	Negative	Y	
17	Zero	Zero	Negative	N	100%
18	Negative	Zero	Negative	Y	
19	When the IL and PO negate each other		Positive / Negative	N	100%

Proposed FPE Formulation

$$FPE = \frac{PQ - MQ}{PQ}$$

where

$$PQ = \frac{IL + PO}{2}$$

Nomination

Note: the highlighted permutation represents the proposed new exclusion 13

Simulation Result

	Technology	Region	No. of Units	No. of Units that Met MAPE/PERC95 Standard*			
				CURRENT		PROPOSED (PQ)	
				MAPE	PERC95	MAPE	PERC95
2017	Run of River	Luzon	5	4	4	0	2
	Solar	Luzon	24	22	9	0	0
		Visayas	12	12	2	0	0
	Wind	Luzon	5	4	1	0	1
Visayas		2	1	0	0	0	
2018	Run of River	Luzon	7	5	5	1	2
	Solar	Luzon	23	21	9	0	0
		Visayas	12	12	3	0	0
	Wind	Luzon	5	5	2	0	1
Visayas		2	2	0	0	0	



Action Requested

For Approval for Publication of the Proposed Amendments to WESM Manual on Procedures for the Monitoring of Forecast Accuracy Standards to the Rules Change Committee



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THANK YOU!

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ANNEX C

I. Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures to Harmonize with WESM Rules Changes

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
Assessment of Applications - Submission and Preliminary Assessment of Applications 2.5.5.1(b)	Within five (5) business days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> has not received the lacking requirement or additional information that it requires within the next fifteen business days, it may treat the application as withdrawn. The <i>Market Operator</i> shall notify the applicant in writing of the abandonment of the application.	Within five (5) business working days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> has not received the lacking requirement or additional information that it requires within the next fifteen business-working days , it may treat the application as withdrawn. The <i>Market Operator</i> shall notify the applicant in writing of the abandonment of the application.	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).	MERALCO: We would like to respectfully clarify the rationale behind the deletion of the following clause: " <i>The Market Operator shall notify the applicant in writing of the abandonment of the application.</i> " Would said deletion mean that the non-submission of the lacking requirement, as well as additional information required by the MO, within the prescribed period, be deemed as withdrawn? For clarity it is suggested that said deleted clause be reinstated since the preceding sentence indicates that the MO " <i>may treat the application as withdrawn</i> ". There must be a clear and documented statement from the	We agree with MERALCO and recommend to re-instate the last sentence.	Adopt MERALCO and DOE's comments. Provision to be read as: Within five (5) business working days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> has not received the lacking requirement or additional information that it requires within the next fifteen business working days , it may treat the application as withdrawn. The <i>Market Operator</i> shall notify the applicant in writing of the

ANNEX C

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
				MO on the abandoned status of the application.		abandonment of the application.
				DOE: Applicants should be properly informed /notified by the Market Operator if their application is considered withdrawn due to failure to comply with requirements within the timeframe indicated.	We agree to retain the last sentence of the provision.	
Approval of Applications - Notice of Approval 2.5.6.2(a)	For approved applications, the <i>Market Operator</i> shall send a notice of approval to the <i>Applicant</i> within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed an approval of the application.	For approved applications, the <i>Market Operator</i> shall send a notice of approval to the <i>Applicant</i> within fifteen (15) <i>working days</i> from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the <i>Market Operator</i> to act on the application within this period shall not be	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.

ANNEX C

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
		deemed an approval of the application.				
Approval of Applications - Notice of Approval 2.5.6.2(b)	The registration of the <i>Applicant</i> shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) days after the <i>Market Operator</i> sends the notice of approval or on the date when the <i>Applicant</i> complies with all the requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the <i>Market Operator</i> , the effective date may be set on another date requested by the <i>Applicant</i> .	The registration of the <i>Applicant</i> shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) working days after the <i>Market Operator</i> sends the notice of approval or on the date when the <i>Applicant</i> complies with all the requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the <i>Market Operator</i> , the effective date may be set on another date requested by the <i>Applicant</i> .	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.
Other Requirements for Approved Applications 2.5.6.3(b)	Participant Interface Access. The <i>Applicant</i> shall subscribe to and allow relevant digital certificates issued by the <i>Market Operator</i> to be installed in its computers in order for it to be permitted access to the <i>WESM Market Management System</i> .	Participant Interface Access. The <i>Applicant</i> shall subscribe to and allow relevant digital certificates issued by the <i>Market Operator</i> to be installed- apply or install a method employing encryption in its computers to provide secure in	It is proposed that data security methods in the Market Manual be generalized to cover the new methods that will be used in the systems for the implementation of the enhanced WESM design			Adopt proposed amendment.

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
		order for it to be permitted access to the WESM Market Management System.	provided for under DOE DC2015-10-0015.			
Non-Approval of Applications/ Remedies 2.5.7(a)	If an application is not approved, the <i>Market Operator</i> shall send within fifteen (15) <i>business days</i> from completion of application requirements a written notice to the <i>Applicant</i> advising the latter that its application has been disapproved and the reason for the same.	If an application is not approved, the <i>Market Operator</i> shall send within fifteen (15) <i>business working days</i> from completion of application requirements a written notice to the <i>Applicant</i> advising the latter that its application has been disapproved and the reason for the same.	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.
Non-Approval of Applications/R emedies 2.5.7(b)	The <i>ERC</i> shall be given a copy of the written notice within five (5) <i>business days</i> after its issuance to the <i>Applicant</i> .	The <i>ERC</i> shall be given a copy of the written notice within five (5) <i>working business days</i> after its issuance to the <i>Applicant</i> .	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.
REGISTRATI ON OF SERVICES PROVIDERS - Metering Services Provider	A <i>Trading Participant</i> registered as a <i>Customer</i> as well as a <i>Network Services Provider</i> may not be registered as a Metering Services Provider in respect to any	A <i>Trading Participant</i> registered as a <i>Customer</i> as well as a <i>Network Services Provider</i> may not be registered as a Metering Services Provider in respect to	Reflect WESM Rules Clause 4.4.3 amendment under DOE DC2013-07-0016.	<u>TC:</u> Run-on sentence. Consider revising or splitting into smaller sentences.	We recommend to revise the provision as follows: A <i>Trading Participant</i> registered as a	Adopt proponent's revision. Provision to be read as: <i>A Trading Participant registered as a Customer as well as a Network Services</i>

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
2.7.2.4(b)	connection points that it owns.	any connection points that it owns; <u>provided that, if such <i>Trading Participant</i> is also a <i>Metering Services Provider</i> and there is</u>			<i>Customer as well as a <i>Network Services Provider</i> may not be registered as</i>	<i><u>Provider may not be registered as a <i>Metering Services Provider</i> in respect to any connection points that it owns. <u>If such</u></u></i>
		<u>only one <i>Metering Services Provider</i> serving <i>Trading Participants</i> connected to the <i>transmission system</i> registered with the <i>Market Operator</i> then it shall be allowed to provide metering services on an interim basis for a <i>market trading node</i> assigned to it or a <i>connection point</i> that it owns until another <i>Metering Services Provider</i> becomes authorized by the <i>ERC</i> and is registered with the <i>Market Operator</i> upon which the metering services shall be transferred to another <i>Metering Services Provider</i> following the applicable procedure.</u>			<i>a <i>Metering Services Provider</i> in respect to any connection points that it owns. <u>If such <i>Trading Participant</i> is also a <i>Metering Services Provider</i> and there is only one <i>Metering Services Provider</i> serving <i>Trading Participants</i> connected to the <i>transmission system</i> registered with the <i>Market Operator</i> then it shall be allowed to provide metering services on an interim basis</u></i>	<i><u><i>Trading Participant</i> is also a <i>Metering Services Provider</i> and there is only one <i>Metering Services Provider</i> serving <i>Trading Participants</i> connected to the <i>transmission system</i> registered with the <i>Market Operator</i> then it shall be allowed to provide metering services on an interim basis for a <i>market trading node</i> assigned to it or a <i>connection point</i> that it owns. The <i>Trading Participant</i> shall be allowed to provide metering services until another <i>Metering Services Provider</i> becomes authorized by the <i>ERC</i> and is registered with the <i>Market Operator</i></u></i>

ANNEX C

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
					<p>for a <u>market trading node assigned to it or a connection point that it owns. The Trading Participant shall be allowed to provide metering services until another Metering Services Provider becomes authorized by the ERC and is registered with the Market Operator upon which the metering services shall be transferred to another Metering Services Provider following the applicable procedure.</u></p>	<p><u>upon which the metering services shall be transferred to another Metering Services Provider following the applicable procedure.</u></p>
REGISTRATION OF	Within five (5) days from receipt of the application, the <i>Market</i>	Within five (5) <u>working days</u> from receipt of	Reflect WESM Rules changes			Adopt proposed amendment.

ANNEX C

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
INTENDING WESM MEMBERS - Procedures for Application 2.10.2.2	<i>Operator</i> shall advise the <i>Applicant</i> if it requires submission of additional information as would enable it to properly assess the application.	the application, the <i>Market Operator</i> shall advise the <i>Applicant</i> if it requires submission of additional information as would enable it to properly assess the application.	under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			
REGISTRATION OF INTENDING WESM MEMBERS - Approval/Disapproval of Application 2.10.3.2	Notice. Within fifteen (15) days from complete submission of the application and the additional information, the <i>Market Operator</i> shall issue to the <i>Applicant</i> the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed as an approval of the application.	Notice. Within fifteen (15) <u>working days</u> from complete submission of the application and the additional information, the <i>Market Operator</i> shall issue to the <i>Applicant</i> the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed as an approval of the application.	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.
FACILITY-RELATED CHANGES - Re-classification	The <i>Market Operator</i> shall send a written notice to the <i>WESM member</i> of the approval or disapproval of the reclassification. If	The <i>Market Operator</i> shall send a written notice to the <i>WESM member</i> of the approval or disapproval of the reclassification. If	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market			Adopt proposed amendment.

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
of generation units 3.3.2.3	approved, the reclassification shall be effective on the date stated in the notice of approval but not earlier than seven (7) days from issuance of the notice of approval by the <i>Market Operator</i> .	approved, the reclassification shall be effective on the date stated in the notice of approval but not earlier than seven (7) working days from issuance of the notice of approval by the <i>Market Operator</i> .	operator registration processes instead of business days of the spot market (24/7).			
FACILITY-RELATED CHANGES - Retirement of Facilities 3.3.4.1	The <i>Trading Participant</i> whose facilities will be retired, mothballed, or otherwise will cease operations shall de-register said facilities by written notice to the <i>Market Operator</i> no later than eight (8) days prior to the date such facilities will cease operations.	The <i>Trading Participant</i> whose facilities will be retired, mothballed, or otherwise will cease operations shall de-register said facilities by written notice to the <i>Market Operator</i> no later than eight (8) working days prior to the date such facilities will cease operations.	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.
FACILITY-RELATED CHANGES - Transfer of Registration of Facilities 3.3.5.4	The parties to the transfer shall submit a copy of the assignment or equivalent agreement to the <i>Market Operator</i> , together with the respective amended registration if applicable. If the transferee is not yet registered as a <i>WESM member</i> , the transfer shall become effective on the date of approval of the registration of the latter	The parties to the transfer shall submit a copy of the assignment or equivalent agreement to the <i>Market Operator</i> , together with the respective amended registration if applicable. If the transferee is not yet registered as a <i>WESM member</i> , the transfer shall become effective	Reflect WESM Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).			Adopt proposed amendment.

ANNEX C

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
	<p>as a <i>WESM member</i>. If the transferee is already registered as a <i>WESM member</i>, the transfer shall be effective on the date to be notified by the <i>Market Operator</i> which shall not be earlier than seven (7) days from receipt by the <i>Market Operator</i> of the amended registration from both the transferor and the transferee.</p>	<p>on the date of approval of the registration of the latter as a <i>WESM member</i>. If the transferee is already registered as a <i>WESM member</i>, the transfer shall be effective on the date to be notified by the <i>Market Operator</i> which shall not be earlier than seven (7) <u>working days</u> from receipt by the <i>Market Operator</i> of the amended registration from both the transferor and the transferee.</p>				
<p>PROCEDURE FOR DEREGISTRATION - Issuance of Notices of De-Registration and Disconnection 5.4.2.1</p>	<p>Within five (5) days from receipt or submission of the document/s specified in the foregoing section, the <i>Market Operator</i> shall issue a Deregistration Notice to the <i>WESM Member</i> or the <i>Metering Services Provider</i> sought to be deregistered. The Deregistration Notice shall be in writing and shall include the ground/s for deregistration; date of effectivity of the deregistration; and notice that the <i>WESM</i></p>	<p>Within five (5) <u>working days</u> from receipt or submission of the document/s specified in the foregoing section, the <i>Market Operator</i> shall issue a Deregistration Notice to the <i>WESM Member</i> or the <i>Metering Services Provider</i> sought to be deregistered. The Deregistration Notice shall be in writing and shall include the ground/s for deregistration; date of effectivity of the</p>	<p>Reflect <i>WESM</i> Rules changes under DOE DC2013-03-0005 on the use of banking days as reference for market operator registration processes instead of business days of the spot market (24/7).</p>			<p>Adopt proposed amendment.</p>

ANNEX C

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
	Member subject to deregistration shall still be liable for its outstanding obligations to the WESM.	deregistration; and notice that the WESM Member subject to deregistration shall still be liable for its outstanding obligations to the WESM.				

II. Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures to Include Additional Modelling Requirements and Procedures

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
Aggregation of Generating Units 2.5.4.2	A <i>Generation Company</i> that owns multiple <i>generating units</i> located in a single generating station shall, upon application, inform the <i>Market Operator</i> if it wishes to have an aggregated representation for such <i>generating units</i> in the <i>WESM Market Network Model</i> . The <i>Applicant</i> and the <i>Market Operator</i> shall agree on the manner of aggregated representation in accordance with the procedures set forth in relevant market manuals.	A <i>Generation Company</i> that owns multiple <i>generating units</i> located in a single generating station shall, upon application, inform the <i>Market Operator</i> if it wishes to have an aggregated representation for such <i>generating units</i> in the <i>WESM Market Network Model</i> . The <i>Applicant</i> , <u>the Network Service Provider, Metering Services Provider,</u> and the <i>Market Operator</i> shall agree on the manner of aggregated representation in	It is proposed that the NSP and MSP be included in the discussions for the aggregated representation of generating units to ensure that the infrastructure (e.g., RTU, meters) to support the aggregated representation are considered in the discussions.			Adopt proposed amendment.

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
		accordance with the procedures set forth in relevant market manuals.				
Generation Registered Capacities 2.5.4.4	A <i>Generation Company</i> shall include in its application the <i>maximum stable load (Pmax)</i> , the <i>minimum stable load (Pmin)</i> , the <i>ramp up rate</i> , and the <i>ramp down rate</i> of each <i>generation unit</i> or aggregated <i>generation units</i> that are included in its application. The information provided to the <i>Market Operator</i> must be consistent with the information contained in the <i>Certificate of Compliance</i> issued by the <i>ERC</i> as well as submissions made to the <i>ERC</i> in relation to the issuance of its <i>Certificate of Compliance</i> .	A <i>Generation Company</i> shall include in its application the <i>maximum stable load (Pmax)</i> , the <i>minimum stable load (Pmin)</i> , the <i>ramp up rate</i> , and the <i>ramp down rate</i> of each <i>generation unit</i> or aggregated <i>generation units</i> that are included in its application. The information provided to the <i>Market Operator</i> must be consistent with the information contained in the <i>Certificate of Compliance</i> issued by the <i>ERC</i> as well as submissions made to the <i>ERC</i> in relation to the issuance of its <i>Certificate of Compliance</i> . <u>The <i>Generation Company</i> shall also include information on the location of the real-time monitoring facility where the <i>Pmin</i>, <i>Pmax</i>, and <i>ramp up/down rates</i></u>	It is proposed that this be included so that the Market Operator will have basis on where to monitor offer capacity compliance and dispatch target compliance. It should be noted that their registered capacities should be consistent with their offers, RTD schedules, and actual dispatch.			Adopt proposed amendment.

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
		<p><u>were certified against (i.e., gross generation, or net of station use). Should the location represent the gross generation output of the generating system, the Generation Company shall comply with the procedures provided for under Clause 2.5.4.5 of this Market Manual.</u></p>				
<p>REGISTRATION OF DIRECT WESM MEMBERS AND TRADING PARTICIPANTS - Other Considerations</p> <p>2.5.4.5 (new)</p>	<p>N / A</p>	<p><u>2.5.4.5 Modelling of Station Use of Generating Units</u></p> <p><u>A Generation Company shall inform the Network Service Provider and the Market Operator of the provisions of its station use so that it may be registered and considered in the WESM Market Network Model. Any load that is used other than being the generation company's station use or house load shall have to be registered separately as a separate facility.</u></p>	<p>To ensure that all loads are accounted for in the scheduling process, station use and house loads of generating units should be reported to the Market Operator. This is especially important if the registered capacity of a generating unit does not take into account its station use and house load.</p>			<p>PEMC inquired if there are any station use other than for house load. If there is none, then the last sentence could be deleted. Mr. dela Viña confirmed that the last sentence could be removed since any load that is not a generator's station use must be registered separately as another customer, not under the generating company's registration.</p>

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
						Adopt PEMC revision.
REGISTRATION OF DIRECT WESM MEMBERS AND TRADING PARTICIPANTS - Other Considerations <u>2.5.4.6</u> (new)	N / A	<u>2.5.4.6 Modelling of Generating Units of Ancillary Service Providers</u> <u>If a Generation Company is registering as an Ancillary Service Provider and the generating units that will provide ancillary services are already represented in the Market Network Model, the Generation Company shall ensure that the generating units are represented in accordance with the requirements of the System Operator. If the representation of the generating units does not comply with the requirements of the System Operator, the Generation Company shall initiate changes in the representation of the generating units in</u>	To clarify that aggregation or disaggregation of the representation of a registered generating system may be necessary upon its registration as an ancillary services provider to be consistent with the requirements of the System Operator.			Adopt proposed amendment.

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
<p>REGISTRATION OF ANCILLARY SERVICES PROVIDERS - Qualifications and Requirements</p> <p>2.6.1.1(d) (new)</p>	N / A	<p><u>accordance with Section 3.3.3.</u></p> <p>2.6.1.1 Persons or entities wishing to register as WESM member under this category must – xxx</p> <p><u>d) Comply with any additional technical requirements set forth by the System Operator for ancillary service providers.</u></p>	To clarify that additional technical requirements may be imposed by the System Operator for ancillary services providers.	<p><u>DOE:</u></p> <p>Suggest to revise and to include the specific requirements of the SO.</p> <p>To ensure faster processing of registration application, technical requirements should be specified.</p> <p>The SO should develop a template of requirements to serve as a checklist for intending applicants.</p> <p>Proposed revision:</p> <p><u>d) Comply with any additional the technical requirements set forth by the System Operator for ancillary service providers.</u></p>	We agree with DOE. We expect that the technical requirements for ancillary services providers are provided in a separate document maintained by the System Operator.	<p>Mr. Cacho (MO) informed the body that with the dissolution of the Grid Management Committee, the DOE is forming a technical working group that would determine and harmonize all the technical requirements and specifications that must be complied by ancillary services providers.</p> <p>With that information, Ms. Javier (APC) suggested adding that intending ASPs should also refer to the PGC, the ASPP or any other relevant documents that the ERC or DOE will promulgate for other requirements.</p> <p>The RCC adopted the proponent's revision and Ms. Javier's suggestion.</p>

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
FACILITY-RELATED CHANGES <u>3.3.6</u> (new)	N / A	<u>3.3.6 Additional Facility</u>	To include in the MO procedures the addition of a facility by a registered generation company	<u>DOE:</u> This is already covered in the existing registration provisions of new facilities.	There are no procedures for the registration of new facilities in the registration manual. There are only procedures for the registration of new Trading Participants, which include the new facilities.	The DOE suggested to use 'new' instead of 'additional' facilities regardless of whether the facility is owned by a new or an existing Trading Participant. The RCC adopted the DOE's suggestion. The section title is to be read as: <u>FACILITY-RELATED CHANGES – New Facility</u>
FACILITY-RELATED CHANGES <u>3.3.6.1</u> (new)	N / A	<u>A registered generation company that has a new generating system and intends to trade the new generating system through a separate market trading node shall register that generating system as an additional facility by submitting a request to the Market Operator.</u>	To clarify that only facilities that will be traded separately from existing facilities of the registered generation company will be required to go through this procedure. If the additional facility will be traded with the existing facilities then a change in registered capacity would be required.	<u>TC:</u> Suggestion to remove the last clause "by submitting a request to the Market Operator". This clause is too specific to be included in the Rules, as procedures like these can be revised later (without the need to revise the Rules)	We recommend to adopt the proposed revision as follows: <u>A registered generation company that has a new generating system and intends to trade the new generating system through a separate market trading node shall register that generating system as an additional facility by submitting a</u>	Adopted the proponent's revised proposed amendment, to be read as: <u>A registered generation company that has a new generating system and intends to trade the new generating system through a separate market trading node shall register that generating system as an additional facility.</u>

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Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
					<u>request to the Market Operator.</u>	
FACILITY-RELATED CHANGES <u>3.3.6.2</u> (new)	N / A	<u>The registered generation company shall comply with the technical and commercial requirements under Section 2.5.3 and the procedures under Section 2.5.4 for its additional facility.</u>	To clarify that the same technical and commercial requirements will be required for the additional facility.			Adopted the proposed amendment.
FACILITY-RELATED CHANGES <u>3.3.6.3</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 facility based on procedures for assessing the application of new generation companies.			Adopted the proposed amendment.

III. Proposed Amendments to the WESM Rules and Manual on Metering Standards and Procedures to Clarify the Entity Monitoring Wholesale Metering Services Provider Performance

WESM Rules						
Title	Provision	Proposed Amendment	Rationale	Comment	Proponent's Responses	RCC Discussion/ Decision
Registration of Metering	Other than the TRANSCO, a Metering Services	Other than the TRANSCO, a Metering Services	Since MSP performance monitoring is deemed	<u>NGCP:</u>	We recommend to adopt NGCP's proposed revisions.	Adopted suggestions by the NGCP and DOE. The revised

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WESM Rules						
Title	Provision	Proposed Amendment	Rationale	Comment	Proponent's Responses	RCC Discussion/ Decision
Services Providers 4.4.1	Provider is a person or an entity who: (a) Is authorized by the ERC to provide metering services; (b) Is registered with the Market Operator as a Metering Services Provider, and (c) Is required to have the qualifications and adhere to any performance standards specified by the Market Operator in relation to Metering Services Providers.	Provider is a person or an entity who: (a) Is authorized by the ERC to provide metering services; (b) Is registered with the Market Operator as a Metering Services Provider, and (c) Is required to have the qualifications and adhere to any performance standards specified by the <u>Philippine Electricity Market Corporation</u> Market Operator in relation to Metering Services Providers.	as a governance function, it is proposed to clarify that MSP performance monitoring will be performed by PEMC as the WESM Governing Body. Likewise, it is proposed to clarify that the performance standards that shall be complied by MSPs will be specified by PEMC.	NGCP proposes the following: • To delete the phrase "other than TRANSCO". TransCo is no longer the authorized WMSP • To revise item C to reflect that the basis of the MSP's performance standards should be the current version of WESM Manual on Metering Standards and Procedures and not the PEMC-prescribed standards. Proposed revision: Other than the TRANSCO, a Metering Services Provider is a person or an entity who: (a) Is authorized by the ERC to provide metering services; (b) Is registered with the Market Operator as a Metering Services Provider, and (c) Is required to have the		provision is as follows: <u>A Metering Services Provider is a person or an entity who:</u> (a) Is authorized by the ERC to provide metering services; (b) Is registered with the Market Operator as a Metering Services Provider, and (c) Is required to have the qualifications and adhere to any performance standards specified <u>in the relevant Market Manual.</u>

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WESM Rules						
Title	Provision	Proposed Amendment	Rationale	Comment	Proponent's Responses	RCC Discussion/ Decision
				qualifications and adhere to any performance standards specified by the <u>Philippine Electricity Market Corporation</u> Market Operator <u>current version of WESM Manual on Metering Standards and Procedures</u> in relation to Metering Services Providers.		
				DOE: Performance standard for MSPs should be specified/adopted in the Market Manual. Suggest to revise as follows: Other than the TRANSCO, a Metering Services Provider is a person or an entity who:	We recommend to adopt DOE's proposed revisions.	

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				(a) Is authorized by the ERC to provide metering services; (b) Is registered with the Market Operator as a Metering Services Provider, and (c) Is required to have the qualifications and adhere to any performance standards specified in the relevant Market Manual , by the Philippine Electricity Market Corporation Market Operator in relation to Metering Services Providers.		

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Title	Provision	Proposed Amendment	Rationale	Comment	Proponent's Response	RCC Discussion/Agreements
References IV	WESM Manual on Metering Standards and Procedural Issue 11.0			<p><u>NGCP:</u></p> <p>The reference used in the proposed Rules Change is WESM Manual on Metering Standards and Procedures Issue 11.0 while the current version is Issue 12.0. Although, the provisions being proposed by IEMOP for revision are still present in the issue 12.0, the section numbering are different. MSP Performance is in chapter 10 of Issue 11.0 while in issue 12.0 it is under chapter 9. It is also noteworthy to include that NGCP has a proposal to amend Issue 12.0 which covers MSP Performance Measurement but that will not conflict with any proposal of IEMOP stated in the</p>	We recommend to harmonize as commented by NGCP.	The body noted and adopted NGCP's comments to harmonize the proposed amendments with the current version of the Manual.

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Title	Provision	Proposed Amendment	Rationale	Comment	Proponent's Response	RCC Discussion/Agreements
				proposed amendments.		
PERFORMANCE MEASUREMENT- METERING SERVICE PROVIDER – Introduction 10.1	The integrity of meter data and timeliness of submission/delivery of meter data to the Philippine Electricity Market Corporation (PEMC) by the Meter Service Provider/s (MSP) are the objectives of the WESM to produce and transmit the settlement ready data to the trading participant/s (TP). Erroneous meter data and/or a delay in submission/delivery of meter data may affect the billing and settlement of WESM generators, customers and other entities.	The integrity of meter data and timeliness of submission/delivery of meter data to the Market Operator Philippine Electricity Market Corporation (PEMC) by the Meter Service Provider/s (MSP) are the objectives of the WESM to produce and transmit the settlement ready data to the trading participant/s (TP). Erroneous meter data and/or a delay in submission/delivery of meter data may affect the billing and settlement of WESM generators, customers and other entities.	To clarify that meter data are being submitted by MSPs to the MO.	TC: Consider re-writing	We recommend to revise the provision as follows: The integrity of meter data and timeliness of submission/delivery of meter data to the Market Operator Philippine Electricity Market Corporation (PEMC) by the Metering Service Provider/s (MSP) <u>allow the Market Operator are the objectives of the WESM</u> to produce and transmit the settlement-ready data to the trading participant/s (TP) <u>on a timely basis</u> . Erroneous meter data and / or a delay in submission / delivery of meter data may affect the <u>timely and accurate</u> billing	Adopt proponent's revised proposed amendment.

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					and settlement of WESM generators, <u>and</u> customers <u>and</u> other entities.	
PERFORMANCE MEASUREMENT- METERING SERVICE PROVIDER – Purpose 10.2	This section provides the Trading Participant/s, Meter Service Provider/s and PEMC steps required for the review, evaluation and measurement of the performance of a Meter Service Provider (MSP). The measurement process monitors the conformance of an MSP to the WESM Rule Section 4.3.3 – MSP Obligation and as discussed in this section.	This section provides the Trading Participant/s, Meter Service Provider/s, Market Operator and PEMC steps required for the review, evaluation and measurement of the performance of a Meter Service Provider (MSP). The measurement process monitors the conformance of an MSP to the WESM Rule Section 4.3.3 – MSP Obligation and as discussed in this section.	Since the data that will be used to measure MSP performance will be from IEMOP, it is proposed to include the MO in this provision.	<u>TC:</u> Direct object too far from the verb: "provides... steps"	We recommend to revise as follows: This section provides the <u>steps that</u> Trading Participant/s, Meter Service Provider/s, Market Operator and PEMC steps <u>required will follow</u> for the review, evaluation and measurement of the performance of a Metering Services Provider (MSP). The measurement process monitors the conformance of an MSP to the WESM Rule Section 4.3.3 – MSP Obligation and as discussed in this section.	Adopt proponent's revised proposed amendment.
PERFORMANCE	This procedure is intended to provide the Trading Participant/s,	This procedure is intended to provide the	Since the data that will be used to	<u>TC:</u>	We recommend to revise as follows:	Adopt proponent's

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MEASUREM ENT- METERING	Meter Service Provider/s and PEMC information and/or steps in rating the performance of the	Trading Participant/s, Meter Service Provider/s, Market Operator and PEMC	measure MSP performance will be from IEMOP, it is proposed to include the MO in this provision.	• Direct object too far from the verb: "provides... steps";	This procedure is intended to provide the steps that	revised proposed amendment.
SERVICE PROVIDER – Scope 10.3	Metering Service Provider/s. The procedural work flows described in this section serve as reference for the trading participant/s, metering service provider/s and PEMC in reflecting the requirement in the WESM Rules.	information and/or steps in rating the performance of the Metering Service Provider/s. The procedural work flows described in this section serve as reference for the trading participant/s, metering service provider/s, Market Operator and PEMC in reflecting the requirement in the WESM Rules.		• For uniformity, suggest to adopt Metering Services Provider/s instead of Metering Service Provider/s to the WESM Rules	Trading Participant/s, Meter Service Provider/s, Market Operator and PEMC information and/or steps will follow in rating the performance of the Metering Service Provider/s. The procedural work flows described in this section serve as reference for the trading participant/s, metering services provider/s, Market Operator and PEMC in reflecting the requirement in the WESM Rules.	
PERFORMA NCE MEASUREM ENT- METERING	The integrity of meter data provided by the Meter Service Provider/s to PEMC and the Trading Participant/s.	The integrity of meter data provided by the Meter Service Provider/s to the Market Operator PEMC and the Trading Participant/s.	To clarify that meter data are being submitted by MSPs to the MO.	<u>TC:</u> Missing comma for the list	We recommend to revise as follows: The integrity of meter data provided by the Meter Service Provider/s to the	Adopt proponent's revised proposed amendment.

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SERVICE PROVIDER – Scope 10.3.1					Market Operator PEMC, and the Trading Participant/s.	
PERFORMANCE MEASUREMENT- METERING SERVICE PROVIDER – Performance Rating – Semi-Annual Customer Satisfaction Rating 10.7.2	Every six (6) months, the PEMC Metering & Settlement Department shall conduct a CSR on the MSP performance through the issuance of the CSR form to all the WESM trading participants to be accomplished and submitted back to PEMC. The CSR forms are to be accomplished every first week of July of the current year and January of the following year. The July rating comprises the MSP performance from January to June of the current year and the January rating correspond to the second half of the previous year (July to December).	Every six (6) months, the PEMC Metering & Settlement Department shall conduct a CSR on the MSP performance through the issuance of the CSR form to all the WESM trading participants to be accomplished and submitted back to PEMC. The CSR forms are to be accomplished every first week of July of the current year and January of the following year. The July rating comprises the MSP performance from January to June of the current year and the January rating correspond to the second half of the previous year (July to December).	The term "PEMC Metering & Settlement Department" refers to Metering, Billing and Settlement (MBS) Division of the IEMOP. Since MSP performance monitoring is deemed as a governance function, it is proposed to clarify that MSP performance monitoring will be performed by PEMC as the WESM Governing Body.	<u>NGCP:</u> NGCP agrees with the proposal of IEMOP for PEMC, as the WESM Governing Body, to monitor the MSP Performance. However, NGCP proposes to establish the following: <ul style="list-style-type: none">• A mechanism for the reconciliation of data to provide the MSP with an avenue to verify, appeal, or contest, if necessary, the data provided by IEMOP to PEMC.• A procedural workflow following the submission of technical parameters of NGCP to IEMOP and IEMOP to PEMC.• A protocol between IEMOP,	Since the monitoring procedure is proposed to be transferred to the WESM governing body, we defer to the WESM governing body the proposed revisions to the monitoring procedures.	Adopt original proposed amendment.

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				NGCP, and PEMC to reconcile with the rating provided by PEMC.		
				<p><u>DOE:</u></p> <p>Suggest for the Market Operator to assist or collaborate with PEMC on the conduct of CSR.</p> <p>This is to ensure the independence of the evaluation of MSP performance.</p> <p>Since the provision only refers to the conduct of CSR, the DOE do not see it as a governance function.</p> <p>Every six (6) months, the PEMC the Market Operator Metering & Settlement Department shall conduct a CSR on the MSP performance through the issuance of the CSR form to all the WESM trading</p>	We recommend to retain the conduct of CSR with PEMC to keep all activities related to performance monitoring within PEMC's control.	<p>Discussion transpired on which between PEMC and IEMOP is more appropriate to conduct the Customer Satisfaction Rating survey. Mr. Binondo (DOE) opined that MSPs provide service to the IEMOP since the former submits meter data to the latter. Thus, the IEMOP should be the one to conduct the CSR survey.</p> <p>Mr. dela Viña and Mr. Cacho responded that it is the Trading Participants and the WESM in</p>

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				<p>participants to be accomplished and submitted back to PEMC the Market Operator. The CSR forms are to be accomplished every first week of July of the current year and January of the following year. The July rating comprises the MSP performance from January to June of the current year and the January rating correspond to the second half of the previous year (July to December).</p>		<p>general who are the 'clients' of the MSPs. The MO just processes the data it receives for settlement, basically functioning as a service provider to the TPs and the WESM, and could be considered as a 'peer' of MSPs. Hence, it is PEMC who is more appropriate to conduct the CSR surveys since it is the governing body of the WESM.</p> <p>Mr. Cacho further stated that the survey results are incorporated as input to the metering audit which will be performed by PEMC, hence the survey process</p>

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						should be done by PEMC. Mr. Tolentino (PSALM) added that surveys are usually conducted by a third-party not involved in process. In this context, that third-party could be PEMC or PEMC could further engage an external party.
PERFORMANCE MEASUREMENT- METERING SERVICE PROVIDER – Performance Rating – Semi-Annual Performance Rating 10.7.3	Annual Performance Rating covers the billing periods January to December of each year. It shall consist of: 1. The annual Performance Measures under Sub- section 10.4.1 – Service Delivery (Average of the 12 months billing). 2. The Customer Satisfaction Rating under Sub-sections 10.4.2 and 10.7.2.	Annual Performance Rating covers the billing periods January to December of each year. It shall consist of: 1. The annual Performance Measures under Sub- section 10.4.1 – Service Delivery (Average of the 12 months billing). 2. The Customer Satisfaction Rating under Sub-sections 10.4.2 and 10.7.2.	Since it is proposed to clarify that PEMC shall perform MSP performance monitoring, it is likewise proposed to remove the reference to the MBS Division of IEMOP in this provision.	<u>MERALCO:</u> We would like to take this opportunity to raise our concerns and submit our recommendations to improve the RMSP performance. • Review of the criteria set for the annual performance evaluation. We note that there should be adjustments in	Review of the criteria set for the annual performance evaluation. - We defer to the WESM governing body the review of the criteria set for the annual performance evaluation. Review of PEMC / IEMOP processes / methodologies	Adopt original proposed amendment. The body also noted that in addition to MERALCO, the IEMOP will also coordinate with VECO to discuss issues regarding RMSP processes.

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	The annual MSP Performance Rating shall be submitted by the PEMC Metering & Settlement Department to PEMC Management.	The annual MSP Performance Rating shall be submitted by the PEMC Metering & Settlement Department to PEMC Management.		target scores to account for factors behind the reasonable control of the RMSP. o For instance, the current level of the telecommunication companies' General Packet Radio Services (GPRS) and Circuit Switched Data (CSD) service reliability, particularly the communication signal, is still low, which thereby affects the daily meter data delivery performance. Consequently, the 95% passing score for the "Daily Meter Data Delivery" is unviable. In line with this, PEMC should take into consideration the annual average performance of all	for alignment with RMSP's - We will coordinate with MERALCO for the discussion of the issues on RMSP processes. We note that this proposal is with the Wholesale MSP. (Coordinate with VECO also) Review of the MSP Rating method. - We defer to the WESM governing body the review of MSP Rating method.	

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				<p>RMSPs and perform the necessary adjustments to make the passing performance score / rating more realistic and attainable.</p> <ul style="list-style-type: none"> • Review of PEMC / IEMOP processes / methodologies for alignment with RMSP's. There are discrepancies that arise from uncertain responsibilities between PEMC / IEMOP and RMSP. <ul style="list-style-type: none"> ○ As an example, the process of updating the Meter Trouble Report (MTR) Resolution as "Closed" and "Valid" should be upon IEMOP, being the CRB, who is recipient of the MTR resolution. The RMSP's MTR response should be sufficient for 		

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				<p>the resolution of the MTR. Further, the applicable rules and indicators by which the RMPSS will be scored must be made transparent before the start of the evaluation.</p> <ul style="list-style-type: none"> • Review of the MSP Rating method. The sole basis for the customer satisfaction score of an RMSP relies on the response of contestable customer/s to the survey conducted by PEMC / IEMOP. <ul style="list-style-type: none"> ○ Given that RMSPs differ in the number of contestable customers in their corresponding franchise area, an acceptable number of respondents, that is proportionate to an RMSP's entire. 		

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				<p>population of contestable customers, should be taken into consideration by PEMC / IEMOF, in order to attain more accurate survey results. We respectfully propose that a study be conducted, by PEMC / IEMOP, in consultation with RMSPs, to define the appropriate method in determining the best estimate / sample of respondents of each RMSP and to update the questionnaire to be used for said customer satisfaction survey.</p> <ul style="list-style-type: none"> o MSPs also differ in the manner of service, e.g., daily visit by meter reader vs remote 		

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				reading. This means that a single set of survey questions may not be applicable for all respondents.		
PERFORMANCE MEASUREMENT-METERING SERVICE PROVIDER – Work Flow for MSP Performance Rating 10.7	(refer to Annex A)	(refer to Annex A)	To clarify that PEMC shall perform MSP performance monitoring and that MO shall submit all pertinent data to PEMC.	<u>MERALCO:</u> In view of the concerns we cited (under Section 10.7.3) on the conduct of the MSP's performance evaluation process, we respectfully suggest that a cross-validation be done by concerned parties (i.e., PEMC, IEMOP, MSP) before the performance rating is released / published. This may be a step / process between PM.07 and PM.08.	We defer to the WESM governing body the review of the conduct of the MSP's performance evaluation process.	Adopt proposed amendment.
General comment				<u>MERALCO:</u> In order to encourage MSPs to comply with relevant rules and perform well, it is respectfully suggested that IEMOP recognize	The suggestion is noted.	The body noted MERALCO's suggestion.

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WESM Metering Manual						
Title	Provision	Proposed Amendment	Rationale	Comment	Proponent's Response	RCC Discussion/Agreements
				MSPs, which achieved superior performance and /or best practice.		

IV. 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

Title	Provision	Proposed Amendment	Rationale	Comment	Response	RCC Discussion/Agreements
FACILITY-RELATED CHANGES – Registered Capacities 3.3.1.1	The <i>Trading Participant</i> wishing to change the registered capacities of its generating unit/s shall make a request in writing to the <i>Market Operator</i> . Such changes shall be in accordance with either the latest Certificate of Compliance (COC) issued by the ERC or a certification of generator capability test to be issued jointly by the DOE, ERC and SO. The conduct of testing shall be based on	The <i>Trading Participant</i> wishing to change the registered capacities of its generating unit/s shall make a request in writing to the <i>Market Operator</i> . Such changes shall be in accordance with either the latest Certificate of Compliance (COC) or any certification issued by the ERC indicating the new basis for the registered capacity of the generating unit in the WESM or a certification of	Article III Section 6 of ERC Resolution No. 16 Series of 2014 (2014 Revised Rules for the Issuance of Certificates of Compliance) requires generation companies which intend to amend the technical specifications (e.g., Pmax, Pmin, Ramp Up Rate, Ramp Down Rate) of its generation facilities to file an application for the amendment of the COC. The technical specifications annex	<u>MERALCO:</u> Under said Section, for any change in the registered capacities of the Trading Participant's generating unit/s, the following clause was added as an alternative to the ERC issued Certificate of Compliance (COC): " <i>or any certification issued by the ERC indicating the new basis for the registered capacity of the generating unit in the WESM.</i> " In line with this,	The proposed revision is based on the current certifications being received by the Market Operator from the ERC. We recommend to retain the proposal.	The body deliberated whether ERC-issued certifications other than COCs could be considered as valid basis for changing the registered capacity of a generating unit. In other words, could non-COC ERC issuances or certifications be treated as amendments to the original COC? Mr. Binondo stated that there is no need to change provision. Ideally, change in

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	the internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.	generator capability test to be issued jointly by the DOE, ERC and SO. The conduct of testing shall be based on the internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.	of the COC is the basis of the Market Operator for the registered capacities in the WESM.	IEMOP's rationale behind such proposed amendment is pursuant to ERC's Resolution No. 16 Series of 2014 (2014 Revised Rules for the Issuance of Certificates of Compliance), which requires GenCos to file an application for the amendment of the COC if the same intends to amend any information on the technical specifications of its Generation Facilities contained on the face of the COC and its annexes. We would like to note that there is no provision that enumerates / describes an ERC certification, as an alternative to a CoC. Thus, we respectfully recommend that the proposed clause to include any certification issued by ERC be deleted. Proposed revision:		registered capacity should be supported by an amended COC that will supersede the original COC. Hence the current provision with the phrase 'latest COC' is sufficient to cover any such 'certifications'. He added that in the past, the Market Operator could change the registered capacity if requested by a Trading Participant without the need for any ERC issuance. The response to that was to have the COC as the sole basis, so this would be the only reference document. However, Ms. Javier stated that the ERC do issue other documents or certifications, not necessarily amended COCs, that could serve as basis to change registered capacity (e.g., Provisional Authority to

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				<p>The <i>Trading Participant</i> wishing to change the registered capacities of its generating unit/s shall make a request in writing to the <i>Market Operator</i>. Such changes shall be in accordance with either the latest Certificate of Compliance (COC) <u>or any certification issued by the ERC indicating the new basis for the registered capacity of the generating unit in the WESM</u> or a certification of generator capability test to be issued jointly by the DOE, ERC and SO. The conduct of testing shall be based on the internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</p>		<p>Operate). Moreover, amending a COC is a difficult process, thus it is better for the MO to have leeway so it could accept as valid other ERC-issued documents for changes in registered capacity.</p> <p>Mr. Cacho concurred and stated that although the MO is technically bound to solely honor COCs for registering new facilities, in reality it is forced to register them without COC since they are already for testing and commissioning, and especially if that facility is critical additional capacity. The MO thus considers non-COC ERC documents or issuances, like a PAO, as basis to register these plants. The MO does the same for changes in registered capacity. Mr. Cacho added that the proposed</p>



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						<p>change aims to put things in order by specifying in the Manual what has been practiced by the MO.</p> <p>Mr. Ambrosio (NorthWind) opined that since the ERC is the sole authority to set registered capacity, it can be assumed that any certification it issues on the matter must be consistent with the original COC it issued. No one can really contest the ERC in this regard. Legally, the MO would be on safe ground with the proposal since the MO will still be relying on the issuance of the same regulating authority.</p> <p>With the foregoing discussion and having confirmed that the MO also accepts non-COC ERC certifications to register new facilities and also change registered</p>

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						<p>capacity, the RCC agreed that ERC-issued certifications be accepted as basis for registering new facilities and in changing registered capacities. In this regard, the RCC agreed to revise both Sections 3.3.1.1 and 2.5.4.4.</p>
						<p>The body is cognizant that Section 2.5.4.4 was not part of the proposal but nonetheless agreed to amend it without having it published for comments since the revision emanated from the body's deliberations.</p> <p>RCC revisions:</p> <p>FACILITY-RELATED CHANGES – Registered Capacities and Ramp Rates</p> <p><i>Section 3.3.1.1:</i></p> <p><i>The Trading Participant wishing to change the registered capacities</i></p>

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						<p><u>and/or ramp rates</u> of its generating unit/s shall make a request in writing to the <i>Market Operator</i>. Such changes shall be in accordance with either the latest Certificate of Compliance (COC) <u>or, in the absence thereof, a certification</u> issued by the ERC <u>indicating the new basis for the registered capacities and/or ramp rates of the generating unit in the WESM</u></p> <p><i>Section 2.5.4.4:</i></p> <p>A Generation Company shall include in its application the maximum stable load (Pmax), the minimum stable load (Pmin), the ramp up rate, and the ramp down rate of each generation unit or aggregated generation units that</p>

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						are included in its application. The information provided to the Market Operator must be consistent with the information
						contained in the Certificate of Compliance <u>or, in the absence thereof, a certification indicating the registered capacities and/or ramp rates of the generating unit</u> issued by the ERC as well as submissions made to the ERC in relation to the issuance of its Certificate of Compliance.
				DOE: Suggest to retain the original provision. The ERC approval of the changes with the generating unit's technical specifications should be considered as an amendment to the COC.	The proposed revision is based on the current certifications being received by the Market Operator from the ERC. We are amenable to the retention of the joint DOE, ERC and SO certification.	RCC revised the provision (see above).

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				<p>The term 'latest COC' should already cover any amendments to the COC.</p> <p>Further, joint DOE, ERC and SO certification of a generator is a policy which can be applied in the future.</p>		
<p>FACILITY-RELATED CHANGES – Registered Capacities</p> <p>3.3.1.2</p>	<p>Changes shall be approved by the <i>Market Operator</i> and confirmed by the PEM Board.</p>	<p>Changes shall be confirmed approved by the <i>Market Operator</i> based on the certification from the ERC and confirmed by the PEM Board.</p>	<p>Since the ERC performs the inspection and validation of the technical capabilities of a generation facility, it is proposed that the Market Operator will only confirm the request from the trading participant based on the submitted supporting document.</p>	<p>MERALCO:</p> <p>In line with our comments above, we respectfully suggest to replace the requirement “certification” with “Certificate of Compliance (CoC),” pursuant to ERC’s Resolution No. 16 Series of 2014.</p> <p>Proposed revision: Changes shall be confirmed approved by the <i>Market Operator</i> based on the certification Certificate of Compliance (CoC) from the ERC and confirmed by the PEM Board.</p>	<p>The proposed revision is based on the current certifications being received by the Market Operator from the ERC. We recommend to retain the proposal.</p>	<p>RCC revision:</p> <p>Changes submitted by the Trading Participant in the registered capacities and/or ramp rates of its generating units shall be accepted approved by the <i>Market Operator</i> based on the certification Certificate of Compliance (COC) or, in the absence thereof, a certification issued by the ERC indicating the new basis for the registered capacities and/or ramp rates of the generating unit and confirmed by the PEM Board.</p>

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				<p><u>DOE:</u></p> <p>While the technical capabilities of a generation facility are inspected and validated by the</p>	<p>The Market Operator does not perform any additional validation of the changes and relies solely on the ERC certification.</p>	<p>RCC revised the provision (see above).</p>
				<p>ERC, the approval of the Market Operator in the provision pertains to the application for changes of the trading participant in consideration of the certification from the ERC.</p> <p>Suggest to retain original provision.</p>		
<p>FACILITY-RELATED CHANGES – Registered Capacities</p> <p>3.3.1.3 (new)</p>	<p>N / A</p>	<p><u>The Market Operator shall notify the PEM Board and DOE of any changes in the registered capacities of generating units in the WESM.</u></p>	<p>It is proposed that other relevant agencies be informed of the change in registration capacities to ensure consistency of capacities.</p>	<p>MERALCO: ERC should also be a recipient of any changes in registered capacities of generating units in the WESM.</p> <p>Proposed revision: <u>The Market Operator shall notify the PEM Board, ERC and DOE of any changes in the registered capacities of generating units in the WESM.</u></p>	<p>We recommend to adopt MERALCO's revision.</p>	<p>Adopt MERALCO's suggestion.</p>