

**WHOLESALE ELECTRICITY SPOT MARKET  
RULES CHANGE COMMITTEE**

**RCC RESOLUTION NO. 2013-10**

**Proposed Amendments to Chapter 6 of the WESM Rules to Include the  
obligation of the Market Operator on the Development, Implementation and  
Simulation of its Business Continuity Plan and Disaster Recovery Procedures**

**WHEREAS**, on 05 August 2013, the Rules Change Committee (RCC) received a proposal from the Philippine Electricity Market Corporation (PEMC) amending Chapter 6 of the WESM Rules (attached as Annex "A") to include provisions on the obligations of the Market Operator on the development, implementation and simulation of its Business Continuity Plan (BCP) and Disaster Recovery Procedures (DRP);

**WHEREAS**, the proposal aims to ensure operational continuity of the WESM in cases of emergencies and any unplanned event or disaster that can shut down or disrupt critical business processes of the MO;

**WHEREAS**, the proposal includes the BCP and the DRP simulation as grounds for Market Intervention, given that the simulation of these processes may cause interruption of certain market processes resulting in the inability of the MO to generate a schedule which leads to Market Intervention;

**WHEREAS**, the proposal, as presented by PEMC, was deliberated upon by the RCC during its 77th Meeting held on 07 August 2013;

**WHEREAS**, in the same meeting the RCC endorsed the proposal and likewise agreed on its posting in the WESM public information website;

**WHEREAS**, the proposal was posted in the public information website on 12 August 2013, with email notification sent on the same day to solicit comments from market participants and other interested parties;

**WHEREAS**, comments were received from the Aboitiz Power Corporation (attached as Annex "B") and the WESM Technical Committee (attached as Annex "C") on 04 September and 11 September 2013, respectively;

**WHEREAS**, the RCC during its 79th meeting held on 02 October 2013, deliberated upon the comments received from APC and TC relative to the proposal;

**WHEREAS**, during the same meeting, having noted that the PEMC has sufficiently responded to the concerns raised by the APC and TC in their comments, the RCC passed the Resolution adopting the proposed amendments, as revised, and endorsing the same to the PEM Board;

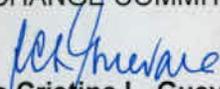
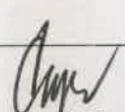
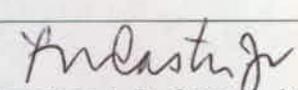
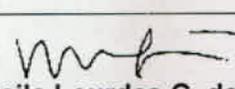
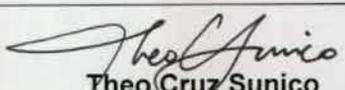
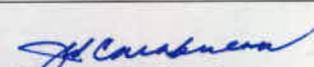
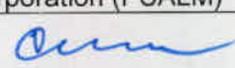
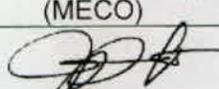
**NOW THEREFORE**, we, the undersigned and in behalf of the sector we represent, hereby resolve as follows:

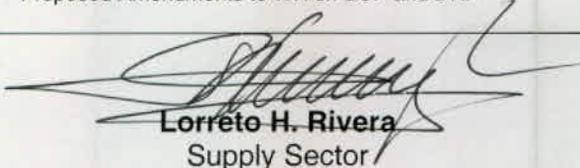
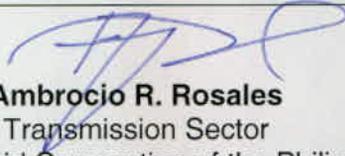
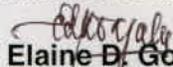
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**RESOLVED**, that the proposed amendments to the WESM Rules Chapter 6 (attached as Annex "D"), is hereby adopted and approved;

**RESOLVED FURTHER**, that the above proposed amendments to the WESM Rules Chapter 6 shall be endorsed to the PEM Board for approval.

Done this 02 October 2013, Pasig City.

Approved by: RULES CHANGE COMMITTEE  <b>Rowena Cristina L. Guevara</b> Chairperson University of the Philippines (UP)	
Members:	
 <b>Concepcion I. Tanglao</b> Independent	 <b>Francisco L.R. Castro, Jr.</b> Independent Tensaiken Consulting
 <b>Maila Lourdes G. de Castro</b> Independent	<b>Jose Ferlino P. Raymundo</b> Generation Sector SMC Global
 <b>Theo Cruz Sunico</b> Generation Sector 1590 Energy Corporation (1590 EC)	 <b>Joselyn D. Carabuena</b> Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
 <b>Gilbert A. Pagobo</b> Distribution Sector (PDU) Mactan Electric Company (MECO)	 <b>Ciprinilo C. Meneses</b> Distribution Sector (PDU) Manila Electric Company (MERALCO)
 <b>Jose P. Santos</b> Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)	 <b>Sulpicio C. Lagarde Jr.</b> Distribution Sector (EC) Central Negros Electric Cooperative, Inc. (CENECO)

 <b>Lorreto H. Rivera</b> Supply Sector Team Energy	 <b>Isidro E. Cacho</b> Market Operator Philippine Electricity Market Corporation (PEMC).
 <b>Ambrocio R. Rosales</b> Transmission Sector National Grid Corporation of the Philippines (NGCP)	
	Certified True and Correct:  <b>Elaine D. Gonzales</b> RCC Secretary PEMC

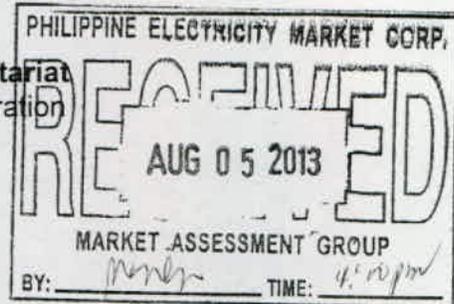


**REQUEST FOR WESM RULES AMENDMENTS**

Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments to the WESM Rules can be submitted to:

**PEM Board**  
Attention: **PEM Committee Secretariat**  
Philippine Electricity Market Corporation  
18/F Robinsons Equitable Tower  
ADB Avenue, Ortigas Center  
Pasig City, 1605 Philippines  
Email addresses: rcc@wesm.ph  
Fax Number: (+632) 395-2704



**I. Proposer's Information**

Name	MELINDA L. OCAMPO
Designation	President
Signature	
Company	Philippine Electricity Market Corporation
Company Address	18/F Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City
Telephone No.	631 8734
Fax. No.	636 0802
Email Address	helpdesk@wesm.ph

**II. WESM Rules Amendment Information**

Topic	Proposed WESM Rules Change on Chapter 6 to include the development and simulation of the Business Continuity Plan and Disaster Recovery Procedures of the Market Operator
Nature of Request (please indicate with x)	<input checked="" type="checkbox"/> Addition <input checked="" type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Clarification <input type="checkbox"/> Clerical Correction

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### III. Proposed Amendment

Title	Section	Provision	Proposed Amendment	Rationale
6.1. SCOPE OF CHAPTER 6	6.1	<p>This chapter 6 sets out:</p> <p>(a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency;</p> <p>(b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency;</p> <p>(c) The procedures which are to take effect in the event of a threat to system security; and</p> <p>(d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market.</p>	<p>This chapter 6 sets out:</p> <p>(a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency;</p> <p>(b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency;</p> <p>(c) The procedures which are to take effect in the event of a threat to system security; and</p> <p>(d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market.<b>and;</b></p> <p><b><u>(e) The responsibilities of the Market Operator to develop, simulate and implement business continuity plan and disaster recovery procedures.</u></b></p>	<p>The rationale behind the proposed amendments is to ensure operational continuity of the WESM in cases of emergencies, any unplanned event or disaster that can shut down or disrupt critical business processes of the Market Operator.</p>
6.2 OVERVIEW	6.2.1.3	(new)	<p><b><u>Intervention is likewise warranted when the Market Operator simulates the business continuity plan and disaster recovery procedures developed under Clause 6.8.8.1, which may result in the interruption of the operations of market software used by the Market Operator to</u></b></p>	<p>The simulation of the business continuity plan and disaster recovery procedures may cause interruption of certain market processes resulting in the inability of Market Operator to generate a schedule, resulting in Market Intervention. The Market Operator has not been able to simulate</p>

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Title	Section	Provision	Proposed Amendment	Rationale
			<u>support various processes in the WESM.</u>	its business continuity plan and disaster recovery procedures since under the current WESM Rules, the simulation is not a ground for Market Intervention.
	6.2.1.3	6.2.1.3 During intervention or market suspension, the System operator and Market Operator shall coordinate their actions to restore normal operation of the power system and the market.	6.2.1.3 <del>4</del> During intervention or market suspension, the System operator and Market Operator shall coordinate their actions to restore normal operation of the power system and the market.	Renumbering reflected due to the new clause.
	6.2.1.4	6.2.1.4 WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx	6.2.1.4 <del>5</del> WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx	
<u>6.8 BUSINESS CONTINUITY PLAN AND DISASTER RECOVERY PROCEDURES OF THE MARKET OPERATOR</u>	6.8.1	(new)	<u>6.8.1 Development of Business Continuity and Disaster Recovery Procedures</u>	
	6.8.1.1	(new)	<u>6.8.1.1 In consultation with the System Operator, the Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events.</u>	
	6.8.1.2	(new)	<u>6.8.1.2 The Market Operator shall review and update the business continuity plan and disaster recovery procedures as may be necessary.</u>	

Title	Section	Provision	Proposed Amendment	Rationale
	6.8.2	(new)	<u>6.8.2 Simulations</u>	
	6.8.2.1	(new)	<u>6.8.2.1 The Market Operator shall regularly simulate the procedures set forth in the business continuity plan as well as the disaster recovery procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. An evaluation of the simulation exercise shall be performed and deficiencies in procedures and responses shall be identified and corrected.</u>	
	6.8.2.2		<u>6.8.2.2 The Market Operator shall inform the Trading Participants and the System Operator of the simulations at least thirty (30) days prior to the conduct of the same.</u>	
	6.8.2.3		<u>6.8.2.3 The Market Operator shall also notify all Trading Participants and the System Operator as soon as reasonably possible if the simulation or implementation of its business continuity plan and disaster recovery procedures may interrupt the operations of market software used by the Market Operator to support various processes in the WESM. The Market Operator shall use all efforts to minimize any possible market interruption in the conduct of the simulation or</u>	

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Title	Section	Provision	Proposed Amendment	Rationale
6.8 MARKET SUSPENSION	6.8 et. seq.		<b>implementation.</b> (Renumbered accordingly)	Renumbering reflected in view of additional section.
		6.8.2.3 Following a declaration by the ERC under clause 6.8.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.	6.89.2.3 Following a declaration by the ERC under clause 6.89.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.	Update of references in view of the renumbering.
		6.8.4.2 A copy of the report prepared under clause 6.8.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.	6.89.4.2 A copy of the report prepared under clause 6.89.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.	
		6.8.5.1 Within ten business days following a declaration by the ERC under clause 6.8.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess: (a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred; (b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and (c) The costs incurred by the WESM members as a consequence of responding to the event or events	6.89.5.1 Within ten business days following a declaration by the ERC under clause 6.89.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess: (a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred; (b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and (c) The costs incurred by the WESM members as a consequence of responding to the event or events	
		6.8.5.2 A copy of the report prepared under clause 6.9.5.1 shall be provided	6.89.5.2 A copy of the report prepared under clause 6.89.5.1 shall be	

Title	Section	Provision	Proposed Amendment	Rationale
		to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.	provided to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.	
CHAPTER 11 GLOSSARY		(new)	<u>Business continuity. Refers to the activity performed by the Market Operator to ensure that critical business functions will be available to the Trading Participants, System operator, Metering Services Provider, ERC, DOE, and other entities that must have access to those functions.</u>	
		(new)	<u>Disaster recovery. Refers to a subset of business continuity. This is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to the Market Operator after a natural or human-induced disaster.</u>	
		Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat to system security, force majeure or emergency. During such event, the administered price cap shall be used for settlements.	Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat to system security, force majeure or emergency, <u>or by the Market Operator in relation to the simulation or implementation of the business continuity or disaster recovery procedures developed in accordance with Clause 6.8.1.</u> During such event,	

Title	Section	Provision	Proposed Amendment	Rationale
			the administered price cap shall be used for settlements.	

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Rules.

**IV. Referral**

Date Received by MAG : 05 August 2013 Monlin

Proposed Amendment:  Urgent  Minor  General

**A. For Urgent Amendment (For the use of PEMC President only)**

Date Referred to PEMC President	
Certifies as urgent	<input type="checkbox"/> Yes <input type="checkbox"/> No
Convene the RCC within 48 Hrs.:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Remarks:	

**B. For Minor and General Amendment (For the use of RCC only)**

Date Referred to RCC:	<u>05 August 2013</u> <u>Monlin</u>
Remarks:	

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Action taken:	
Request for comments:	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Request written comments from: <input type="checkbox"/> DRG <input type="checkbox"/> MSC <input type="checkbox"/> PA <input type="checkbox"/> TC <input type="checkbox"/> MO <input type="checkbox"/> ECO <input type="checkbox"/> MAG <input type="checkbox"/> Other PEM Board Committees <input type="checkbox"/> Other Interested Parties
For further review of the Technical Sub-Committee/s:	<input type="checkbox"/> Yes
	Assigned to: <input type="checkbox"/> SO Sub-Committee <input type="checkbox"/> MO Sub-Committee <input type="checkbox"/> Metering Sub-Committee <input type="checkbox"/> Billing and Settlement Sub-Committee <input type="checkbox"/> Legal and Regulatory Sub-Committee
	<input type="checkbox"/> No
For public consultation:	<input type="checkbox"/> Yes <input type="checkbox"/> No
RCC Resolution:	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved
RCC Resolution Number:	<i>RCC Resolution No. 2013-10</i>
Date of Resolution:	<i>02 October 2013</i>
RCC Meeting No.:	<i>79th Meeting</i>
Date of endorsement to the PEM Board:	<i>22 October 2013</i>

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**Wholesale Electricity  
Spot Market**



**Proposed WESM Rules Change on Chapter 6 to  
include the development and simulation of the  
Business Continuity Plan and Disaster  
Recovery Procedures of the Market Operator**

Philippine Electricity Market Corporation

2 August 2013

## I. SUMMARY OF THE PROPOSED RULES CHANGE

The proposed amendment to Chapter 6 of the WESM Rules involves the inclusion of the obligation of the Market Operator to develop, implement and simulate a business continuity plan and disaster recovery procedures.

The amendment likewise provides that any interruption to the software processes of the Market Operator as a result of such simulation shall be included as a ground for Market Intervention. Further, the amendment provides the obligation of the Market Operator to inform the Trading Participants and the System Operator prior to the conduct of such simulations.

## II. BACKGROUND

Under Clause 1.2.2 of the WESM Rules, one of the purposes of the WESM Rules is to provide an efficient, competitive, transparent and reliable spot market. Since ensuring continuity of service of the Market Operator is of key importance for the WESM, it is essential for a business continuity plan and disaster recovery procedures be put in place, and tested for effectiveness.

In view of the foregoing, the rationale behind the proposed amendment is to ensure operational continuity of the WESM in cases or emergencies, any unplanned event or disaster that can shut down or disrupt critical business processes of the Market Operator.

## III. THE PROPOSED RULES CHANGE

The amendments are as follows:

Title	Section	Provision	Proposed Amendment
6.1. SCOPE OF CHAPTER 6	6.1	This chapter 6 sets out: (a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency; (b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency; (c) The procedures which are to take effect in the event of a threat to system security; and (d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market.	This chapter 6 sets out: (a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency; (b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency; (c) The procedures which are to take effect in the event of a threat to system security; and (d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market. <u>and;</u> (e) <u>The responsibilities of the Market Operator to develop, simulate and implement business continuity plan and disaster recovery procedures.</u>
6.2 OVERVIEW	6.2.1.3	(new)	<u>Intervention is likewise warranted when the Market</u>

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			<u>Operator simulates the business continuity plan and disaster recovery procedures developed under Clause 6.8.8.1, which may result in the interruption of the operations of market software used by the Market Operator to support various processes in the WESM.</u>
	6.2.1.3	6.2.1.3 During intervention or market suspension, the System operator and Market Operator shall coordinate their actions to restore normal operation of the power system and the market.	6.2.1.3 <del>4</del> During intervention or market suspension, the System operator and Market Operator shall coordinate their actions to restore normal operation of the power system and the market.
	6.2.1.4	6.2.1.4 WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx	6.2.1.4 <del>5</del> WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx
<u>6.8 BUSINESS CONTINUITY PLAN AND DISASTER RECOVERY PROCEDURES OF THE MARKET OPERATOR</u>	6.8.1	(new)	<u>6.8.1 Development of Business Continuity and Disaster Recovery Procedures</u>
	6.8.1.1	(new)	<u>6.8.1.1 In consultation with the System Operator, the Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events.</u>
	6.8.1.2	(new)	<u>6.8.1.2 The Market Operator shall review and update the business continuity plan and disaster recovery procedures as may be necessary.</u>
	6.8.2	(new)	<u>6.8.2 Simulations</u>
	6.8.2.1	(new)	<u>6.8.2.1 The Market Operator shall regularly simulate the procedures set forth in the business continuity plan as well as the disaster recovery procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. An evaluation of the simulation exercise shall be performed and deficiencies in procedures and responses shall be identified and corrected.</u>
	6.8.2.2		<u>6.8.2.2 The Market Operator shall inform the Trading</u>

			<u>Participants and the System Operator of the simulations at least thirty (30) days prior to the conduct of the same.</u>
	6.8.2.3		<u>6.8.2.3 The Market Operator shall also notify all Trading Participants and the System Operator as soon as reasonably possible if the simulation or implementation of its business continuity plan and disaster recovery procedures may interrupt the operations of market software used by the Market Operator to support various processes in the WESM. The Market Operator shall use all efforts to minimize any possible market interruption in the conduct of the simulation or implementation.</u>
6.8 MARKET SUSPENSION	6.8 et. seq.		(Renumbered)
		6.8.2.3 Following a declaration by the ERC under clause 6.8.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.	6.89.2.3 Following a declaration by the ERC under clause 6.89.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.
		6.8.4.2 A copy of the report prepared under clause 6.8.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.	6.89.4.2 A copy of the report prepared under clause 6.89.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.
		6.8.5.1 Within ten business days following a declaration by the ERC under clause 6.8.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess: (a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred; (b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and (c) The costs incurred by the WESM members as a consequence of responding to the event or events	6.89.5.1 Within ten business days following a declaration by the ERC under clause 6.89.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess: (a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred; (b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and (c) The costs incurred by the WESM members as a consequence of responding to the event or events
		6.8.5.2 A copy of the report prepared under clause 6.9.5.1 shall	6.89.5.2 A copy of the report prepared under clause

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		be provided to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.	6.89.5.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.
CHAPTER 11 GLOSSARY		(new)	<b><u>Business continuity. Refers to the activity performed by the Market Operator to ensure that critical business functions will be available to the Trading Participants, System operator, Metering Services Provider, ERC, DOE, and other entities that must have access to those functions.</u></b>
		(new)	<b><u>Disaster recovery. Refers to a subset of business continuity. This is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to the Market Operator after a natural or human-induced disaster.</u></b>
		Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat to system security, force majeure or emergency. During such event, the administered price cap shall be used for settlements.	Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat to system security, force majeure or emergency, <b><u>or by the Market Operator in relation to the simulation or implementation of the business continuity or disaster recovery procedures developed in accordance with Clause 6.8.1.</u></b> During such event, the administered price cap shall be used for settlements.

#### IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The proponent is the Philippine Electricity Market Corporation. PEMC acts as both the governance arm and market operator of the WESM.

#### V. CONCLUSIONS AND RECOMMENDATIONS

The proposed amendments are consistent with the purpose of the WESM Rules to ensure an efficient and reliable spot market.

#### VI. REFERENCES

WESM Rules (As Amended)

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## APC Comments to the Proposed WESM Rules Changes to Include Business Continuity Plan and Disaster Recovery Procedures

Section	Original Provision	PEMC Proposed Amendments	APC Proposed Amendments	APC Comments
Section 6.8.1.2	new	<u>Intervention is likewise warranted when the Market Operator simulates the business continuity plan and disaster recovery procedures developed under Clause 6.8.8.1, which may result in the interruption of the operations of market software used by the Market Operator to support various processes in the WESM.</u>	<u>Intervention may be <del>is likewise</del> warranted if there are interruptions in the operations of market software used by the Market Operator to support various processes in the WESM upon the <del>when the Market Operator simulates</del>ion of the business continuity plan and disaster recovery procedures of MO developed under Clause 6.8.8.1, which may result in the interruption of the operations of market software used by the Market Operator to support various processes in the WESM.</u>	There should be intervention only upon actual interruptions and not in the whole simulation.
Section 6.8.1.1	new	<u>6.8.1.1 In consultation with the System Operator, the Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events.</u>	<u>6.8.1.1 In consultation with the System Operator and the Market Participants, the Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events.</u>	All market participants should be consulted for the development and implementation of the BCP and DRP.
Section 6.8.2.2	new	<u>6.8.2.2. The Market Operator shall inform the Trading Participants and</u>	<u>6.8.2.2. The Market Operator shall inform the Trading Participants</u>	Since the simulation may warrant a market

Section	Original Provision	PEMC Proposed Amendments	APC Proposed Amendments	APC Comments
		<p><u>the System Operator of the simulations at least thirty (30) days prior to the conduct of the same.</u></p>	<p><u>and the System Operator of the simulations after the PEMBoard has duly approved the simulation exercise and at least thirty (30) days prior to the conduct of the same.</u></p>	<p>intervention (thus, Admin price will be set), its schedule and the details of the simulation should be approved by the PEMBoard.</p>
Section 6.8.2.4	new		<p>6.8.2.4 The Market Operator shall seek approval from the PEMBoard of the simulation. The following details shall be submitted as prerequisite to the PEMBoard's approval of the simulation:</p> <ol style="list-style-type: none"> <li>1. <u>Duration of the simulation;</u></li> <li>2. <u>Dates and intervals inclusive of the simulation;</u></li> <li>3. <u>Administered price for the inclusive intervals;</u></li> <li>4. <u>Expected demand and schedule of plant dispatch.</u></li> </ol>	<p>The details of the simulation should be reported to the PEMBoard so as to consider the best possible schedule for it, since it will entail market intervention.</p>

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## III. Proposed Amendment

Title	Section	Provision	Proposed Amendment	Rationale	TC Comments/ Recommendations
6.1. SCOPE OF CHAPTER 6	6.1	<p>This chapter 6 sets out:</p> <p>(a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency;</p> <p>(b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency;</p> <p>(c) The procedures which are to take effect in the event of a threat to system security; and</p> <p>(d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market.</p>	<p>This chapter 6 sets out:</p> <p>(a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency;</p> <p>(b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency;</p> <p>(c) The procedures which are to take effect in the event of a threat to system security; and</p> <p>(d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market.<u>and;</u></p> <p><u>(e) The responsibilities of the Market Operator to develop, simulate and implement business continuity plan and disaster recovery procedures.</u></p>	<p>The rationale behind the proposed amendments is to ensure operational continuity of the WESM in cases of emergencies, any unplanned event or disaster that can shut down or disrupt critical business processes of the Market Operator.</p>	<p>Roles/functions and responsibilities of the TPs, SO and MO must be defined.</p> <p>The TC noted the MO's point of view as regards the continuity of market operations. However, the TC would like to point out the need to also enumerate what would be obliged from the other participants to ensure the continuity of operation.</p>

Title	Section	Provision	Proposed Amendment	Rationale	TC Comments/ Recommendations
	6.2.1.3	(new)	<u>Intervention is likewise warranted when the Market Operator simulates the business continuity plan and disaster recovery procedures developed under Clause 6.8.8.1, which may result in the interruption of the operations of market software used by the Market Operator to support various processes in the WESM.</u>	The simulation of the business continuity plan and disaster recovery procedures may cause interruption of certain market processes resulting in the inability of Market Operator to generate a schedule, resulting in Market Intervention. The Market Operator has not been able to simulate its business continuity plan and disaster recovery procedures since under the current WESM Rules, the simulation is not a ground for Market Intervention.	<ul style="list-style-type: none"> <li>• What would be the conditions that would warrant the intervention when the MO simulates the BCP and DR?</li> <li>• The simulation or implementation of BCP should not result in the interruption of the operations of the market.</li> </ul>
<u>6.8 BUSINESS CONTINUITY PLAN AND DISASTER RECOVERY PROCEDURES OF THE MARKET OPERATOR</u>	6.8.1	(new)	<u>6.8.1 Development of Business Continuity and Disaster Recovery Procedures</u>		
	6.8.1.1	(new)	<u>6.8.1.1 In consultation with the System Operator, the Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force</u>		The TPs have respective roles to perform and the MO's BCPs might also impact the TPs' own BCPs. As such, it would be prudent to include the TPs in the consultation process in developing and implementing the BCP and DRP.

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Title	Section	Provision	Proposed Amendment	Rationale	TC Comments/ Recommendations
	6.8.1.2	(new)	majeure events. 6.8.1.2 The Market Operator shall review and update the business continuity plan and disaster recovery procedures as may be necessary.		
	6.8.2	(new)	6.8.2 Simulations		
	6.8.2.1	(new)	6.8.2.1 The Market Operator shall regularly simulate the procedures set forth in the business continuity plan as well as the disaster recovery procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. An evaluation of the simulation exercise shall be performed and deficiencies in procedures and responses shall be identified and corrected.		<ul style="list-style-type: none"> <li>Who will conduct the evaluation of the simulation exercise?</li> <li>The duration of the Market Intervention (MI) Event during the simulation of the BCP must be set or defined.</li> </ul>
	6.8.2.2		6.8.2.2 The Market Operator shall inform the Trading Participants and the System Operator of the simulations at least thirty (30) days prior to the conduct of the same.		

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Title	Section	Provision	Proposed Amendment	Rationale	TC Comments/ Recommendations
	6.8.2.3		<p><u>6.8.2.3 The Market Operator shall also notify all Trading Participants and the System Operator as soon as reasonably possible if the simulation or implementation of its business continuity plan and disaster recovery procedures may interrupt the operations of market software used by the Market Operator to support various processes in the WESM. The Market Operator shall use all efforts to minimize any possible market interruption in the conduct of the simulation or implementation,</u></p>		<p><i>Same comment on Section 6.2.1.3</i></p> <p>The simulation or implementation of BCP should not result in the interruption of the operations of the market.</p>
CHAPTER 11 GLOSSARY		(new)	<p><u>Business continuity. Refers to the activity performed by the Market Operator to ensure that critical business functions will be available to the Trading Participants, System operator, Metering Services Provider, ERC, DOE, and other entities that must have access to those</u></p>		

Title	Section	Provision	Proposed Amendment	Rationale	TC Comments/ Recommendations
		(new)	functions. <u>Disaster recovery. Refers to a subset of business continuity. This is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to the Market Operator after a natural or human-induced disaster.</u>		Define "disaster".
		Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat to system security, force majeure or emergency. During such event, the administered price cap shall be used for settlements.	Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat to system security, force majeure or emergency., <u>or by the Market Operator in relation to the simulation or implementation of the business continuity or disaster recovery procedures developed in accordance with Clause 6.8.1.</u> During such event, the administered price cap shall be used for settlements.		

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**Matrix of Proposed Amendments to the WESM Rules Chapter 6 on the Inclusion of the Obligation of the Market Operator on the Development, Implementation, and Simulation of its Business Continuity Plan and Disaster Recovery Procedures  
ORCP-WR-13-10\_d**

Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
6.1. SCOPE OF CHAPTER 6	6.1	This chapter 6 sets out: (a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency; (b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency; (c) The procedures which are to take effect in the event of a threat to system security; and (d) The circumstances and	This chapter 6 sets out: (a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency; (b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency; (c) The procedures which are to take effect in the event of a threat to system security; and (d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market; <u>and;</u> (e) <u>The responsibilities of the Market Operator to develop, simulate and implement business</u>	The rationale behind the proposed amendments is to ensure operational continuity of the WESM in cases of emergencies, any unplanned event or disaster that can shut down or disrupt critical business processes of the Market Operator.	This chapter 6 sets out: (a) The procedures which shall be established by the Market Operator, System operator and WESM Participants to ensure that they are able to take all necessary actions in an emergency; (b) The procedures to be followed by the Market Operator, System operator and WESM Participants in an emergency; (c) The procedures which are to take effect in the event of a threat to system security; <u>and</u> (d) The circumstances and manner in which the ERC through the Market Operator may intervene or suspend the spot market; <u>and</u> (e) <u>The responsibilities of the Market Operator to develop, simulate and implement business</u>	Approved as proposed.

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
		manner in which the ERC through the Market Operator may intervene or suspend the spot market.	<u>continuity plan and disaster recovery procedures.</u>		<u>continuity plan and disaster recovery procedures.</u>	
6.2 OVERVIEW	6.2.1.3	(new)	<u>Intervention is likewise warranted when the Market Operator simulates the business continuity plan and disaster recovery procedures developed under Clause 6.8.8.1, which may result in the interruption of the operations of market software used by the Market Operator to support various processes in the WESM.</u>	The simulation of the business continuity plan and disaster recovery procedures may cause interruption of certain market processes resulting in the inability of Market Operator to generate a schedule, resulting in Market Intervention. The Market Operator has not been able to simulate its business continuity plan and disaster recovery procedures since under the current WESM Rules, the simulation is not a ground for Market Intervention.	<u>Intervention may be warranted if there are interruptions in the operations of market software used by the Market Operator to support various processes in the WESM upon the simulation of the business continuity plan and disaster recovery procedures of the Market Operator developed under Clause 6.8.8.1</u>	There should be intervention only upon actual interruptions and not in the whole simulation.
	6.2.1.3	6.2.1.3 During intervention or market suspension, the System operator and	6.2.1.34 During intervention or market suspension, the System operator and Market Operator shall coordinate	Renumbering reflected due to the new clause.	6.2.1.34 During intervention or market suspension, the System operator and Market Operator shall coordinate	Approved as proposed.

Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
		Market Operator shall coordinate their actions to restore normal operation of the power system and the market.	their actions to restore normal operation of the power system and the market.		their actions to restore normal operation of the power system and the market.	
	6.2.1.4	6.2.1.4 WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx	6.2.1.45 WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx		6.2.1.45 WESM Participants acknowledge that: (a) The operation of the power system involves risks to public safety and property and therefore accepts that the provisions of this chapter 6 are appropriate and reasonable; xxx	Approved as proposed.
<b>6.8 BUSINESS CONTINUITY PLAN AND DISASTER RECOVERY PROCEDURES OF THE</b>	6.8.1	(new)	<b>6.8.1 Development of Business Continuity and Disaster Recovery Procedures</b>		<b>6.8.1 Development of Business Continuity and Disaster Recovery Procedures</b>	Approved as proposed.
	6.8.1.1	(new)	<b>6.8.1.1 In consultation with the System Operator, the</b>		<b>6.8.1.1 In consultation with the System Operator, the</b>	Approved as proposed.

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
<u>MARKET OPERATOR</u>			<u>Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events.</u>		<u>Market Operator shall develop and implement business continuity plan and disaster recovery procedures to ensure operational continuity of the WESM in cases of emergencies and force majeure events.</u>	
	6.8.1.2	(new)	<u>6.8.1.2 The Market Operator shall review and update the business continuity plan and disaster recovery procedures as may be necessary.</u>		<u>6.8.1.2 The Market Operator shall review and update the business continuity plan and disaster recovery procedures as may be necessary.</u>	Approved as proposed.
	6.8.2	(new)	<u>6.8.2 Simulations</u>		<u>6.8.2 Simulations</u>	Approved as proposed.
	6.8.2.1	(new)	<u>6.8.2.1 The Market Operator shall regularly simulate the procedures set forth in the business continuity plan as well as the disaster recovery procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. An</u>		<u>6.8.2.1 The Market Operator shall regularly simulate the procedures set forth in the business continuity plan as well as the disaster recovery procedures to ensure the preparedness of the Market Operator, System Operator and Trading Participants in the event of emergencies affecting market operations. An</u>	Approved as proposed.

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
			<u>evaluation of the simulation exercise shall be performed and deficiencies in procedures and responses shall be identified and corrected.</u>		<u>evaluation of the simulation exercise shall be performed and deficiencies in procedures and responses shall be identified and corrected.</u>	
	6.8.2.2		<u>6.8.2.2 The Market Operator shall inform the Trading Participants and the System Operator of the simulations at least thirty (30) days prior to the conduct of the same.</u>		<u>6.8.2.2 The Market Operator shall inform the Trading Participants and the System Operator of the simulations at least thirty (30) days prior to the conduct of the same.</u>	Approved as proposed.
	6.8.2.3		<u>6.8.2.3 The Market Operator shall also notify all Trading Participants and the System Operator as soon as reasonably possible if the simulation or implementation of its business continuity plan and disaster recovery procedures may interrupt the operations of market software used by the Market Operator to support various processes in the WESM. The Market Operator shall use all efforts to</u>		<u>6.8.2.3 The Market Operator shall also notify all Trading Participants and the System Operator as soon as reasonably possible if the simulation or implementation of its business continuity plan and disaster recovery procedures may interrupt the operations of market software used by the Market Operator to support various processes in the WESM. The Market Operator shall use all efforts to</u>	Approved as proposed.

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
			<u>minimize any possible market interruption in the conduct of the simulation or implementation,</u>		<u>minimize any possible market interruption in the conduct of the simulation or implementation,</u>	
6.8 MARKET SUSPENSION	6.8 et. seq.		(Renumbered accordingly)	Renumbering reflected in view of additional section.	(Renumbered accordingly)	Approved as proposed.
		6.8.2.3 Following a declaration by the ERC under clause 6.8.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.	6.89.2.3 Following a declaration by the ERC under clause 6.89.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.	Update of references in view of the renumbering.	6.89.2.3 Following a declaration by the ERC under clause 6.89.1.1, the spot market is to remain suspended until the ERC notifies the Market Operator that spot market operation is to resume.	
		6.8.4.2 A copy of the report prepared under clause 6.8.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons	6.89.4.2 A copy of the report prepared under clause 6.89.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.		6.89.4.2 A copy of the report prepared under clause 6.89.4.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE; and (c) WESM Participants and interested persons on request.	

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
		on request.				
		<p>6.8.5.1 Within ten business days following a declaration by the ERC under clause 6.8.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess:</p> <p>(a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred;</p> <p>(b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and</p> <p>(c) The costs incurred by the WESM members as a consequence of</p>	<p>6.89.5.1 Within ten business days following a declaration by the ERC under clause 6.89.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess:</p> <p>(a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred;</p> <p>(b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and</p> <p>(c) The costs incurred by the WESM members as a consequence of responding to the event or events</p>		<p>6.89.5.1 Within ten business days following a declaration by the ERC under clause 6.89.1.1, the Market Surveillance Committee shall investigate the circumstances of that event and prepare a report to assess:</p> <p>(a) The adequacy of the provisions of the WESM Rules relevant to the event or events which occurred;</p> <p>(b) The appropriateness of actions taken by the Market Operator in relation to the event or events which occurred; and</p> <p>(c) The costs incurred by the WESM members as a consequence of responding to the event or events.</p>	

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
		responding to the event or events				
		6.8.5.2 A copy of the report prepared under clause 6.9.5.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.	6.89.5.2 A copy of the report prepared under clause 6.89.5.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.		6.89.5.2 A copy of the report prepared under clause 6.89.5.1 shall be provided to: (a) The PEM Board; (b) The ERC and the DOE on completion of the report; and (c) WESM Participants and interested persons on request.	
CHAPTER 11 GLOSSARY		(new)	<b><u>Business continuity. Refers to the activity performed by the Market Operator to ensure that critical business functions will be available to the Trading Participants, System operator, Metering Services Provider, ERC, DOE, and other entities that must have access to those functions.</u></b>		<b><u>Business continuity. Refers to the activity performed by the Market Operator to ensure that critical business functions will be available to the Trading Participants, System operator, Metering Services Provider, ERC, DOE, and other entities that must have access to those functions.</u></b>	Approved as proposed.
		(new)			<b><u>Disaster. Refers to natural or man-</u></b>	Define disaster.

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
					made event that results in physical damage, destruction of property or loss of life. Disasters shall include, but are not limited to earthquakes, typhoons, floods, storms, fires, bomb threats, acts of terrorism or sabotage, power system blackouts or civil disturbances.	
		(new)	<u>Disaster recovery. Refers to a subset of business continuity. This is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to the Market Operator after a natural or human-induced disaster.</u>		<u>Disaster recovery. Refers to a subset of business continuity. This is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to the Market Operator after a natural or human-induced disaster.</u>	Approved as proposed.
		Intervention. A measure taken by the System operator when the grid is in extreme state condition as	Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat		Intervention. A measure taken by the System operator when the grid is in extreme state condition as established in the Grid Code arising from a threat	Approved as proposed.

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Title	Section	Provision	Proposed Amendment	Rationale	RCC-Approved Amendment	Remarks
		<p>established in the Grid Code arising from a threat to system security, force majeure or emergency. During such event, the administered price cap shall be used for settlements.</p>	<p>to system security, force majeure or emergency, <u>or by the Market Operator in relation to the simulation or implementation of the business continuity or disaster recovery procedures developed in accordance with Clause 6.8.1.</u> During such event, the administered price cap shall be used for settlements.</p>		<p>to system security, force majeure or emergency, <u>or by the Market Operator in relation to the simulation or implementation of the business continuity or disaster recovery procedures developed in accordance with Clause 6.8.1.</u> During such event, the administered price cap shall be used for settlements.</p>	

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