

**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2013-02

**Proposed Amendments to the Registration, Suspension and De-Registration
Market Manual Issue 1.0 on the Provisional Approval of Request for Change in
Generator's Maximum Available Capacity**

WHEREAS, the RCC, in the course of its discussion on the Proposed Rules Change on the Registration of Ramp Rates during its 70th Meeting held on 16 January 2013, touched upon the issue on the consistency of the registration data with the WESM with the data on the generator's Certificate of Compliance (COC), as the same is issued and annually monitored by the Energy Regulatory Commission (ERC). The RCC also touched-upon the issue on the protocol attendant to a generator's subsequent request for change in its COC data;

WHEREAS, in the same meeting, the RCC agreed to address the issue on the perceived "bureaucratic" approach in the request for upgrade/increase in capacity of existing generating units relative to the objective to immediately integrate the added capacity into the grid through a possible rules change;

WHEREAS, the RCC assigned the crafting of the proposed rules change to the Generator Sector representatives;

WHEREAS, during the 71st RCC Meeting held on 13 February 2013, the proposed amendments were presented to the RCC by the generator sector representatives, for discussion;

WHEREAS, in the same meeting, the RCC agreed to publish the proposal, as revised, in the WESM public information website to solicit comments from market participants and other interested parties;

WHEREAS, the proposal was posted in the public information website on 19 February 2013 with the notification-email requesting comments from interested parties also issued on the same date;

WHEREAS, the RCC Secretariat duly-received the comments of the Market Surveillance Committee (MSC) and the Technical Committee (TC) on the proposal;

WHEREAS, the RCC, giving due course to the comments received from the MSC and the TC, deliberated upon the comments submitted during the 73rd RCC Meeting held on 03 April 2013;

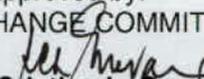
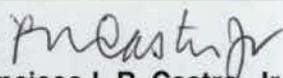
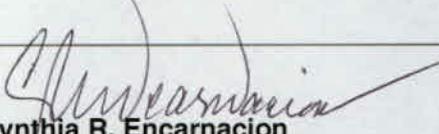
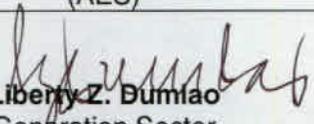
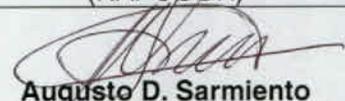
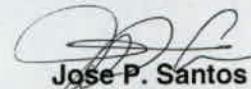
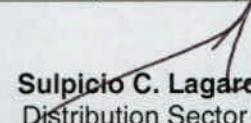
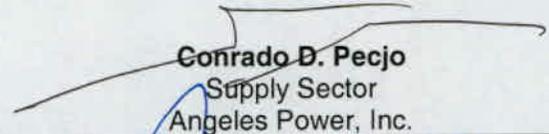
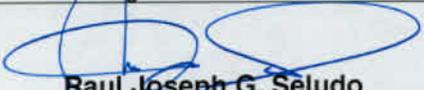
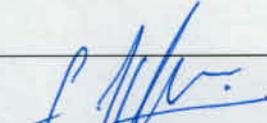
WHEREAS, in the same meeting, the RCC, after its deliberation on the matter, agreed to adopt the proposed amendments, as revised;

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

RESOLVED, that the proposal on the amendments to the Registration, Suspension and De-Registration Market Manual Issue 1.0 on the Provisional Approval of Request for Change in Generator's Maximum Available Capacity (attached as Annex "A"), is hereby adopted and approved;

RESOLVED FURTHER, that the above proposed amendments to the Registration Manual be endorsed to the PEM Board for approval.

Done this 03 April 2013, Pasig City.

Approved by: RULES CHANGE COMMITTEE  Rowena Cristina L. Guevara Chairperson University of the Philippines (UP)	
Members:	
 Epictetus E. Patalinghug Independent University of the Philippines (UP)	 Francisco L.R. Castro, Jr. Independent Tensaiken Consulting
 Maila Lourdes G. de Castro Independent	 Cherry Aquino-Javier Generation Sector AES Philippines (AES)
 Cynthia R. Encarnacion Generation Sector National Power Corporation (NAPOCOR)	 Liberty Z. Dumlao Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
 Augusto D. Sarmiento Distribution Sector (PDU) Dagupan Electric Corporation (DECORP)	 Ciprinilo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO)
 Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)	 Sulpicio C. Lagarde Jr. Distribution Sector (EC) Central Negros Electric Cooperative, Inc. (CENECO)
 Conrado D. Pecjo Supply Sector Angeles Power, Inc.	
 Raul Joseph G. Seludo Transmission Sector National Grid Corporation of the Philippines (NGCP)	 Robinson P. Descanzo Market Operator Philippine Electricity Market Corporation (PEMC)
	Certified True and Correct:  Elaine D. Gonzales RCO Secretary PEMC

Annex "A"

Proposed Amendments in the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 1.0

Title	Section	Provision	Proposed Amendment	Rationale
III. Post-Registration Transactions and Changes 3. Facility Related Changes 3.1 Registered Capacities	3.1.1	<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) 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 internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</p>	<p>The <i>Trading Participant</i> wishing to change the registered capacities <u>increase the registered maximum available capacity (PMax)</u> of its generating unit/s shall submit a request in writing to the Market Operator, <u>attaching thereto a copy of the Trading Participant's latest Certificate of Compliance (COC) issued by the ERC evidencing the change or in the absence of the latest said COC indicating the change, the Trading Participant's application for an updated or new COC duly received by ERC.</u> 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 internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</p>	<p>To allow provisional approval of request for change in maximum available capacity to make the additional capacity available to the grid at the soonest possible time to support the grid and increase its stability and reliability. The immediate availability of the additional capacity is consistent with the intent of the must-offer rule which is to make all capacities available and be considered in the scheduling and dispatch process.</p>
	3.1.2	<p>Changes shall be approved by the <i>Market Operator</i> and confirmed by the PEM Board.</p>	<p>Changes shall be approved by the Market Operator and confirmed by the PEM Board. <u>The Market Operator shall approve the</u></p>	

Annex "A"

Proposed Amendments in the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 1.0

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>changes provisionally upon submission of complete documents as may be required by the MO, and the changes shall be effective eight (8) days after receipt of the request or at a later date indicated in the request (Effective Date of Change).</u></p>	
	3.1.3	New Provision	<p><u>The <i>Trading Participant</i> shall submit all the documents required by the ERC to effect changes in the Certificate of Compliance (COC) within fifteen (15) days from the Effective Date of the Change in registered data. Proof of submitted required documents to ERC shall be provided by the <i>Trading Participant</i> to the <i>Market Operator</i>. Once the approved/updated COC from the ERC has been received, the <i>Trading Participant</i> shall immediately submit to the <i>Market Operator</i> the ERC updated COC in order to effect the requested changes as final. Trading Participants will be informed by the MO of the change in registered data through system messages and the market information website.</u></p>	
	3.1.4	New Provision	<p><u>The <i>Market Operator</i> may revoke or modify</u></p>	

Annex "A"

Proposed Amendments in the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 1.0

Title	Section	Provision	Proposed Amendment	Rationale
			<u>the provisional approval if there is a proof that the new registered data cannot be attained.</u>	
	3.1.5	New Provision	<u>The <i>Trading Participant</i> wishing to change the registered capacities of its generating unit/s, other than increasing its Pmax, 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 internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</u>	
	3.1.6	(originally Section 3.1.2)	<u>Changes shall be approved by the <i>Market Operator</i> and confirmed by the PEM Board.</u>	

Discussion Paper:

Proposed Revisions in the Registration, Suspension and De- Registration Criteria and Procedures Issue 1.0

I. SUMMARY OF THE PROPOSED RULES CHANGE

WESM MANUAL: REGISTRATION, SUSPENSION AND DE-REGISTRATION CRITERIA AND PROCEDURES ISSUE 1.0

Title	Section	Provision	Proposed Amendment	Rationale
<p>III. Post-Registration Transactions and Changes</p> <p>3. Facility Related Changes</p> <p>3.1 Registered Capacities</p>	3.1.1	<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) 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 internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</p>	<p>The <i>Trading Participant</i> wishing to change the registered capacities <u>increase the registered maximum available capacity (PMax)</u> of its generating unit/s shall submit a request in writing to the Market Operator, <u>attaching thereto a copy of the Trading Participant's latest Certificate of Compliance (COC) issued by the ERC evidencing the change or in the absence of the latest said COC indicating the change, the Trading Participant's application for an updated or new COC duly received by ERC.</u> 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 internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</p>	<p>To allow provisional approval of request for change in maximum available capacity to make the additional capacity available to the grid at the soonest possible time to support the grid and increase its stability and reliability. The immediate availability of the additional capacity is consistent with the intent of the must-offer rule which is to make all capacities available and be considered in the scheduling and dispatch process.</p>
	3.1.2	<p>Changes shall be approved by the <i>Market Operator</i> and confirmed by the PEM Board.</p>	<p>Changes shall be approved by the Market Operator and confirmed by the PEM Board. <u>The Market Operator shall approve the changes provisionally upon submission of complete documents as may be required by the MO, and the changes shall be effective eight (8) days after receipt of the request or at a later date indicated in the request (Effective Date of Change).</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale
	3.1.3	New Provision	<p><u>The <i>Trading Participant</i> shall submit all the documents required by the ERC to effect changes in the Certificate of Compliance (COC) within fifteen (15) days from the Effective Date of the Change in registered data. Proof of submitted required documents to ERC shall be provided by the <i>Trading Participant</i> to the <i>Market Operator</i>. Once the approved/updated COC from the ERC has been received, the <i>Trading Participant</i> shall immediately submit to the <i>Market Operator</i> the ERC updated COC in order to effect the requested changes as final. Trading Participants will be informed by the MO of the change in registered data through system messages and the market information website.</u></p>	
	3.1.4	New Provision	<p><u>The <i>Market Operator</i> may revoke or modify the provisional approval if there is a proof that the new registered data cannot be attained.</u></p>	
	3.1.5	New Provision	<p><u>The <i>Trading Participant</i> wishing to change the registered capacities of its generating unit/s, other than increasing its Pmax, 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 internationally-accepted testing procedures as required in the COC, and the cost of testing shall be</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale
			<u>the responsibility of the applicant.</u>	
	3.1.6	(originally Section 3.1.2)	<u>Changes shall be approved by the <i>Market Operator</i> and confirmed by the <i>PEM Board</i>.</u>	

II. BACKGROUND

The WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 1.0 presents the criteria, guidelines and procedures for the registration, suspension and de-registration by the Market Operator of WESM Members. It also established the requirements and procedures for implementing and approving changes in the registration and in the registered information of WESM Members.

Under the current version of the Manual, changes in the registered capacity of a generating unit shall require approval by the Market Operator before such change can be considered in the WESM scheduling and dispatch processes. The change 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. Changes in the registered capacity require the confirmation of the PEM Board.

The process of securing a COC from the ERC and conduct of generator capability test is outside the WESM processes and is influenced by other factors such as the availability of the personnel that will conduct the test. In addition, as of this time, there are no established processes on how the DOE, ERC and SO jointly, will issue such certification. As such, the overall process would take considerable time and hence, the additional capacity will not be immediately available to support the grid.

The objective of the proposed Manual Change is to make the additional capacity available to the grid at the soonest possible time to support and increase the stability and reliability of the grid. The immediate availability of the additional capacity is consistent with the intent of the must-offer rule which is to make all capacities available and be considered in the scheduling and dispatch process.

III. THE PROPOSED MANUAL CHANGE

The proposed Manual change is to amend Part III, Section 3 (Facility Related Changes) of the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 1.0 specifically Subsection 3.1 (Registered Capacities) to allow the provisional approval of request for change in generator's maximum available capacity within a prescribed timetable. The provisional approval however may be revoked or modified by the Market Operator if there is a proof that the new registered data cannot be attained. The Trading Participant is given fifteen (15) days from the effective date of the change to submit all documents required by the ERC to effect changes in the Certificate of Compliance (COC). The approved/updated COC from the ERC has to be submitted to the Market Operator in order to effect the requested changes as final.

The rationale for the change is to make the additional capacity available to the grid at the soonest possible time to support the grid thus increasing its stability and reliability.

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The proponent is RCC.

V. CONCLUSIONS AND RECOMMENDATIONS

The proposed changes in the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures Issue 1.0 will ensure that additional capacity will be available to the grid at the soonest possible time to support the grid and contribute to the stability and reliability of the grid, hence, the proposed changes are highly recommended for adoption.

VI. REFERENCES

Registration, Suspension and De-Registration Criteria and Procedures Issue 1.0