

Proposed Amendments to the WESM Manual on Metering Standards and Procedures Issue 12.0

National Grid Corporation of the Philippines
(NGCP)

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I. SUMMARY OF THE PROPOSED RULES CHANGE

In view of the directive of the Department of Energy (DOE) for NGCP to initiate the amendment of the WESM Manual on Metering Standards and Procedures Issue No. 12, NGCP submits a matrix of proposals for consideration of the Rules Change Committee (RCC). NGCP's proposals are in accordance with the provisions set forth in the Philippine Grid Code (PGC) 2016 Edition, Philippine Distribution Code (PDC) 2017 Edition, and other regulatory issuances of the DOE and the Energy Regulatory Commission (ERC).

II. BACKGROUND

On 19 May 2016, the DOE promulgated the Department Circular No. DC2016-05-007 entitled, *"Providing Policies for Further Improvements of the Operations and Metering Installations of the Metering Services Providers (MSPs) in the Wholesale Electricity Spot Market (WESM) and Retail Market"*. Section 2 of the said Circular provides,

"Section 2. Appropriate Location of Metering Points and Market Trading Node in the WESM. In order to minimize the use of Site Specific Loss Adjustment (SSLA) and to enhance the nodal-based load forecasting of the Market Operator, the Connection Point, Metering Installations/Metering Point and the installation of Remote Terminal Units (RTU) in the Grid shall be harmonized or properly located in the same point."

*For this purpose, the National Grid Corporation of the Philippines (NGCP) as the Transmission Service Provider shall provide, install and maintain a Remote Terminal Unit (RTU) at the Connection Point of the Users (i.e. Generating Plants and Loads) to the Grid in accordance with the Philippine Grid Code (PGC). **Likewise, the NGCP as the Metering Services Provider (MSP) shall ensure that all Metering Installations shall be installed at the Connection Point as required in the PGC.**"* (emphasis supplied)

Two (2) years after (16 May 2018), the DOE issued the Department Circular No. DC2018-05-0015 entitled, *"Adopting Further Amendments to the Wholesale Electricity Spot Market (WESM) Rules and Market Manuals for the Implementation of Enhancements to WESM Design and Operations (Provisions for Metering, Market Trading Node and Scheduling Point)"*. One of the amendments made is the definition of Market Trading Node which provides:

"3.2.2.1 A market trading node is a designated point in the market network model where energy is bought or sold based on the prices determined by the market dispatch optimization model."

"3.2.2.2 Each market trading node defined under Clause 3.2.2.1 shall:

- (a) Be assigned to a Trading Participant that intends to buy or sell energy and is capable of complying with the settlement requirements in the WESM;***
- (b) Be associated with a revenue metering capable of measuring all relevant incoming and outgoing energy deliveries for the purpose of settlement in the WESM; and***
- (c) As much as possible, represent the connection point between the Network Service Provider and the Trading Participant. For this purpose, the revenue metering or the metering equipment for the market trading node shall be installed no more than 500 meters from the connection point"*** (emphasis supplied)

Both Circulars emphasize the appropriate location of the revenue metering facilities, i.e., at the Connection Point between the Network Service Provider and the Transmission Customer. Under the WESM Manual on Standards and Procedures Issue No. 12, the *"Connection Point"* is defined as *"the point of connection of the User System or Equipment to the Grid (for Users of the Grid) or to the Distribution System (for Users of the Distribution System)"*.

As the compliance of NGCP to the aforesaid Circulars may have cost implications to the end-consumers, on 26 July 2018, NGCP arranged for a meeting with the DOE, ERC, Grid Management Committee (GMC), and Philippine Electricity Market Corporation (PEMC). In the said meeting, NGCP sought for a clarification not only on the correct definition of the Connection Point but also on the other issues and concerns regarding the WESM Manual on Standards and Procedures Issue No. 12. The salient points of discussions were as follows:

1. The ERC clarified that the definition of the Connection Point shall be based on the functionality of the assets, regardless of who owns such assets, pursuant to Section 4 (f), Rule 6 of the Implementing Rules and Regulation (IRR) of the Republic Act 9136 (Electric Power Industry Reform Act of 2001) and ERC Resolution No. 23, Series of 2016 entitled, *"A Resolution Adopting Amended Rules on the Definition and Boundaries of Connection Assets for Customers of Transmission Providers"*;
2. The exemption to the requirement of the WESM Rules, the PGC 2016 Edition and the PDC pertaining to the prescribed location of the metering point more than 500meters from its connection point shall be requested for approval from the ERC thru GMC;
3. The Mass Memory requirement (minimum of 60 days recording on a 5-minute interval) for the revenue meters will be applicable to the new installations only. The existing revenue meters will be replaced only if it is defective or due for replacement;
4. For the non-compliant instrument transformer, a compliance plan shall be submitted to the DOE if the two (2) - year compliance requirement is not feasible; and
5. Other issues and concerns of NGCP on the WESM Manual on Metering Standards and Procedures Issue 12 shall be provided to PEMC's Technical Committee.

On 14 August 2018, NGCP submitted to PEMC its matrix of issues and concerns on the WESM Manual on Standards and Procedures and likewise requested consideration from the PEMC for the additional membership to the RCC, particularly a representative from NGCP, as WMSP, who will participate during the discussion on the amendment of metering-related WESM Manuals.

Pending a letter-response from PEMC, a meeting was held on 7 September 2018 which was attended by RCC, PEMC, and NGCP. On the said meeting, the NGCP's matrix of issues and concerns were discussed with the agreement that PEMC will provide reply to NGCP's letter.

In a letter-reply dated 18 September 2018, PEMC posted the following:

1. For NGCP to formally address its request for clarification to the DOE, particularly on the issues related to PGC 2016 Edition and PSALM IPP-ECA; and
2. For NGCP to submit a Rules Change proposal to the RCC in relation to the request for additional membership to the RCC.

PEMC also mentioned that NGCP's other issues and concerns were transmitted to RCC and Technical Committee and have been presented during the 144th RCC meeting on 7 September 2018.

On 12 November 2018, the DOE, in response to NGCP's letter-request dated 23 August 2018, confirmed the following:

1. The different illustration of Connection Points in NGCP's letter are consistent with the current rules and guidelines issued by the ERC and in pursuant to Section 4 (f), Rules 6 of the Implementing Rules and Regulations of the EPIRA. Nonetheless, with regard to the Connection Point of Generation Companies, the DOE posit that while the location of Connection Point to the Grid were properly identified, the location and installation of the Remote Terminal Units (RTUs) and revenue metering facilities may depend on how the Generation Companies' generating units are modelled in the market. DOE further

emphasized that the appropriate location of the said equipment should take into account the options of Generation Companies under the WESM Rules and Market Manuals whether or not to have aggregated representation of their generating units in the market;

2. The 500-meter maximum allowable distance of the prescribed location of the metering point from the Connection Point took into account NGCP's concern on space constraints in the installation of metering equipment and if NGCP believes that such distance is not adequate, NGCP may initiate a Rules Change proposal to the RCC;
3. As a transition measure (a policy of which shall be issued by the DOE), the existing revenue meters may be reprogrammed and be utilized for a 5-minute interval requirement even if the same have insufficient mass memory until such time that the said meters became defective and due for replacement;
4. NGCP was directed to submit a compliance plan to the DOE should there be requirements that can't be complied immediately;
5. DOE recommended for NGCP to submit the matrix of issues and concerns on the amended WESM Manual on Metering Standards and Procedures to the RCC for discussion on possible amendments and to collaborate with the Technical Committee on the matter.

On 7 December 2018, the DOE, following existing protocols, directed NGCP to initiate and spearhead the amendments to the WESM Manual on Metering Standards and Procedures Issue No. 12, specifically on the transition period for existing non-compliant meters. While the directive pertains only for the amendment of a specific issue, NGCP believes that it is an opportune time to amend other provisions on WESM Manual on Metering Standards and Procedures – hence this proposal.

III. THE PROPOSED RULES CHANGE

NGCP, as the WESM Metering Service Provider (WMSP), proposes to amend a number of specific provisions in the WESM Manual on Metering Standards and Procedure Issue 12 – highlights of which are as follows:

1. Clarification on the appropriate location of the metering point consistent with the provisions set forth under the WESM Rules, the PGC 2016 Edition, the PDC, and other relevant issuances of the ERC and the DOE.
2. Harmonization of the technical requirements for the Metering Facilities in accordance with PGC 2016 Edition, PDC 2017 Edition, and other applicable reference.
3. Provision of a transitory period to allow existing revenue meters with non-compliant mass memory requirement to remain in service until such time that it is due for replacement.
4. Revision of "SEIN" to "SEIL" as a standard term for labelling Metering equipment, where "L" stands for Label.
5. Revision/additional provisions in the Metering Installation Registration, Site Specific Loss Adjustment, and Metering Deregistration to clarify the roles of the MSP and MO.
6. Enhancement of provisions in Data Validation, Estimation and Editing (DVEE) based on the learnings and experiences of both MSP and MO in the past in resolving valid missing data.
7. Revision of provisions in the Meter Trouble Report to provide enhancements and practical timeline in the resolution of MTRs issued to the MSP considering the geographical location of the metering points especially in the Visayas and Mindanao as well as the security threats in identified areas.

8. Minor enhancements/clarifications in the computation of daily meter data delivery as part of the performance measures used for the MSP. Moreover, the re-allocation of percentage weight used in the performance standards set by the WESM relative to the performance of the MSP is proposed to provide a more reflective measure of the important deliverables of the MSP as far as monthly billing and settlement in the WESM is concerned.
9. Revision of appendices such as Meter Trouble Report and Metering Service Agreement to update the old template forms.

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

Proponent	NGCP, a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner B.I.R. Road, Diliman, Quezon City. It is the concessionaire which assumed the power transmission functions of the National Transmission Corporation (TRANSCO) pursuant to R.A. 9136, otherwise known as the <i>“Electric Power Industry Reform Act of 2001”</i> (EPIRA).
WESM Compliance Officer	Francis Albert S. Vicencio

V. CONCLUSIONS AND RECOMMENDATIONS

To adopt the proposed amendments of NGCP.

VI. REFERENCES

1. WESM Manual on Metering Standards and Procedures Issue 12
2. Philippine Grid Code 2016 Edition
3. Philippine Distribution Code 2017 Edition
4. Philippine Electrical Code
5. DOE Department Circular No. DC2016-05-007
6. DOE Department Circular No. DC2018-05-015
7. DOE's Advisory on Mandatory Registration to the WESM
8. ERC Resolution No. 28, Series of 2006 – Guidelines for the Issuance of Certificate of Authority for WESM Metering Service Provider (WMSP),
9. ERC Resolution No. 23, Series of 2016
10. Open Access Transmission Service (OATS) Rules