

**MINUTES OF MEETING****Rules Change Committee****158<sup>th</sup> Regular Meeting (No. 2019-11)**

08 November 2019, 9:00 AM – 11:30 AM

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

Agenda	Action Required
I. <b>Call to Order</b>	There being a quorum, Atty. Maila Lourdes G. De Castro called the meeting to order at 9:10 AM.
II. <b>Determination of Quorum</b>	
<b>Attendance List</b>	
In-attendance	Not In-attendance
<p><u>Rules Change Committee</u></p> <p><i>Principal Members:</i></p> <p><b>Maila Lourdes G. de Castro</b>, Chairperson – Independent  <b>Francisco Leodegario R. Castro, Jr.</b> – Independent  <b>Allan C. Nerves</b> – Independent  <b>Abner B. Tolentino</b> – Generation (PSALM)  <b>Cherry A. Javier</b> – Generation (APC)  <b>Dixie Anthony R. Banzon</b> – Generation (MPPCL)  <b>Ryan S. Morales</b> – Distribution (MERALCO)  <b>Jose P. Santos</b> – Distribution (INEC)  <b>Virgilio C. Fortich, Jr.</b> – Distribution (CEBECO III)  <b>Lorreto H. Rivera</b> – Supply (TPEC)  <b>Ambrocio R. Rosales</b> – System Operator (NGCP)  <b>Isidro E. Cacho</b> – Market Operator (IEMOP)</p> <p><i>Alternate Member:</i></p> <p><b>Keenan M. Erigbuagas</b> – Distribution (ILPI)</p>	<p><b>Concepcion I. Tanglao</b> – Independent  <b>Ricardo G. Gumalal</b> – Distribution (ILPI)</p>
<p><u>DOE Observers</u></p> <p>Ferdinand B. Binondo  Ryan Jasphe Villadiego  Ann Margaret Andres</p>	
<p><u>PEMC – Market Assessment Group</u></p> <p>Karen A. Varquez  Divine Gayle C. Cruz  Dianne L. De Guzman</p>	

PEMC – ECO  
 Atty. Hazel G. Lopez

Agenda	Agreements/Action Plans
<b>III. Adoption of the Agenda</b>	The proposed agenda was approved as revised.
Agenda	Agreements/Action Plans
<b>IV. Review of the Minutes of the Previous Meeting (158<sup>th</sup> Meeting, 08 November 2019)</b>	The draft minutes was approved as revised to reflect clerical enhancements.

2 In response to the request for clarification by Atty. Maila Lourdes G. de Castro, the Secretariat  
 3 clarified from the minutes that the changes on the lines: "*In compliance to prudential*  
 4 *requirements, a WESM Member under the Customer category must, as soon as practical prior*  
 5 *to energization, provide an additional security commensurate to the load profile of the additional*  
 6 *load facility.*" were initiated by the committee during the 158<sup>th</sup> meeting.

<b>V. Matters Arising from Previous Meeting</b>	
Agenda	Agreements/Action Plans
5.1. Deliberation on PEMC's Proposed New WESM Manual on WESM Compliance Officers' Accreditation	<ul style="list-style-type: none"> <li>• The RCC approved the endorsement of the proposal to the PEM Board as revised.</li> <li>• The RCC directed the Secretariat to finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting.</li> </ul>

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 8 The RCC deliberated on the proposal taking into account the comments received from SN  
 9 Aboitiz Power Inc., Aboitiz Power Corporation, and SPC Power Corporation as well as the  
 10 response from PEMC as the proponent.

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 12 On the comment from the Aboitiz Power Corporation, Atty. Hazel G. Lopez explained that the  
 13 partial accreditation point is envisioned for the WCOs or WEOs who is/are transferring to  
 14 another organization. The points earned from the previous organization will be carried together  
 15 with the status as WCO or WEO. Atty. Lopez also added that the Probationary Status will no  
 16 longer be effective if the WCO or WEO earned a total of 20 points and the status will then be  
 17 changed to Active.

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 19 The RCC adopted the proponent's response and agreed to reflect all clerical enhancements.  
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Agenda	Agreements/Action Plans
5.2. Draft RCC Resolution No. 2019-16: Proposed Amendments to the WESM Manual on Dispatch Protocol for the Optimal Timing of Market Runs	<ul style="list-style-type: none"> <li>• The RCC approved the endorsement of the proposal to the PEM Board as revised.</li> <li>• The Secretariat shall finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting.</li> </ul>
5.3. Draft RCC Resolution No. 2019-17: Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures and WESM Manual on Market Network Model Criteria and Procedures to Clarify Procedures for the Registration of a New Load Facility	<ul style="list-style-type: none"> <li>• The RCC approved the endorsement of the proposal to the PEM Board as revised.</li> <li>• The Secretariat shall finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting.</li> </ul>
5.4. Draft RCC Resolution No. 2019-18: Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers	<ul style="list-style-type: none"> <li>• The RCC approved the endorsement of the proposal to the PEM Board as revised.</li> <li>• The Secretariat shall finalize the matrix of proposed changes and draft the resolution, for approval in the next meeting. The documents for amendments were: <ul style="list-style-type: none"> <li>• Retail Rules;</li> <li>• Retail Manual – Registration Criteria and Procedures 2.0; and</li> <li>• Retail Manual – Market Transactions Procedures 2.0</li> </ul> </li> </ul>

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VI. Other Matters	
Agenda	Agreements/Action Plans
6.1. Discussion of the DOE Letter re: Must-Stop Units and Displaced Generator	The RCC noted the DOE Letter and will act once there will be a rule change proposal.

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23 The Secretariat informed the RCC of the DOE letter reiterating its directive for PEMC to  
24 propose amendments to the current WESM Rules and Manuals for consistency with the ERC  
25 Order. It was noted that the compensation issue for the Must-Stop Units (MSU) and Displaced  
26 Generators cannot be implemented since PEMC withdrew its application on the same from  
27 the ERC in March 2018. Mr. Ferdinand Binondo clarified that from the DOE's perspective,  
28 amendments to the WESM Rules and MRU-MSU Manual are still necessary notwithstanding  
29 the forthcoming implementation of the enhanced market design.

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31 Atty. Maila Lourdes G. de Castro asked when the launch of NMMS will be and was responded  
32 that the prevailing Go-Live date is on 26 January 2020.

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Mr. Isidro E. Cacho updated the body that the Market Readiness Steering Committee through the PEM Audit Committee will be the one giving the final recommendation to the PEM Board on the Go-Live of the enhanced market design, together with the launch of WESM Mindanao.

Agenda	Agreements/Action Plans
6.1. PEM Board Meeting schedules: a) BRC – <b>15 Nov 2019 (Mon), tentative</b> b) PEM Board – <b>27 Nov 2019 (Wed)</b>	The RCC noted the updates and information
<b>VII. Schedules of Next Meetings</b>	<ul style="list-style-type: none"> <li>▪ December 6<sup>th</sup></li> <li>▪ January 17<sup>th</sup></li> <li>▪ February 21<sup>st</sup></li> </ul>
<b>VIII. Adjournment</b>	There being no other matters left for discussion, the RCC adjourned the meeting at 09:45 AM.

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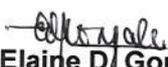
**Prepared by:**

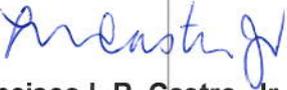
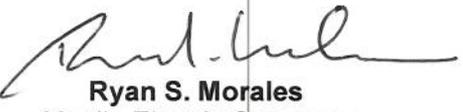
  
**Dianne L. De Guzman**  
 Specialist  
 Market Assessment Group – Rules Review Division

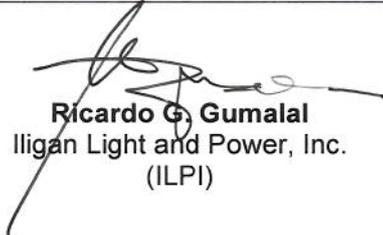
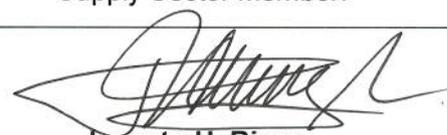
**Reviewed by:**

  
**Karen A. Varquez**  
 Manager  
 Market Assessment Group – Rules Review Division

**Noted by:**

  
**Elaine D. Gonzales**  
 Acting Head  
 Market Assessment Group

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

 <p><b>Ricardo G. Gumalal</b> Iligan Light and Power, Inc. (ILPI)</p>	 <p><b>Jose P. Santos</b> Ilocos Norte Electric Cooperative, Inc. (INEC)</p>
<p>Supply Sector Member:</p>	
 <p><b>Lorreto H. Rivera</b> TeaM (Philippines) Energy Corporation (TPEC)</p>	
<p>Market Operator Member:</p>	
 <p><b>Isidro E. Cacho, Jr.</b> Independent Electricity Market Operator of the Philippines (IEMOP)</p>	
<p>System Operator Member:</p>	
 <p><b>Ambrocio R. Rosales</b> National Grid Corporation of the Philippines (NGCP)</p>	