



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 1 of 42

### ATTENDEES

No.	Name	Designation/Position	Department/ Company
1	Jesusito G. Morillos	Chairman, Independent	RCC
2	Jose Roderick F. Fernando	Member, Independent	RCC
3	Rachel Angela P. Anosan	Member, Independent	RCC
4	Jordan Rel C. Orillaza	Member, Independent	RCC
5	Dixie Anthony R. Banzon	Member, Generation Sector	RCC
6	Rose Ann O. Alfaro	Member (Alternate), Generation Sector	RCC
7	Cherry A. Javier	Member, Generation Sector	RCC
8	Carlito C. Claudio	Member, Generation Sector	RCC
9	Jessie B. Victorio	Member (Alternate), Generation Sector	RCC
10	Mark D. Habana	Member, Generation Sector	RCC
11	Michelle S. Tuazon	Member (Alternate), Generation Sector	RCC
12	Ryan S. Morales	Member, Distribution Sector	RCC
13	Manuel Luis N. Zagala	Member (Alternate), Distribution Sector	RCC
14	Nelson M. Dela Cruz	Member (Alternate), Distribution Sector	RCC
15	Getulio Z. Crodua	Member, Distribution Sector	RCC
16	Rocky D. Bayas	Member, Distribution Sector	RCC
17	Lorreto H. Rivera	Member, Supply Sector	RCC
18	Dennis R. Paragas	Member (Alternate), Supply Sector	RCC
19	Ambrocio R. Rosales	Member, System Operator	RCC
20	John Paul S. Grayda	Member, Market Operator	RCC
21	Karen A. Varquez	RCC Secretariat	PEMC
22	Divine Gayle C. Cruz	RCC Secretariat	PEMC
23	Dianne L. De Guzman	RCC Secretariat	PEMC
24	Mari Josephine C. Enriquez	RCC Secretariat	PEMC
25	Bienvenido C. Mendoza, Jr.	MAG Head	PEMC
26	Hilary Romeli C. Florendo	Enforcement and Compliance Office	PEMC
27	Darlene C. Dublar	Enforcement and Compliance Office	PEMC
28	Carl Angelo B. Dela Cruz	Enforcement and Compliance Office	PEMC
29	Dianne Kate C. Langit	Enforcement and Compliance Office	PEMC
30	Gabriel R. Marmeto	Legal	PEMC
31	Christin Paula E. Delgado	Office of the Chief Governance Officer	PEMC
32	Luningning G. Baltazar	Observer	DOE
33	Noriel Christopher R. Reyes	Observer	DOE
34	Melanie C. Papa	Observer	DOE
35	Jhannelyn D. Marasigan	Observer	DOE
36	Marvin Jay A. Masanda	Observer	DOE
37	Lex Magtalas	Observer	APC



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 2 of 42

### ATTENDEES

No.	Name	Designation/Position	Department/ Company
38	Karen Anne H. Siruma	Proponent	IEMOP
39	Lilibeth Grace L. Vetus	Proponent	IEMOP
40	Sheryll M. Dy	Proponent	IEMOP
41	Edward I. Olmedo	Proponent	IEMOP
42	Edmin S. Arellano	Proponent	IEMOP
43	Charles Phillip R. Valerio	Proponent	IEMOP
44	Jed Angelo G. Tetangco	Commenter	MERALCO
45	Anderson S. Ongsyping	Commenter	MERALCO
46	Ma. Leticia L. Sapina	Commenter	MERALCO
47	Roma Angela P. Hofilena	Commenter	MERALCO
48	Angelica Diane B. Monteza-Sy	Commenter	MERALCO
49	Sheryl A. Castro	Commenter	MERALCO
50	Clark N. Agustin	Commenter	NGCP
51	Leo E. Bugarin	Commenter	NGCP
52	Editha J. Palencia	Commenter	NGCP
53	Cynthia R. Encarnacion	Commenter	San Miguel
54	Ken Trinidad	Proponent	NPC-DMD
55	Maria Teresa L. Serra	Proponent	NPC-DMD

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 3 of 42

Agenda	Discussion/Agreements
I. Call to Order	The meeting was called to order at 9:02 AM.
II. Determination of Quorum	The quorum was determined with fourteen (14) principal members and six (6) alternate members present.
III. Adoption of Agenda	The revised agenda was adopted.
IV. Draft Minutes of Previous Meetings: <ul style="list-style-type: none"> <li>a. 203<sup>rd</sup> (Special) Meeting, 14 November 2022</li> <li>b. 204<sup>th</sup> (Caucus) Meeting, 17 November 2022</li> <li>c. 209<sup>th</sup> (Regular) Meeting, 17 February 2023</li> </ul>	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval.</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>a. Draft Minutes of 203<sup>rd</sup> (Special) Meeting               <p>The Secretariat informed the RCC that the draft minutes will be sent next week for the RCC's comments and approval through email.</p> </li> <li>b. Draft Minutes of 204<sup>th</sup> (Caucus) Meeting               <p>To provide the RCC ample time to review the draft minutes since it was sent on 16 March 2023, the Secretariat informed the RCC that its comments and approval will be sought through email.</p> </li> <li>c. Draft Minutes of 209<sup>th</sup> (Regular) Meeting               <p>The Secretariat presented the draft minutes to the RCC informing the latter that the former will email the lacking annexes once finalized. It was noted that the draft was earlier emailed to the RCC on 14 March 2023.</p> <p>Mr. Carlito C. Claudio (MEI/PEI) suggested revisions in page 6 as follows:</p> <ul style="list-style-type: none"> <li>i. Change “Kalayaan Dam” to “Kalayaan Plant” since it is the plant that is not qualified to be registered as priority dispatch, not the dam.</li> <li>ii. Change the cited example by the NPC representative of the plant that may not be</li> </ul> </li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 4 of 42

Agenda	Discussion/Agreements
	<p>allowed for preferential dispatch, i.e., from “Caliraya Plant” to “Kalayaan Plant” since Caliraya Plant may be reclassified as a priority dispatch plant and can provide ancillary services.</p> <p>Having no further comments, the RCC approved the minutes of the meeting, as revised.</p>
V. Matters Arising from Previous Meeting	
<p>5.1. Draft RCC Resolution 23-02: <i>Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions</i></p>	<p><u>Presenters:</u>          Ms. Dianne L. De Guzman (Secretariat)          Ms. Darlene C. Dublar (PEMC-Enforcement Compliance Office)</p> <p><u>Action Requested:</u> For approval.</p> <p><u>Material:</u> Annex A – Results of MAPE and Perc95 for MDGUs Operating for Less Than a Year (2022)</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>Ms. De Guzman (Secretariat) and Ms. Dublar (PEMC-ECO) provided a background of the proposal. To address the RCC’s concern regarding the proposed exemptions from the previous regular RCC meeting, Ms. Dublar additionally updated the body on the results of MAPE and Perc95 of must dispatch generating units operating for less than a year within 2022 (see Annex A). It was noted that some plants failed to reach the standard thresholds for the two forecast accuracy measures mentioned. Ms. Dublar stated that the plants who failed to pass would already have been imposed with Level 1 Penalty or Reprimand if it were not for the exemption given to must-dispatch plants that only commenced operations within three (3) months prior the end of the monitoring year of 2022. Most of the plants operating for less than a year only started in November or December 2022. If Level 1 penalty is immediately imposed to them at this point, then they will be financially</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 5 of 42

Agenda	Discussion/Agreements
	<p>penalized already should they still fail to reach a passing rate in the next monitoring year of 2023.</p> <ul style="list-style-type: none"> <li>Mr. Jordan Rel C. Orillaza (Independent) reiterated his previous reservations. He recognized that the PEMC-ECO has good intentions for exempting new must-dispatch plants operating for less than a year from immediately being imposed with Level 1 penalty so that they will not be heavily burdened with financial penalties in the next monitoring year if they still fail to pass. However, he maintained that any exemption is generally unhealthy for the market and will unduly affect system security.</li> <li>Noting that the exemptions also provide leeway for the new RE plants the opportunity to adjust, the RCC approved the revision to Section 4.6.2 in the proposed FAS Manual, which pertains to the imposition of penalty to, and exemptions from liability for must-dispatch plants operating for within three (3) months prior the end of the monitoring year.</li> </ul> <p><u>Agreement:</u> The RCC approved the proposed amendments, as revised. The Secretariat shall submit the draft RCC resolution for the RCC's review and approval.</p>
<p>5.2. Proposed Urgent Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program (ILP) Implementation</p> <ul style="list-style-type: none"> <li><i>Continuation of the discussion</i></li> <li><i>Draft RCC Resolution 23-03</i></li> </ul>	<p><u>Presenters:</u>          Mr. Jed Angelo G. Tetangco (MERALCO)          Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval.</p> <p><u>Materials:</u> Annex B – ILP Protocol Orientation and Summary of Red Alerts and ILP Activations from 2017-2022</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>Mr. Tetangco (MERALCO) presented MERALCO's current implementation of ILP which</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 6 of 42

Agenda	Discussion/Agreements
	<p>includes a summary of Red Alerts and ILP activations from 2017 to 2022. The highlights of the presentation are as follows:</p> <ul style="list-style-type: none"> <li>○ ILP is implemented when there is forecasted supply shortage. Instead of conducting manual load dropping (MLD) of whole circuits, MERALCO coordinates with ILP participants to ask if they could de-load. Subject to real-time conditions and if the participants agreed, the load to be dropped could be lessened or MLD may not be necessary at all.</li> <li>○ ILP is activated when NGCP issues a Red Alert notice. It cannot be implemented if there is only Yellow Alert although they would be advised for possible activation at this time.</li> <li>○ The participants' de-loaded capacity (kWh) is based on the difference between their hourly load profile and actual hourly meter reading which is retrieved 1-2 days after the de-loading.</li> <li>○ When ILP is implemented, the participant will commit the amount of their demand they could de-load and they will choose between 2 timeslots (10AM-1PM and 12PM-3PM), which captures the peak load of the system. The participant agrees on a baseline load profile and designated contact persons.</li> <li>○ MERALCO has a contract with the Customer participating in the ILP. For the Retail Market, MERALCO has a contract with the Contestable Customer and their Retail Electricity Supplier.</li> <li>○ If MERALCO is advised the day before by the System Operator that there will be an imminent Red Alert the next day, MERALCO would in turn advise the ILP participants and confirm with them if they could participate. If</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 7 of 42

Agenda	Discussion/Agreements
	<p>the Red Alert proceeds, the participant will implement de-loading in the timeslot they chose. The participants will be compensated for one hour prior and after the scheduled de-loading (i.e., shoulder) because they would be shutting down their loads at these times to transfer to their gensets.</p> <ul style="list-style-type: none"> <li>○ From 2017-2022, there were 21 instances of Red Alert issuances that actually occurred (not cancelled). In all those instances, there were no Red Alert notice issued the day before it was scheduled as they were always within the same day the Alert happens.</li> <li>○ It was observed that the committed megawatt for de-loading by the participants varies with the actual amount de-loaded. For instance, in 2021, the committed amount is 121 MW but the actual de-loaded was only 50 MW. It means the committed megawatt is not a reliable indicator of the actual amount de-loaded, which ranged from 17% to 63% of the committed amount.</li> <li>• Mr. Noriel Christopher R. Reyes (DOE) shared the DOE's position to retain the classification of the proposal on ILP as Urgent Amendment to explain the details and clarify the implementation, or at least, the intention of the proposed amendments with respect to the inclusion of ILP in the WESM Manuals.</li> <li>• Ms. Karen Anne H. Siruma (IEMOP) presented IEMOP's responses to the items that were sought to be clarified relative to ILP in the previous RCC Meeting:             <ul style="list-style-type: none"> <li>○ Summary information and/or statistics on ILP registration on ILP registration and bilateral contract quantities.</li> </ul> </li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 8 of 42

Agenda	Discussion/Agreements
	<ul style="list-style-type: none"> <li>➤ As of 15 September 2022, there are 218 Registered ILP Customers; no BCQ declarations on ILP during the 5-minute market yet (i.e., since 26 June 2021).</li> <li>○ Information on the issues encountered with the implementation of the Interim Protocol on ILP.             <ul style="list-style-type: none"> <li>i. The System Operator reported inaccuracy of day-ahead projection (DAP) submissions which resulted to inaccurate determination of alert conditions.</li> <li>ii. There is no existing provision for Network Service Providers to provide Market Operator with information on ILP capacity prior to implementation.</li> </ul> </li> <li>○ Summary information and/or statistics on instances when the CRSS cannot be accessed by Market Participants because of <i>force majeure</i> events.</li> <li>➤ Instances of CRSS Downtimes from MOPS Monitoring (2020):             <ul style="list-style-type: none"> <li>1. CRSS Application Issue - 5.77 hours</li> <li>2. CRSS Users cannot login and authenticate Active Directory – 0.95 hours</li> <li>3. CRSS not accessible due to SSL Certificate Expiration – 1.73 hours</li> <li>4. CRSS not accessible due to Firewall cable network issue – 0.25 hours</li> </ul> </li> <li>○ Example/s of bilateral contract quantity (BCQ) declaration with BCQ/metered quantity (MQ) values to clearly illustrate the effect to BCQ redeclaration for ILP:</li> <li>➤ Refer to the presentation material previously submitted by IEMOP which contains the sample redeclaration process. As to the sample BCQ/MQ</li> </ul>



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 9 of 42



Agenda	Discussion/Agreements
	<p>values, please note that actual re-declaration quantities are dependent on agreement between affected parties, which IEMOP is not privy to.</p> <ul style="list-style-type: none"> <li>○ Emanating from the Secretariat's initial recommendation to provide an overarching policy in the WESM Rules to introduce the concept of ILP, IEMOP proposed a new Clause 3.5.8 pertaining to the Network Service Provider's responsibility to inform the Market Operator of the total MW demand committed for ILP.</li> <li>● Mr. Ryan S. Morales (MERALCO) provided comments, as follows:             <ul style="list-style-type: none"> <li>○ Prior submitting a proposal on ILP, a study should be conducted first on the ILP's current protocol to address the anticipated supply issues in the coming summer months. That study should indicate observed gaps or pain points in the Program's implementation.</li> </ul> <p>Should there be problems identified based on the said study, the proposed amendments on ILP should be able to address those problems.</p> <li>○ The ILP requires commitment from the System Operator to issue Red Alert on the previous day, from the Network Service Provider to provide the MW for de-loading, and from the Customer ILP participant to de-load. If those cannot be ascertained, the Customer might be discouraged from participating at all if they deem they cannot comply and there is a possibility of being sanctioned.</li> </li></ul> <li>● Mr. Ambrocio R. Rosales (NGCP) expressed his concurrence with Mr. Morales for the conduct of a study. Further, he shared the following:</li>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 10 of 42

Agenda	Discussion/Agreements
	<ul style="list-style-type: none"> <li>○ Generation deficiency (MW) MLD implementation is distributed between MERALCO (65%) and NGCP (35%).</li> <li>○ The accuracy of the DAP affects the issuance of Red Alert by the System Operator. If the DAP is inaccurate, then the System Operator will not be able to provide the accurate amount to be dropped.</li> <li>○ Even if Red Alert notices were only issued within the day, ILP was still implemented per MERALCO's presentation.</li> <li>● Mr. Rosales also made clarifications and suggestions regarding the issuance of Red Alert notices, as follows:             <ul style="list-style-type: none"> <li>○ The Philippine Grid Code (PGC) 2007 Chapter 6 is the basis for the System Operator's issuance of Red Alert by 1600H, but it is for grids without the WESM.</li> <li>○ On the other hand, for grids where there is WESM, PGC 2016 no longer requires the System Operator to issue day-ahead Red Alert notices. Instead, the PGC requires the Market Operator to inform the System Operator in writing by 2100H that there is an existence of generation deficiency.</li> <li>○ There is a need to update the responsibilities of Market Operator and System Operator for the process on day-ahead issuance of Red Alert notices.</li> </ul> </li> <li>● On the declaration of Red Alert, Mr. Claudio raised that the conditions for the issuance of Red Alert notice based on PGC 2007 and 2016 are almost the same. With regards to the timeline, it was changed (i.e., from 1600H to no time requirement) in consideration of the inaccuracy of the DAP from 1200H which is the basis of the Red Alert notice. Thus, in the previous time requirement, there is a huge discrepancy between the projections and</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 11 of 42

Agenda	Discussion/Agreements
	<p>reality if there is Red Alert notice especially during peak hours of 11AM, 2PM and 7PM.</p> <p>In addition, Mr. Claudio mentioned that NGCP may use the PGC 2007 as the basis in declaring the Red Alert. On the other hand, MERALCO should also be ready to facilitate the ILP when Yellow Alert is declared.</p> <ul style="list-style-type: none"> <li>• Mr. Rosales added that the issuances of day-ahead alert notices is just a guide. The initial information received by the System Operator is only on the available supply. For instance, plants initially on outage that caused an alert notice may eventually be able to synchronize to the grid right away. In this case, the Red Alert notice could be lifted immediately. The System Operator monitors changes in the system condition and may lift alert notices as necessary. The System Operator could issue Red Alert notices at any given time that will trigger implementation of MLD in accordance with the allocation.</li> <li>• Mr. Rosales also opined that the amount de-loaded through the ILP should not be included in the capacity for MLD allocated to MERALCO (65%), such that the de-loaded amount via ILP should only be treated as a bonus since the ILP is only voluntary and the Customer provided assistance to the grid.</li> <li>• Assistant Director Luningning G. Baltazar (DOE) commented that the RCC may opt to propose rules on having incentives or penalties for the generators to compel them to submit more realistic and accurate information, specifically their offers, for the DAP. The information for the DAP must be as close as possible to hour-ahead projections. Further, if DAP is considered as binding, further change in the market design can be undertaken, i.e., day-ahead market.</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 12 of 42

Agenda	Discussion/Agreements
	<p>On the commitment to ILP, it would also be beneficial if day-ahead confirmation could be sought. Discussions on possible penalties for the deviations made on ILP may also be discussed by the DOE with ERC.</p> <ul style="list-style-type: none"> <li>• Mr. Morales commented that ILP is still a voluntary mechanism executed by the Customers, whereby they could always choose not to de-load although they committed an amount the previous day. He suggested that instead of focusing on the day-ahead commitments that is difficult to provide, the processes on billing and settlement and bilateral contract quantity declaration can be looked into. Focusing on these may actually encourage more Customers to participate in the ILP.</li> <li>• As inquired by Mr. Rosales, Mr. Tetangco explained that ILP augments the 65% MLD allocation of MERALCO. With the addition of ILP, the amount of load to be manually dropped could be reduced.</li> <li>• Mr. Clark N. Agustin (NGCP) stated that NGCP does not issue Yellow Alert during day-ahead because the discrepancy between projected and actual would have an impact to the Customer participants in the ILP. Alerts are dependent on the forecast and the accuracy of the data inputs from generators.</li> <li>• Since the program is only voluntary, Mr. Tetangco explained that Customers who are already de-loading may immediately return withdrawing from the Distribution Utility if its generator came back online. He added that if participants are forced to commit the amount for de-loading the day before, they may be discouraged to participate. Moreover, it would defeat the purpose of still requiring a Red Alert announcement. If there is no Red Alert issuance, there will be no compensation to ILP participants.</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 13 of 42

Agenda	Discussion/Agreements
	<p>Mr. Tetangco further added that the amount for de-loading through ILP is subtracted from the forecasted system load. In reality, it is the Distribution Utility or the Network Service Provider who pays the ILP participants for their curtailed or de-loaded capacity.</p> <ul style="list-style-type: none"> <li>• Mr. Agustin commented that there should be proper compensation to the ILP participants. For instance, if the Red Alert occurrence was cancelled due to problem with the forecast or the situation of the system changed, but the ILP participant already prepared for de-loading (e.g., shut-down operations, purchased fuel), a clear and proper compensation might minimize issues on the ILP participants' part arising from such abrupt changes in the system condition.</li> <li>• Mr. Edward I. Olmedo (IEMOP) clarified the following:             <ul style="list-style-type: none"> <li>○ The Market Operator's demand forecast reflects the normal demand and does not deduct the ILP or any expected deficit to match with the available capacity. The available capacity is used as basis to provide an indication of a possible alert. The issue now is on the accuracy of the capacity being declared as available. While the Market Operator already has measures to ensure accuracy of forecasted demand, the accuracy on the supply side is a matter that still needs resolving.</li> <li>○ Information on the committed ILP is used by the Market Operator to react in real-time. There are cases when the Market Operator uses historical profiles in its forecast. Sometimes if a downward trend is observed, the Market Operator should be able to assess if that is something that it needs to be responded to in real-time which possibly cause the activation of ILP. The Market</li> </ul> </li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 14 of 42

Agenda	Discussion/Agreements
	<p>Operator thus prefers to have information on the committed ILPs in advance (i.e., day ahead).</p> <ul style="list-style-type: none"> <li>Mr. Orillaza opined that the discussions should focus on which part of the ILP is within the scope of the market; specifically, what is the program's impact to the market? At this point in time, only amending the billing and settlement process and not dispatch, may be possible. However, the WESM should ultimately aim to enhance the accuracy of the day-ahead projections to be as close to real-time conditions as possible as these are the material input in this context.</li> <li>Atty. Jesusito G. Morillos (Independent) commented that, based on the discussions, the proposal might not resolve the concerns related to ILP over a 6-month period, and may therefore not be classified as an urgent amendment. This is because of the reliance of the ILP to the accuracy of information provided by the generators.</li> <li>The RCC casted a unanimous vote of 13-0<sup>1</sup> in favor of the proposal to not be certified as urgent. Further, the proposal was reclassified to be a general proposal and the same will be posted on the PEMC website for solicitation of comments upon the PEM Board's confirmation of the RCC's resolution.</li> </ul> <p><u>Agreement:</u> The RCC agreed to not certify the subject proposal as urgent and rather process the same as a general amendment.</p>
<p>5.3. Proposed Amendments to the WESM Rules and the Dispatch Protocol Manual regarding the Maximum Available Capacity</p>	<p><u>Presenter:</u> Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For information.</p> <p><u>Proceedings:</u></p>

<sup>1</sup> Certify the Proposal as Urgent: YES – 0; NO – 13 (Mses. Anosan and Rivera; Messrs. Banzon, Bayas, Claudio, dela Cruz, Fernando, Grayda, Habana, Morales, Morillos, Orillaza and Rosales)

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 15 of 42

Agenda	Discussion/Agreements
<ul style="list-style-type: none"> <li><i>Discussions during the Caucus held on 10 March 2023</i></li> </ul>	<ul style="list-style-type: none"> <li>Ms. Cruz informed the plenary that the proposal was further revised based on the discussions and agreements of the RCC caucus members together with the commenters. The caucus was convened on 10 March 2023 to specifically tackle the proposal.</li> <li>Five (5) additional market documents shall be revised primarily due to the global changes on the following terminologies:             <ol style="list-style-type: none"> <li>“maximum available capacity” to “available capacity” to differentiate the definitions of the former under the PGC and WESM Rules</li> <li>“technical constraints” to “generator technical constraints” for clarity</li> <li>“generator breaker” to “generator circuit breaker” for clarity</li> </ol> </li> <li>The additional market documents for amendments are as follows:             <ol style="list-style-type: none"> <li>WESM Manual on Registration, Suspension and De-registration Criteria and Procedures;</li> <li>WESM Manual on Market Network Model Development and Maintenance – Criteria and Procedures;</li> <li>WESM Manual on Price Determination Methodology;</li> <li>WESM Manual on Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserves; and</li> <li>WESM Manual on Penalty.</li> </ol> </li> </ul> <p><u>Agreement:</u> The RCC acknowledged the further revisions to the proposal. The Secretariat shall finalize the matrix of amendments in coordination from the proponent and draft the corresponding resolution for the RCC’s approval next meeting.</p>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 16 of 42

Agenda	Discussion/Agreements
5.4. Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Enhancements and Updating of the System Operator's Re-Dispatching, Reporting and Market Intervention/Suspension Procedures <ul style="list-style-type: none"> <li>• <i>Line-by-line deliberation of the proposal</i></li> </ul>	<p><u>Proceedings:</u></p> <p>The Secretariat informed the RCC that the deliberation will be deferred to the next regular RCC Meeting to give the RCC ample time to review since the proponent's responses were only received on 16 March 2023.</p>
5.5. Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints <ul style="list-style-type: none"> <li>• <i>NPC's position on the Proposed Amendments</i></li> </ul>	<p><u>Presenter:</u> Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For discussion on ways forward</p> <p>Material: Annex C – Discussion on NPC Proposal</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>• Ms. Cruz (Secretariat) provided a summary of the NPC-Dams Management Department's proposal to add "Dam Operations during Local Calamities" as category of Non-Security Limit Overriding Constraints, as well as the discussions the RCC had regarding the implications of the proposal in terms of scheduling and dispatch, compensation, and eligibility to claim additional compensation under normal conditions and market intervention/suspension (See Annex C).</li> <li>• Ms. Cynthia R. Encarnacion (SMC) discussed the following:               <ul style="list-style-type: none"> <li>○ Angat Dam is a multi-purpose dam used for the following in order of priority: domestic water, irrigation, flood control and power generation. When the dams had to release water during off-peak hours during weather disturbances, the partner hydroplants incur so much loss due to negative pricing. She thus inquired whether negative market prices during weather disturbances can be waived for impounding hydroelectric plants to alleviate the capacity payments and losses they would incur. For instance, San Roque</li> </ul> </li> </ul>



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 17 of 42

Agenda	Discussion/Agreements
	<p>has to pay the market and capacity payment to PSALM, and at the same time also release water.</p> <ul style="list-style-type: none"> <li>○ The dams are already reviewing their protocols with the hydropower plants in consideration of the revisions that have been made related to scheduling and dispatch processes in the WESM, as well as to comply with the requirements of the National Disaster Risk Reduction and Management Council.</li> <li>○ Angat and San Roque plants do not have bilateral contracts (i.e., merchant plants) so they cannot recover their costs when they need to spill water and generate power when there is zero or negative prices in the market. These plants also need to comply with the water allocation requirements of the National Water Resources Board, hence spilling and wasting water is also not ideal.</li> <li>● Ms. Ma. Theresa Serra (NPC-Dams Management Department/DMD) commented the following:             <ul style="list-style-type: none"> <li>○ The NPC-DMD maintains its current proposal, unless the RCC requires changes. NPC-DMD recognizes that there are other related concerns on the power plant side, but they will leave those issues to the other parties for resolution.</li> <li>○ The primary reason for NPC-DMD's proposal is to address the Caliraya Dam situation wherein surrounding communities will be at risk of flooding when there is water spillage during local calamities. The propagation time of the released water from Caliraya Dam before reaching the communities is merely 20 to 40 minutes, while other dams is 2 to 3 hours. In addition, even if the spillage is regulated, the river channel where the water</li> </ul> </li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 18 of 42

Agenda	Discussion/Agreements
	<p>from Caliraya will pass through is narrow bringing with it debris, tree branches, etc. that cause more damage downstream.</p> <ul style="list-style-type: none"> <li>○ Even if the proposal is approved, NPC-DMD shall still create protocols on their dam operations arising from the approved proposal in order to establish the criteria for implementing the proposal.</li> <li>○ The NPC-DMD is willing to conduct a presentation to the RCC on possible issues that may arise as a result of the original proposal.</li> </ul> <ul style="list-style-type: none"> <li>• Mr. John Paul S. Grayda (IEMOP) stated that there would most likely be market intervention during calamities. During such periods, market prices will be administered based on historical prices that most likely are not negative.</li> </ul> <p>Ms. Encarnacion stated that there is no problem if administered pricing is applied. But in intervals that negative pricing is applied during extreme weather conditions, which are rare occurrence, then waiving negative price wherein the plant will be the one to pay the market in addition to capacity payments if it is dispatched (i.e., “double whammy”), could be looked at.</p> <ul style="list-style-type: none"> <li>• Mr. Ken Trinidad (NPC-DMD) provided the distinctions of Caliraya Power Plant and Kalayaan Power Plant for clarification, as follows:             <ul style="list-style-type: none"> <li>○ Per NPC's waterways survey (February 2023), water spillage events should be avoided in Caliraya since it will result in catastrophic flooding due to the narrowing of waterways.</li> <li>○ Caliraya Dam has two turbines through which water could be discharged: the Caliraya turbine and the Kalayaan turbine. The Caliraya turbine is not an ancillary service</li> </ul> </li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 19 of 42



Agenda	Discussion/Agreements
	<p>provider but the latter is. Thus, Kalayaan power plant cannot be classified as a priority dispatch generating unit in the WESM. Since Kalayaan draws down water significantly more than Caliraya, the proposal is more important in the case of Kalayaan.</p> <ul style="list-style-type: none"> <li>Mr. Rosales raised how to qualify 'local calamities' when market intervention or suspension is not declared. Usually during extreme weather disturbance, market intervention/suspension is already declared in which case non-security overriding constraints can no longer be accommodated by the System Operator. He raised that if the proposal is approved as it is and reflected in the rules, there might be confusion with the involved entities on the implementation wherein the hydropower plant might still expect guaranteed dispatch.</li> </ul> <p><u>Agreement:</u> The RCC requested NPC-DMD and SMC to coordinate and present in the next meeting their concerns regarding dam operations (e.g., Caliraya for CBK, Angat and San Roque), negative pricing during local calamity, and revised proposed rules changes to address the same.</p>
<p>5.6. Updates on Other Proposed Amendments:</p> <ol style="list-style-type: none"> <li>Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program</li> <li>Proposed General Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All RE Resources as Preferential Dispatch)</li> </ol>	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information.</p> <p><u>Proceedings:</u></p> <ol style="list-style-type: none"> <li><i>Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program</i></li> </ol> <p>The Secretariat informed the RCC that it is still harmonizing the proposal with the DOE Department Circular on Green Energy Option</p>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 20 of 42

Agenda	Discussion/Agreements
	<p>Program. Thus, the target presentation is during the caucus specifically for the proposal.</p> <p><i>b. Proposed General Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All RE Resources as Preferential Dispatch)</i></p> <p>The Secretariat informed the RCC that the last day of commenting period is on 16 March 2023. Hence, the collated comments will be forwarded to the proponent for its responses. Correspondingly, the line-by-line deliberation will be done in the next RCC meeting.</p>
5.7. RCC Workplan for CY 2023	<p><u>Presenter:</u>          Dianne L. De Guzman (Secretariat)          Karen A. Varquez (Secretariat)</p> <p><u>Action Requested:</u> For approval to submit RCC Work Plan to the PEM Board</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>The RCC approved the workplan, as revised, noting the enhancements that may be made to it. Aside from the regular activities and deliverables, the RCC 2023 Work Plan includes the line-up of prospective rules change proposals from different sectors that may be received and processed by the RCC from 2023-2025. The topics are related to system operations, scheduling and dispatch, billing and settlement, additional compensation, WESM Mindanao and battery energy storage.</li> <li>The Secretariat confirmed as well that sectors and stakeholders may still submit proposals that are not included in the Work Plan or withdraw those topics that are currently included.</li> <li>As an update, Ms. Varquez (Secretariat) relayed that the PEMC Management was already</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 21 of 42

Agenda	Discussion/Agreements
	<p>internally discussing the matter of possibly obtaining ISO 37001 (Governance of Organizations) certification which is an activity previously recommended by Atty. Morillos.</p> <p><u>Agreement:</u> The RCC agreed to submit the RCC Work Plan to the PEM Board.</p>
VI. New Business	
<p>6.1. Proposed Urgent Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures on No Outstanding Balance (Harmonization with ERC Resolution No. 01, Series of 2023)</p>	<p><u>Presenters:</u>          Diane L. De Guzman (Secretariat)          Karen Anne H. Siruma (IEMOP)</p> <p><u>Action Requested:</u> For determination and certification of urgency; for deliberation and approval to endorse to PEM Board</p> <p><u>Material:</u> Annex D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>• Ms. Siruma (IEMOP) provided again a brief background on the proposal and explained that the proposed amendments were based on the ERC Resolution No. 01, Series of 2023 to reflect the following:             <ul style="list-style-type: none"> <li>i. Eligible End-Users undergoing initial switch shall be required to submit certification of No Outstanding Balance to the Central Registration Body. Contestable Customers who are already served by a RES and intends to switch to another RES may do so without obtaining a certification, provided that the Contestable Customer complies with its legal obligations with its incumbent RES;</li> <li>ii. Add definition for “Eligible End-Users”; and</li> <li>iii. Revise definition of “Contestable Customer”.</li> </ul> </li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 22 of 42

Agenda	Discussion/Agreements
	<ul style="list-style-type: none"> <li>• The Secretariat presented its preliminary assessment of the proposal, and also made the following comments and suggestions:               <ul style="list-style-type: none"> <li>○ Since the proposal is already being implemented by the Market Operator based on ERC Resolution No. 01, Series of 2023, it may just be classified as a general amendment.</li> <li>○ On the proposed revisions to Retail Rules Clause 3.2.2.1(d) and Retail Manual on Market Transactions and Procedures Section II3.1.1(d), consider using the term 'Contestable Customer' (CC) instead of 'Eligible End-user' since the Central Registration Body (CRB) will only accommodate initial switching of End-users with supply contracts with Retail Electricity Suppliers (RES). Using 'Contestable Customer' is consistent with the principle that CCs are distinctly those End-users with retail supply contracts with RES and is separate category from 'GEOP End-users'.</li> </ul> </li> <li>• On whether the proposal is urgent or not, the following opposing arguments were raised:               <ul style="list-style-type: none"> <li>i. Whether the proposal is certified as urgent or not, the amendments are already being implemented and processing it as an urgent amendment to facilitate its immediate implementation is no longer necessary;</li> <li>ii. Certifying the proposal as urgent will already make the relevant market documents consistent with the ERC Resolution to avoid confusion and for the proper guidance of Market Participants.</li> </ul> </li> <li>• Ms. Lorreto H. Rivera (TeaM Energy) opined that there are still on-going discussions on the matter on the part of RES and they should be provided with a chance to comment.</li> </ul>

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 23 of 42

Agenda	Discussion/Agreements
	<ul style="list-style-type: none"> <li>The RCC casted a majority vote of 8-6<sup>2</sup> in favor of the proposal to not be certified as urgent. Further, the proposal was reclassified to be a general proposal and the same will be posted on the PEMC website for solicitation of comments upon the PEM Board's confirmation of the RCC's resolution.</li> </ul> <p><u>Agreement:</u> The RCC agreed to not certify the subject proposal as urgent and rather process the same as a general amendment.</p>
VII. Other Matters	
7.1. DOE Updates <ul style="list-style-type: none"> <li>a) Schedules of Public Consultation</li> <li>b) Proposals Promulgated / for Promulgation</li> </ul>	<p><u>Presenter:</u> Noriel Christopher R. Reyes (DOE)</p> <p><u>Action requested:</u> For information.</p> <p><u>Proceedings:</u></p> <p>Mr. Reyes updated that the DOE conducted public consultations on the draft Department Circulars relative to the following proposals:</p> <ul style="list-style-type: none"> <li>i. Penalty Framework for Test and Commissioning; and</li> <li>ii. Calculation for Additional Compensation</li> </ul> <p>The comments received on the said proposals are also being collated for deliberation and finalization.</p>
7.2. Schedule of Activities: <ul style="list-style-type: none"> <li>a) RCC Meetings               <ul style="list-style-type: none"> <li>• 14 Apr 2023</li> <li>• 19 May 2023</li> <li>• 16 Jun 2023</li> </ul> </li> <li>b) BRC Meetings               <ul style="list-style-type: none"> <li>• 20 Mar 2023</li> </ul> </li> <li>c) PEM Board Meetings</li> </ul>	<p>The RCC noted the information provided.</p>

<sup>2</sup> Certify the Proposal as Urgent: YES – 6 (Mses. Anosan, Javier, Mssrs. Bayas, Fernando, Grayda and Habana); NO – 8 (Ms. Rivera, Messrs. Banzon, Claudio, dela Cruz, Morales, Morillos, Orillaza, and Rosales).

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 24 of 42

Agenda	Discussion/Agreements
<ul style="list-style-type: none"> <li>29 Mar 2023</li> </ul>	
VIII. Adjournment	The meeting was adjourned at 3:02 PM.

Prepared by:



DIVINE GAYLE C. CRUZ  
 Senior Specialist, Rules Review Division  
 Market Assessment Group

Reviewed by:



KAREN A. VARQUEZ  
 Manager, Rules Review Division  
 Market Assessment Group

Noted by:



[Bienvenido C. Mendoza, Jr. \(May 3, 2023 18:47 GMT+8\)](#)  
 BIENVENIDO C. MENDOZA, JR.  
 Chief Market Assessment Officer



Philippine Electricity  
Market Corporation

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 25 of 42

Approved by:

JESUSITO G. MORALLOS  
Chairman, Independent

RACHEL ANGELA P. ANOSAN  
Member, Independent

DIXIE ANTHONY R. BANZON  
Member, Generation Sector  
Masinloc Power Partners Co. Ltd. (MPPCL)

CARLITO C. CLAUDIO  
Member, Generation Sector  
Millennium Energy, Inc. / Panasia Energy, Inc.  
(MEI/PEI)

RYAN S. MORALES  
Member, Distribution Sector  
Manila Electric Company (MERALCO)

ROCKY D. BAYAS  
Member, Distribution Sector  
San Fernando Electric Light & Power Company  
(SFELAPCO)

LORRETO E. RIVERA  
Member, Supply Sector  
TeaM (Philippines) Energy Corporation (TPEC)

JOSE RODERICK F. FERNANDO  
Member, Independent

JORDAN REL C. ORILLAZA  
Member, Independent

CHERRY A. JAVIER  
Member, Generation Sector  
Aboitiz Power Corp. (APC)

MARK D. HABANA  
Member, Generation Sector  
Vivant Corporation – Philippines (Vivant)

(Attended by Mr. Getulio Z. Crodua (alternate member))

VIRGILIO C. FORTICH, JR.  
Member, Distribution Sector  
Cebu III Electric Cooperative, Inc. (CEBECO III)

NELSON M. DELA CRUZ  
Member, Distribution Sector  
Nueva Ecija II Area 1 Electric Cooperative, Inc.  
(NEECO II – Area I)

JOHN PAUL S. GRAYDA  
Member, Market Operator  
Independent Electricity Market Operator of the  
Philippines (IEMOP)

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 26 of 42



AMBROCIO R. ROSALES  
Member, System Operator  
National Grid Corporation of the Philippines  
(NGCP)



Philippine Electricity  
Market Corporation



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 27 of 42

### ANNEX A – Results of MAPE and Perc95 for MDGUs Operating for Less Than a Year (2022)

#### MDGU IN OPERATION FOR LESS THAN A YEAR (2022)

## MAPE

Solar	<18%
Wind	
Run-of-River	<9%

## PERC95

Solar	<30%
Wind	
Run-of-River	

Type	Region	MAPE	PERC95	Remarks
Solar	Luzon	9.83% No Penalty	41.34% Reprimand	Exempted - commercial operation eff 07/29/2022
Run-of River	Luzon	13.18% Reprimand	71.95% Reprimand	Exempted - With FCATC eff 11/11/2022
Solar	Luzon	20.85% Reprimand	100.00% Reprimand	Exempted - With FCATC eff 12/23/2022
Run-of River	Luzon	24.69% Reprimand	78.57% Reprimand	Exempted - With FCATC eff 11/11/2022
Solar	Luzon	21.32% Reprimand	100.00% Reprimand	Exempted - commercial operation eff 12/22/2022
Run-of River	Luzon	7.83% No Penalty	67.94% Reprimand	Exempted - With FCATC eff 09/21/2022
Run-of River	Visayas	2.21% No Penalty	3.93% No Penalty	Exempted - With FCATC eff 10/15/2022



*\*Correction: second to the last row (Luzon run-of-river; With FCATC eff 09/21/2022) is not exempted.*

## MEETING MINUTES

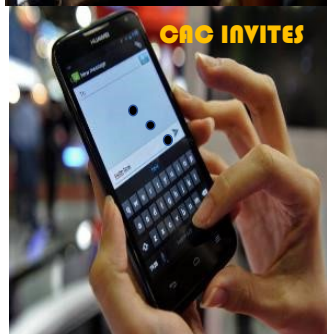
Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 28 of 42



Philippine Electricity  
Market Corporation

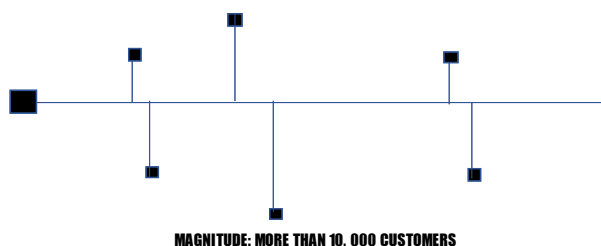
ANNEX B – ILP Protocol Orientation and Summary of Red Alerts and ILP Activations from 2017-2022

# ILP Protocol Orientation and Summary of Red Alerts and ILP Activations from 2017- 2022

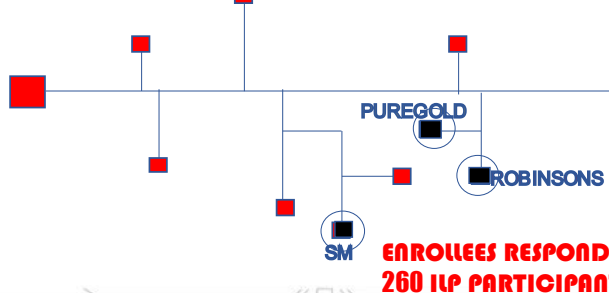


**CNC INVITES**

### MLD - manual load dropping



### ILP - INTERRUPTIBLE LOAD PROGRAM



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 29 of 42

### ANNEX B – ILP Protocol Orientation and Summary of Red Alerts and ILP Activations from 2017-2022



## ILP Mechanics:

- Activated when NGCP issues a **RED ALERT** notice
- Participation is initially for 1MW & up *captive* customers
- Longer preparatory stage: Participants will be notified of possible activation even under **YELLOW ALERT** status
- “De-loaded kWh” will be based on the difference between an agreed baseline hourly load profile and actual hourly meter reading
- Compensation for participating customers and its recovery will be based on formula in ERC’s ILP Guidelines

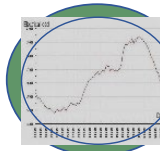


## ILP Mechanics:



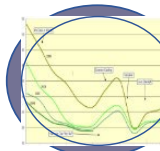
Volunteer to de-load a certain amount of your demand

- Amount of your requirement that can be shifted to your generator



Choose a time slot

- Two options: **A** 10am-1pm or **B** 12pm-3pm
- Captures the peak demand that occurs from 12 noon to 2 pm



Agree on a baseline load profile

- As a reference for calculation of de-loaded energy



Designate 3 Contact persons

- Ensure proper communication and **confirmation\*** at all times

\* Basis for eligibility to compensation

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 30 of 42

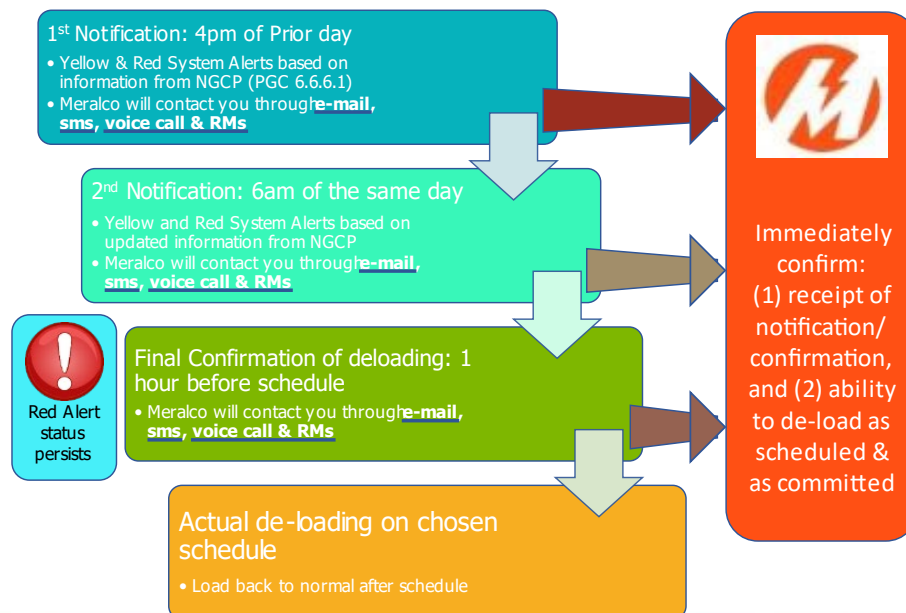


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### ANNEX B – ILP Protocol Orientation and Summary of Red Alerts and ILP Activations from 2017-2022



## Notification & activation protocol



In 21 instances of Red Alerts in the Luzon Grid for the past 7 years, day ahead provision of Red Alert Notice did not occur.

ILP Committed MW is not a reliable indicator of the actual de-loaded MW.

Count of Red Alerts		
Year	No. of Red Alerts	Red alert provided day before
2017	1	0
2018	0	0
2019	15	0
2020	0	0
2021	2	0
2022	3	0

Committed MW vs Actual de-loaded MW	
Minimum	17%
Average	43%
Maximum	63%

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 31 of 42



Philippine Electricity  
Market Corporation

ANNEX C – Discussion on NPC Proposal



Philippine Electricity  
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## DISCUSSION ON NPC PROPOSAL

212<sup>th</sup> RCC (Regular) Meeting | 17 March 2023

### ACTION REQUESTED

- For RCC decision on way forward for NPC's proposal regarding Non -Security Overriding Constraints.

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 32 of 42

### ANNEX C – Discussion on NPC Proposal

#### SUMMARY OF PROPOSAL

- Add **“Dam Operations during Local Calamities”** as additional category of Non-Security Limit Overriding Constraints:

7.6.2 The types of over-riding constraints that may be imposed in the MDOM include the following:

xxx

b. Non-Security Limits: ~~Testing and commissioning~~

i. Generating Unit Limitations

ii. Regulatory and Commercial Testing

iii. **Dam Operations during Local Calamities** – refers to instances where there is a need to lower reservoir elevation due to incidents (i.e. flooding, damage to dam infrastructure, etc.) that would allow hydro-electric plants to run under Non-Security Over-riding Constraints to avert or minimize damage to infrastructures and ensure safety of people living in affected localities.

3 PROPOSED AMENDMENTS REGARDING NON-SECURITY OVERRIDING CONSTRAINTS

#### NPC-MANAGED DAMS

	DAM	TRADING PARTICIPANT	With ASPA?*	MAJOR PARTICIPANT
<b>LUZON</b>				
1	<u>Ambuklao</u>	SNAP Benguet	YES	Aboitiz Power
2	Angat	Angat Hydropower	None	San Miguel
3	<u>Binga</u>	SNAP Benguet	YES	Aboitiz Power
4	<u>Caliraya</u>	Power Sector Assets and Liabilities Management Corporation	None	PSALM
5	San Roque	Strategic Power Development Corp.	None	San Miguel
<b>MINDANAO</b>				
6	Agus	Power Sector Assets and Liabilities Management Corporation	YES	PSALM
7	<u>Pulangi</u>	Power Sector Assets and Liabilities Management Corporation	YES	PSALM

\*Sources: NGCP Customer Bulletin 2021-31 dated 11 November 2021; PEMC-Enforcement and Compliance Office data





## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 33 of 42

### ANNEX C – Discussion on NPC Proposal

## IMPOUNDING HYDRO PLANTS

Per new rules on Preferential Dispatch Generating Units:

- DOE DC2022-10-00031; and
- RCC Resolution No. 2023-01

### Provides Ancillary Service

Registration  
Option:

Scheduled  
Generating Unit

### Does NOT Provide Ancillary Service\*

Registration  
Options:

- 1) Scheduled Generating Unit;  
or
- 2) Priority Dispatch Generating Unit

5

PRESENTATION TITLE

Philippine Electricity  
Market Corporation

## IMPOUNDING HYDRO PLANTS (SCHEDULED GENERATING UNIT)

IF NON-SECURITY LIMIT OVERRIDING CONSTRAINTS – DAM OPERATIONS DUE TO LOCAL CALAMITIES IS ALLOWED

*SCENARIO: Due to dam operations, hydro plant's primary objective is to be dispatched.*

	UNDER NORMAL CONDITIONS		UNDER MARKET INTERVENTION/SUSPENSION
	<u>OFFER</u>	<u>OVERRIDING CONSTRAINTS</u>	
<b>HOW TO BE INCLUDED IN THE SCHEDULE?</b>	Offer at Negative Price (at or near Offer Price Floor)	TP to request System Operator to impose Non-security Limit due to Dam Operations (as input to Real-Time Dispatch Schedule)	<ul style="list-style-type: none"> <li>• Real-Time Dispatch Schedule is <u>not</u> implementable</li> <li>• Schedule and dispatch based on System Operator's discretion</li> </ul>
<b>COMPENSATION</b>	Market Clearing Price (price-taker)	Price-taker	If dispatched by System Operator: determined through Administered Price Determination Methodology
<b>ADDITIONAL COMPENSATION</b>	Possible, <u>if conditions for claiming are satisfied</u> (e.g., constrain-on, PSM, etc.); otherwise, NOT entitled to claim		Entitled to claim

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 34 of 42

### ANNEX C – Discussion on NPC Proposal

#### IMPOUNDING HYDRO PLANTS (PRIORITY DISPATCH)

IF NON-SECURITY LIMIT OVERRIDING CONSTRAINTS – DAM OPERATIONS DUE TO LOCAL CALAMITIES IS ALLOWED

SCENARIO: Due to dam operations, hydro plant's primary objective is to be dispatched.

	UNDER NORMAL CONDITIONS		UNDER MARKET INTERVENTION/SUSPENSION
	<u>PROJECTED OUTPUT</u>	<u>OVERRIDING CONSTRAINTS</u>	
<b>HOW TO BE INCLUDED IN THE SCHEDULE?</b>	<ul style="list-style-type: none"> <li>Submit Projected Output (MW only)</li> <li>Prioritized in Merit Order Table</li> </ul>	TP to request System Operator to impose Non-security Limit due to Dam Operations (as input to Real-Time Dispatch Schedule)	<ul style="list-style-type: none"> <li>Real-Time Dispatch Schedule is <u>not</u> implementable</li> <li>Schedule and dispatch based on System Operator's discretion</li> </ul>
<b>COMPENSATION</b>	Price-taker	Price-taker	If dispatched by System Operator: determined through Administered Price Determination Methodology
<b>ADDITIONAL COMPENSATION</b>	Possible, if <u>conditions for claiming are satisfied</u> (e.g., constrain-on, PSM, etc.); otherwise, NOT entitled to claim		Entitled to claim

#### POSSIBLE IMPACT OF NPC PROPOSAL TO WESM PRICE

If *Non-Security Limit Overriding Constraints Dam Operations due to Local Calamities* is allowed:

- More expensive plants may not be included in the RTD schedule

#### CLARIFICATIONS

- Proposal shall apply to ALL impounding hydropower plants.
- Regardless if a hydropower plant has ancillary service contract, *Non-security Limit OC– Dam Operations during Local Calamities* may still be used, if necessary

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 35 of 42



Philippine Electricity  
Market Corporation

### ANNEX C – Discussion on NPC Proposal

#### ACTION REQUESTED

- For RCC decision on way forward for NPC's proposal regarding Non -Security Overriding Constraints.

THANK YOU .

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 36 of 42



Philippine Electricity  
Market Corporation

ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

# PROPOSED GENERAL AMENDMENTS TO THE RETAIL RULES AND MANUALS ON NO OUTSTANDING BALANCE (HARMONIZATION WITH ERC RESOLUTION NO. 01 SERIES OF 2023)

FOR THE RULES CHANGE COMMITTEE



2

## THE PROPONENT

- The proponent is the Independent Electricity Market Operator of the Philippines, Inc. (IEMOP)
- IEMOP is the Market Operator of the WESM and the Central Registration Body for RCOA and GEOP.

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 37 of 42

### ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

3

## OUTLINE

- 01** ACTION REQUESTED
- 02** BACKGROUND
- 03** RATIONALE OF THE PROPOSAL
- 04** SUMMARY OF THE PROPOSAL
- 05** OTHER RELEVANT MATTERS

4

## ACTION REQUESTED

- For approval of urgent amendments



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 38 of 42

ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

# BACKGROUND



6

## BACKGROUND

July 2022	IEMOP submitted to RCC its rules change proposal on no outstanding balance which aims to address issues on compliance with such requirement by Suppliers and Retail Customers
October 2022	RCC deliberated on the proposal but did not yet decide whether to endorse it for PEM Board approval
November 2022	ERC posted its draft amendments to Resolution No. 09, Series of 2018 (ERC Switching Rules)
	RCC agreed to defer deliberation of proposal pending final resolution on ERC's draft amendments
	IEMOP submitted to ERC its comments to ERC's draft amendments
Feb 2022	ERC issued Resolution No. 01, Series of 2023 amending the ERC Switching Rules
	IEMOP withdrew pending proposal with RCC (superseded by ERC Resolution No. 01, Series of 2023)

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 39 of 42

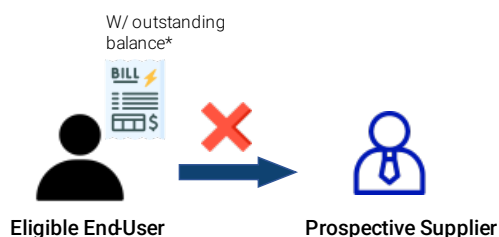
### ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

## AMENDMENT TO THE ERC RULES SUPPLEMENTING THE SWITCHING AND BILLING PROCESS AND ADOPTING A DISCONNECTION POLICY FOR CONTESTABLE CUSTOMERS

ERC RESOLUTION NO. 01, SERIES OF 2023

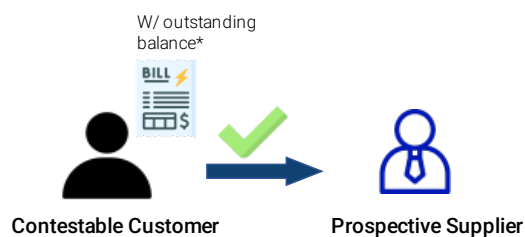
7

Eligible End-User – refers to an end-user that has met the contestability threshold, and who has a choice to switch from the Captive Market to the Competitive Retail Electricity Market



- Whether under dispute or not, the Eligible End-User shall be required to settle its outstanding balance prior to such initial switching

Contestable Customer – refers to an Eligible End-User that has entered into a Retail Supply Contract with a supplier of its choice



- The Contestable Customer shall be responsible for ensuring that it has fully complied with its other lawful obligations with its incumbent RES

*\*outstanding balance refers to amount due under previous unpaid bill including the amount indicated in its current bill.*

## RATIONALE OF THE PROPOSAL



## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 40 of 42



### ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

9

## OBJECTIVE OF THE PROPOSED AMENDMENTS

- The amendments aim to harmonize the Retail Rules and Manuals with provisions of ERC Resolution No. 01, Series of 2023

## SUMMARY OF THE PROPOSAL





## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
 Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
 Venue : Online via Microsoft Teams  
 Page : 41 of 42

### ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

11

## OVERVIEW OF THE PROPOSED AMENDMENTS

Proposed Amendment	Rationale
Only Eligible End-Users undergoing initial switch shall be required to submit certification of No Outstanding Balance to the CRB	To comply with Section 1a and 1b of ERC Resolution No. 01, Series of 2023
Include definition for Eligible End-Users	To adopt definition introduced in Section 1a of ERC Resolution No. 01, Series of 2023
Revise definition of Contestable Customers	To adopt definition introduced in Section 1b of ERC Resolution No. 01, Series of 2023

12

## OTHER RELEVANT MATTERS

- None

## MEETING MINUTES

Subject/Purpose : 212<sup>th</sup> RCC (Regular) Meeting No. 2023-05  
Date & Time : 17 March 2023, 9:00 AM to 3:00 PM  
Venue : Online via Microsoft Teams  
Page : 42 of 42



ANNEX D – Proposed General Amendments to the Retail Rules and Manuals on No Outstanding Balance

13

## ACTION REQUESTED

- For approval of urgent amendments



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