



RULES CHANGE COMMITTEE

Addendum to RCC Resolution No. 2023-09 entitled Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program Implementation

Effective Date : 22 December 2023

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WHEREAS, in compliance with Section 3 of the Department of Energy (DOE) issued DC2015-06-0003¹, PEMC published in 2015 the “Interim Protocol for the Declaration of Bilateral Contract Quantities during the Implementation of Interruptible Load Program” (“Interim Protocol”) to allow re-declaration for contestable customers (CC) and directly connected customers (DCC) that participate in the Interruptible Load Program (ILP), i.e. ILP-CC and ILP-DCC, respectively, such that:

- a) Generation Company counterparty of Suppliers submit bilateral contract quantity (BCQ) re-declaration for ILP-CCs and re-declare it for the account of the host distribution utility, and
- b) Generation Company counterparty of DCC submit BCQ re-declaration for ILP DCCs;

WHEREAS, on 17 February 2023, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted its proposed urgent amendments to the WESM Rules and various WESM Manuals on the ILP implementation to comply with the DOE request for IEMOP to conduct a review of the accuracy of Day-Ahead Projection (DAP) submitted by Generation Companies being submitted to WESM and propose a penalty provision as part of the market rules for those non-compliant with the submitted DAP;

WHEREAS, following the procedures in Section 7.2 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals (“Rules Change Manual”), the PEM Board, as recommended by the RCC after thorough discussions, certified the proposal as not urgent and re-admitted the proposal as general amendments;²

WHEREAS, comments received were from Manila Electric Company (MERALCO), National Grid Corporation of the Philippines (NGCP) and Philippine Electricity Market Corporation (PEMC) were responded to by the proponent and were taken up by the RCC in several meetings;³

WHEREAS, on 29 August 2023 the RCC finalized the proposal and approved its endorsement to the PEM Board by way of RCC Resolution No. 2023-09 with notable points, as follows:

- a) Approval of the proposed revisions that require Market Participants to provide inputs based on reasonable estimates of their expected capability for the upcoming week/day;
- b) Inclusion of procedures for BCQ declaration during ILP from the Interim Protocol to the WESM Billing and Settlement Manual (BSM), thus replacing the Interim Protocol, which is currently not officially part of the WESM Manuals; and
- c) Decision, by vote, to approve the provision allowing corrections to approved-BCQ re-declaration related to ILP provided that it is made before the preparation of the final settlement statement under the proposed BSM Clause 9.5.12;

¹ Department Circular No. DC2015-06-0003 Providing the Interim Manner of Declaring Bilateral Contract Quantities (BCQ) in the Wholesale Electricity Spot Market (WESM) and directing the Philippine Electricity Market Corporation (PEMC) to establish Necessary Protocols to Complement the Interruptible Load Program (ILP)

² [RCC Resolution No. 2023-02](#) dated 23 March 2023 and PEM Board Resolution No. 2023-58-13 dated 29 March 2023

³ The proposal was discussed during the 217th, 218th, and 219th RCC Meetings held on 23 June, 21 July, and 18 August 2023, respectively.

WHEREAS, on 30 August 2023, the PEM Board remanded RCC Resolution No. 2023-09 to address the concerns raised by IEMOP on 1) the definition of “force majeure” causing inaccessibility of the Central Registration and Settlement System (CRSS), and 2) the determination of erroneous BCQ re-declaration that would be processed by the MO as correction to the submitted BCQ re-declaration;

WHEREAS, the RCC discussed in several meetings⁴ the revisions made on the draft proposal and the issues raised by the MO, MERALCO, and other concerned parties in the BCQ re-declaration process for ILP. Highlights of the discussion are as follows:

- Timeline for Corrections to BCQ Re-declaration for ILP events – To clearly provide the process of corrections to BCQ re-declarations for ILP, IEMOP initially proposed that a Trading Participant is allowed to correct the erroneous re-declaration within five (5) days after the issuance of the Preliminary Statement. To avoid further adjustments in the settlement statements for the following billing month, IEMOP revised its initial proposal to provide that a Trading Participant shall be given ten (10) days from the ILP event (D) within which to submit one-time BCQ re-declaration (up to D+7) and correction on the re-declaration (up to D+10), and the Market Operator shall have five (5) working days to evaluate the requests. With the assurance that the relevant counterparty will be notified of the MO’s acceptance or non-acceptance of requests for BCQ re-declaration, MERALCO concurred with the revised proposal;
- Criteria for Corrections to BCQ Re-declaration for ILP events – IEMOP proposed that the Trading Participant should have submitted the BCQ re-declaration within seven (7) days from the ILP event per DOE DC2015-06-0003 as a condition for processing corrections to BCQ re-declarations. Distribution and Generation Sector members emphasized the importance of the accuracy of the BCQ re-declaration due to ILP to properly compensate the ILP-CC. In this regard, the RCC considered that erroneous declaration or non-declaration of BCQ is possible when there is miscommunication between the ILP-CC and the RES, or between the RES and the Generation Company. The proposal was revised to allow one-time correction, including for instances when the Generation Company did not submit a re-declaration within D+7;
- Criteria for BCQ Re-declaration when the CRSS is inaccessible – The RCC agreed with IEMOP’s view that the use of “force majeure,” as defined under the WESM Rules, may be too broad to describe a situation causing the inaccessibility of the CRSS. IEMOP recognized the need to further study the proposal on BCQ re-declaration in case of force majeure and withdrew its proposal on this matter;
- Provision allowing BCQ re-declaration for ILP in the WESM Rules – The term “interruptible load program” was proposed to be defined in the WESM Rules but is not used in any provision. As recommended by the Secretariat, the RCC approved the proposed provision in the WESM Rules that provides the BCQ re-declaration process to account ILP transactions in the WESM.

⁴ Revisions to the proposal was discussed during the 220th, 221st, 223rd, 224th, 225th, and 226th RCC Meetings held on 15 and 26 September 2023, 20 October, 13, 17 November, and 14 December 2023, respectively,

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve, as follows:

RESOLVED, that the RCC approved Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program Implementation attached as Annex A, replacing the Interim Protocol for the Declaration of Bilateral Contract Quantities during the Implementation of Interruptible Load Program;

RESOLVED FURTHER, that the said Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program Implementation, are hereby endorsed to the PEM Board for approval and for submission to DOE for final approval.

Done this **22nd** day of **December 2023**, Pasig City.

Approved by:
THE RULES CHANGE COMMITTEE

Independent Members:

(signed)
JESUSITO G. MORALLOS
Chairperson

(signed)
JOSE RODERICK F. FERNANDO

(signed)
RACHEL ANGELA P. ANOSAN

(signed)
JORDAN REL C. ORILLAZA

Generation Sector Members:

(signed)
DIXIE ANTHONY R. BANZON
Masinloc Power Partners Co. Ltd.
(MPPCL)

(signed)
CHERRY A. JAVIER
Aboitiz Power Corp.
(APC)

(signed)
CARLITO C. CLAUDIO
Millennium Energy, Inc./ Pansia Energy, Inc.
(MEI/PEI)

(signed)
MARK D. HABANA
Vivant Corporation - Philippines
(Vivant)

Distribution Sector Members:

(signed)
RYAN S. MORALES
Manila Electric Company
(MERALCO)

(signed)
RUSSEL S. ALABADO
Angeles Electric Corporation
(AEC)

(signed)
VIRGILIO C. FORTICH, JR.
Cebu III Electric Cooperative, Inc.
(CEBECO III)

(signed)
NELSON M. DELA CRUZ
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area 1)

Supply Sector Member:

(signed)
GIAN KARLA C. GUTIERREZ
First Gen Corporation
(FGen)

Market Operator Member:

(signed)
ISIDRO E. CACHO, JR.
Independent Electricity Market Operator of the Philippines
(IEMOP)

Transmission Sector Member:

(signed)
DARRYL LON A. ORTIZ
National Grid Corporation of the Philippines
(NGCP)

WESM Rules				
Title	Clause	Original Provision	Proposed Amendment	Rationale
Submission of Bilateral Contract Data for Energy	3.13.1.3 (new)	(new)	<u>Trading Participants which deliver electricity pursuant to bilateral contracts with Contestable Customers and/or Directly Connected Customers that participate in the Interruptible Load Program (ILP), and those bilateral contracts to be accounted for in the WESM settlement as bilateral contract quantities of the Distribution Utility that implemented the ILP, shall submit or re-declare the schedule of bilateral contract quantities of the said Contestable Customers or Directly Connected Customers in accordance with Clause 3.13.1.1 of the WESM Rules and the relevant provisions of the WESM Manual on Billing and Settlement.</u>	To provide the basis of BCQ re-declaration to account for ILP transactions in the WESM under the WESM Rules. Note that “ <u>Interruptible Load Program (ILP)</u> ” is not used anywhere else in the WESM Rules.
GLOSSARY	11	(new)	<u>Interruptible Load Program (ILP). The program set out in relevant ERC issuances where an End-user, in accordance with its protocol with its Network Service Providers, voluntarily agrees to either fully de-load, by disconnecting its delivery point that receives electricity, or partially de-load by reducing its load in response to an alert or notice issued by the System Operator of an expected power shortage.</u>	To define Interruptible Load Program based on provisions of relevant rules and issuances on ILP

WESM Dispatch Protocol Manual 18.0							
Title	Section	Original Provision			Proposed Amendment		Rationale
WESM Timetable – Week-Ahead Projection	4.3.2	WAP Timeline			WAP Timeline		To establish that Market Participants should provide inputs based on reasonable estimates of their expected capability for the upcoming week.
		Time	Activity	Responsible Party	Time	Activity	
		Before 0845H	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the WAP run	Trading Participants	Before 0845H	Submit the most recent <i>self-scheduled nominations</i> , bids and offers for all relevant hours of the WAP run <u>consistent with the provisions of Sections 6.1.7 and 6.13 of this Manual.</u>	
WESM Timetable – Day-Ahead Projection	4.4.2	DAP Timeline			DAP Timeline		To establish that Market Participants should provide inputs based on reasonable estimates of their expected capability for the upcoming day.
		Time	Activity	Responsible Party	Time	Activity	
		Before [STPH1* - 10 minutes]	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the DAP run	Trading Participants	Before [STPH1* - 10 minutes]	Submit the most recent <i>self-scheduled nominations</i> , bids and offers for all relevant hours of the DAP run <u>consistent with the provisions of Sections 6.1.7 and 6.13 of this Manual.</u>	

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Title	Section	Original Provision	Proposed Amendment	Rationale
Bilateral Contract Declaration	9.5.1	(new)	<p><u>RE-DECLARATIONS FOR ENERGY TRANSACTIONS</u></p> <p><u>9.5.1 Generation Companies may re-declare bilateral contract quantities in respect to:</u></p> <p style="margin-left: 40px;">a) <u>Contestable Customers that are registered with the Distribution Utility as Interruptible Load Program participants; or</u></p> <p style="margin-left: 40px;">b) <u>Directly Connected Customers that are registered with the Transmission Network Service Provider as Interruptible Load Program participants.</u></p> <p><u>The concerned Generation Company and Distribution Utility shall coordinate with each other to ensure that the bilateral contract quantities declared by the Generation Company on the ground under this Section reflect the actual bilateral contract quantities for the concerned Contestable Customer or Directly Connected Customer during the dispatch interval when the Interruptible Load Program was activated.</u></p>	<p>To institutionalize the Interim Protocol, which is currently not officially part of the WESM Manuals</p> <p>Section 9.5.1.a and 9.5.1.b are adopted from the Interim Protocol.</p>
	9.5.2	(new)	<p><u>9.5.2 In relation to Sections 9.5.1(a) and 9.5.1(b) of this Manual, the System Operator and Distribution Utilities shall provide the Market Operator the list of Directly Connected Customers and Contestable Customers respectively participating in the Interruptible Load Program every 15th day of the month.</u></p>	<p>Section 9.5.2 is adopted from the Interim Protocol.</p>
	9.5.3	(new)	<p><u>9.5.3 If re-declaration is due to Section 9.5.1(a) of this Manual, the Generation Companies shall enroll the applicable Distribution Utility as a supply customer with the Market Operator prior to re-declaration in accordance with Section</u></p>	<p>Section 9.5.3 is adopted from the Interim Protocol.</p>

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<u>3.5 of the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures.</u>	
	9.5.4	(new)	<u>9.5.4 The System Operator and Distribution Utilities shall inform the Market Operator of the actual time and duration of de-loading of their customers participating in the Interruptible Load Program no later than one (1) business day from the end of the relevant trading day the Interruptible Load Program was activated.</u>	Section 9.5.4 is adopted from the Interim Protocol.
	9.5.5	(new)	<u>9.5.5 If re-declaration is due to Section 9.5.1(a) of this Manual, the Generation Companies shall submit, only once, the re-declaration of bilateral contract quantities for the relevant Contestable Customers for the account of the corresponding Distribution Utilities no later than seven (7) business days from the end of the trading day when the Interruptible Load Program was activated.</u>	Section 9.5.5 is adopted from the Interim Protocol, with additional requirement for re-declaration to be submitted only one time.
	9.5.6	(new)	<u>9.5.6 If re-declaration is due to Section 9.5.1(b) of this Manual, the Generation Companies shall submit, only once, the re-declaration of bilateral contract quantities for the relevant Directly Connected Customers no later than seven (7) business days from the end of the trading day when the Interruptible Load Program was activated.</u>	Section 9.5.6 is adopted from the Interim Protocol, with additional requirement for re-declaration to be submitted only one time.
	9.5.7	(new)	<u>9.5.7 The Market Operator is authorized to accept the re-declaration of bilateral contract quantities made under Sections 9.5.5 and 9.5.6 of this Manual provided that such re-declaration complies with all the following requirements:</u> <u>a) The bilateral contract quantity re-declaration was submitted no later than seven (7) business days from</u>	Section 9.5.7 is adopted from the Interim Protocol.

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<p><u>the end of the relevant trading day when the Interruptible Load Program was activated;</u></p> <p>b) <u>The bilateral contract quantity re-declarations were only for intervals and for the Contestable Customers and/or Directly Connected Customers that participated when the Interruptible Load Program was activated;</u></p> <p>c) <u>The bilateral contract quantity re-declarations of Generation Companies correspond with their respective contract enrolments; and</u></p> <p>d) <u>The bilateral contract re-declarations of Generation Companies follow the prescribed format and mode of submissions.</u></p> <p><u>For avoidance of doubt, in case of multiple submissions of requests for re-declarations, the earliest submitted re-declaration of bilateral contract quantity shall be considered by the Market Operator.</u></p> <p><u>Further, any re-declaration of bilateral contract quantities made under Sections 9.5.5 and 9.5.6 of this Manual made beyond the timeline prescribed in (a) hereof shall be considered non-compliant and therefore shall not be accepted by the Market Operator.</u></p> <p><u>The Market Operator shall notify the relevant Generation Company and relevant counterparty of the acceptance or non-acceptance of bilateral contract quantity re-declaration, as the case may be, including the reason therefor, within a period of five (5) working days from receipt thereof.</u></p>	
	9.5.8	(new)	<u>9.5.8 If the concerned Generation Company and Distribution Utility later discovers an error on the re-declared bilateral</u>	This new provision proposes the procedure for the implementation of

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<p><u>contract quantities for the concerned <i>Contestable Customer</i> or <i>Directly Connected Customer</i> accepted under Section 9.5.7, the concerned <i>Generation Company</i> may submit, only once, the corrected <i>bilateral contract</i> quantities provided that such submission complies with the following requirements:</u></p> <ul style="list-style-type: none"> a) <u>The <i>Generation Company</i> has complied with the requirements for re-declaration of <i>bilateral contract</i> quantity under Section 9.5.7;</u> b) <u>The submission of corrected <i>bilateral contract</i> quantity is made no later than ten (10) days from the from the end of the relevant trading day when the <i>Interruptible Load Program</i> was activated;</u> c) <u>The corrected <i>bilateral contract</i> quantity re-declarations of <i>Generation Companies</i> correspond with their respective contract enrolments; and</u> d) <u>The corrected bilateral contract re-declarations of <i>Generation Companies</i> follow the prescribed format and mode of submission.</u> <p><u>For avoidance of doubt, in case of multiple submissions of requests for correction, the earliest submitted correction of re-declared <i>bilateral contract</i> quantity shall be considered by the <i>Market Operator</i>.</u></p> <p><u>Further, any correction of re-declared bilateral contract quantities made under Sections 9.5.5 and 9.5.6 of this Manual made beyond the timeline prescribed in (b) hereof shall be considered non-compliant and therefore shall not be accepted by the <i>Market Operator</i>.</u></p>	<p>MERALCO's request to have the opportunity to review actual data during ILP event.</p>

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<p><u>The <i>Market Operator</i> shall notify the relevant <i>Generation Company</i> and relevant counterparty of the acceptance or non-acceptance of correction to <i>bilateral contract</i> quantity re-declaration, as the case may be, including the reason therefor, within a period of five (5) <i>working days</i> from receipt thereof.</u></p>	
	9.5.9		<p><u>9.5.9 In case the <i>Generation Company</i> does not submit a re-declaration during the period under Section 9.5.5, and the concerned <i>Generation Company</i> and <i>Distribution Utility</i> later discovers an error on the <i>bilateral contract</i> quantities for the concerned <i>Contestable Customer</i> or <i>Directly Connected Customer</i> accepted under Section 9.2.1, the concerned <i>Generation Company</i> may submit, only once, the corrected <i>bilateral contract</i> quantities provided that such submission complies with the following requirements:</u></p> <ul style="list-style-type: none"> a) <u>The <i>Distribution Utility</i> has informed the <i>Market Operator</i> of the actual time and duration of de-loading of the <i>Contestable Customer</i> in its franchise area no later than one (1) day from the end of the relevant <i>trading day</i> when the <i>Interruptible Load Program</i> was activated pursuant to Section 9.5.4 of this <i>Market Manual</i>;</u> b) <u>The submission of corrected <i>bilateral contract</i> quantity is made within the eighth (8th) to tenth (10th) day from the relevant trading day when the <i>Interruptible Load Program</i> was activated;</u> c) <u>The corrected <i>bilateral contract</i> quantity of <i>Generation Companies</i> correspond with their respective contract enrolments; and</u> 	To provide procedure if there is erroneous non-submission of BCQ re-declaration.

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<p>d) <u>The corrected bilateral contract re-declarations of Generation Companies follow the prescribed format and mode of submission.</u></p> <p><u>For avoidance of doubt, in case of multiple submissions of requests for correction, the earliest submitted correction of bilateral contract quantity shall be considered by the Market Operator.</u></p> <p><u>Further, any correction of bilateral contract quantities made beyond the timeline prescribed herein shall be considered non-compliant and therefore shall not be accepted by the Market Operator.</u></p> <p><u>The Market Operator shall notify the relevant Generation Company and relevant counterparties of the acceptance or non-acceptance of corrections to bilateral contract quantity re-declaration, as the case may be, including the reason therefor, within a period of five (5) working days from receipt thereof.</u></p>	
	9.5.10	(new)	<p><u>9.5.10 A monthly summary of re-declaration and correction requests, including the reasons and decisions, shall be provided by the Market Operator to the Enforcement and Compliance Office of the WESM Governance Arm.</u></p>	To inform the ECO of the behavior of the participants for its studies.
	9.5.11	(new)	<p><u>9.5.11 Disputes in respect of the Market Operator's disapproval of a request for redeclaration may be raised within six (6) months from the WESM Member's receipt of the Market Operator's decision. It shall be resolved pursuant to the dispute resolution procedure set out in the WESM Rules Clause 7.3.</u></p>	To provide recourse for participants in case of disputes in line with existing dispute resolution process

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Title	Section	Original Provision	Proposed Amendment	Rationale
	9.5.12	(new)	<u>9.5.12 Re-declarations under Section 9.5.7 or submissions of corrected <i>bilateral contract</i> quantities under Section 9.5.8 made on or before the 28th day of the relevant billing month shall be included in the computation of the preliminary settlement statements for the said month, otherwise, the same shall be included in the final settlement statements for the relevant billing month.</u>	To institutionalize that the re-declarations after the 28 th day shall not be included in the preliminary settlement statement but if there were adjustments in the preliminary settlement statement, this shall be allowed provided that it is made before the preparation of final settlement statement.
	9.5.13	(new)	<u>9.5.13 The <i>Market Operator</i> shall issue advisories on the format and mode of submissions of the re-declaration and corrected <i>bilateral contract</i> quantities to the <i>Market Participants</i> through various platforms.</u>	To provide specific operational guidelines to Trading Participants