



## RULES CHANGE COMMITTEE

### Proposed Amendments to the WESM Rules and WESM Manuals on Dispatch Protocol and Market Surveillance regarding Refinements to Procedures during Market Intervention/Market Suspension Procedures

Effective Date : 22 December 2023

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**WHEREAS**, the WESM Rules (WR), and WESM Manuals on Dispatch Protocol (DPM) and Market Surveillance (MSM) provide, among others, the responsibilities of and procedures to be followed by relevant entities during the declaration of Market Intervention (MI) and Market Suspension (MS);

**WHEREAS**, on 17 March 2023, the Market Surveillance Committee (MSC) submitted proposed amendments to said WESM documents to:

- Enhance the procedures for the declaration of MI/MS and the processes thereafter to streamline the assessment undertaken by the MSC on these implementations and activities undertaken by the System Operator (SO) and Market Operator (MO); and
- Clarify the categorization of the events as Transmission System-related events or Market System-related events.

**WHEREAS**, during the 214<sup>th</sup> RCC meeting on 28 April 2023, the proposal was presented for the RCC's consideration, with highlights as follows:

Provision	Proposed Amendment	Rationale
WR 6.2.1.2, 6.2.1.3, 6.6.2.1, 6.6.2.2, 6.9.2.6 (new)  DPM 16.4.2, 16.5.2	Categorization of MI as either Grid System-related Intervention or Market System-related Intervention	Delineate the categories of MI which may be declared by the SO and MO
WR 6.7.3.3 (new)  MSM 5.3.1	Further assessment and evaluation of the MSC on the recurrence of similar MIs posed by force majeure events	Determine whether an MI should have been foreseen due to similar or past occurrences
WR 6.6.2.2, 6.6.5.2, 6.9.2.6 (new)  DPM 16.10.1	Clarification of timeline for the submission of MI/MS reports by the MO and SO upon resumption of the market operations, i.e., five (5)-working day timeline  In cases when the SO and MO may not be able to submit a complete MI/MS report, an initial report may be submitted per above timeline; the complete report shall be submitted within fifteen (15) working days from market resumption.	Allow the MSC to comply with the requirement of an initial report to be submitted to the PEM Board
WR 6.6.2.2, 6.9.2.6 (new)  DPM 16.10.1	Specification of the items to be included in the MI/MS reports of the MO and SO	Harmonize the items of the MI/MS Assessment Report to be submitted by the MSC to the PEM Board based on MSM
MSM 5.3.3, 5.3.4, 5.4.1	Clarification that the MSC's review of MI/MS reports will commence	MSC requires the complete submission of the reports from

Provision	Proposed Amendment	Rationale
	once the final report/s from MO and/or SO is/are received	the MO and SO in order to proceed with its assessment report
WR 6.10.1.1, 6.10.2.1	Reflect MSC's review, even without directive from the PEM Board, of MI and MS reports submitted by the MO and SO	In line with PEM Board Resolution No. 2011-62 ordering the MSC to commence with its motu proprio review on MI reports
WR 6.10.1.2	Clarify the recipients of the MSC's MI Assessment Report to include SO  Similarly, provision to WESM Participants and interested persons of such report may also be provided upon request and in accordance with the Market Manual on Information Disclosure and Confidentiality (IDC)	For clarity on the recipients and inclusion of IDC as a reference in the provision of the report to the requesting part
DPM 16.10.3 (new)	Inclusion of new Annex H in the DPM, i.e., MI/MS Event Report Template	Streamline the submission and inclusion of necessary information
WR 6.3.1.7, 6.5.1.2	Inclusion of the MSC and PEM Board as recipients of emergency condition notification, along with the ERC, DOE, MO, and GMC	In line with similar WESM Rules clauses
WR 6.8.2.2, 6.8.2.3	Inclusion of the DOE, ERC, MSC and the PEM Board, along with the Trading Participants and SO on the entities to be informed by the MO when simulations or implementation of Business Continuity and Disaster Recovery Procedures may interrupt market operations	For transparency
WR 6.6.2.5	Clarification that the MO may also initiate market resumption in cases of emergency condition	Reflect the current practice
DPM 16.8.2	Clarification that the MO, same with SO, may likewise declare and lift MI events	Based on MI category
WR Glossary	Deletion of the definition of "Force Majeure Event" in the Glossary	Force majeure is exhaustively defined in WESM Rules Clauses 6.7.1 and 6.7.2
WR 6.2.2.1, 6.2.3, 6.3.1.1, 6.3.2.2, 6.6.1.1, 6.6.1.2, 6.7.1, 6.9.2, 6.10 (new), 6.10.1, 6.10.2, 6.10.2.2 DPM 16.10.2	Minor and Clerical Changes	For clarity

**WHEREAS**, in the same meeting, the RCC approved the posting of the proposal in the Governance Arm website for solicitation of comments, subject to global change of the term “grid system-related” to “transmission system-related” as the former shows redundancy since the grid is defined as a high-voltage backbone system of interconnected transmission lines, substations and related facilities;

**WHEREAS**, following the 30-day commenting period from 03 May 2023 to 15 June 2023, comments were received from Panasia Energy Inc./Millennium Energy Inc. (PEI/MEI) and National Grid Corporation of the Philippines (NGCP). Further, additional comments from the Department of Energy (DOE) in a letter dated 07 July 2023 were received;

**WHEREAS**, the RCC deliberated the proposal during its 218<sup>th</sup>, 219<sup>th</sup>, 220<sup>th</sup>, 225<sup>th</sup>, 226<sup>th</sup> meetings on 21 July, 18 August, 15 September, 17 November, and 14 December 2023, respectively, with due consideration on the comments received, and the corresponding responses from the proponent. Highlights of the matters discussed are as follows:

- (i) Delineation of the MI categories that may be declared by the MO and SO - Despite the intention of the MSC’s proposal to delineate the authorized entity to declare MI in cases of market system-related intervention and transmission-related intervention by the MO and SO, respectively, concern was raised that there may still be instances when the authorized entity to declare the MI is not clear.

The definition of force majeure is already sufficient to contemplate other instances on when both entities can declare MI. Moreover, the entity that initiated the MI should be the one to provide the MI report, however, a supplemental report may be requested from the other party as needed (from the MO or SO). The template for such supplemental report can be internal and does not need to be reflected in the WESM Rules and Manuals. Relatedly, the MSC may also request any supplemental information from the SO or MO.

On the concern on whether MI reports are to be prepared jointly by the SO and MO, the RCC agreed that it should be based on the required actions for the MO and/or SO and shall be done separately.

For cases when the MO may also declare MI caused by force majeure events such as unimplementable real-time dispatch, the RCC approved provisions that indicate the MO’s coordination with SO since the latter is the primary responsible entity on system security-related concerns.

- (ii) Provision of impact and actual cost incurred by the WESM Members as consequence of MI/MS - It is difficult for the MO and SO to provide the proposed “impact and actual cost incurred by the WESM Members as a consequence of the event” as an item in their respective MI/MS reports since they do not have the methodology in computing the impact and actual cost incurred by the WESM Members.

In consideration that the MO and SO will have the most accurate data on the cost impact of the MI/MS especially that some MI/MS affects their assets which costs are recovered from End-Users, the RCC agreed on the provision that the MO and SO shall submit upon the request from the Market Surveillance Committee, within a reasonable period, all available information necessary to determine the estimated cost impact that was or may be incurred by WESM Members, including, but not limited to, the estimated costs of enhancements to the Market Management System or other related market systems or processes that may be implemented to address issues that were identified as the principal cause of the market intervention or that have contributed thereto.

- (iii) BCP and DRP exercises by the MO as MI criteria – Concern was raised on the relevance of including “simulation of the business continuity plan (BCP) and disaster recovery procedures (DRP) of the MO” as one of the criteria of MI declaration. If BCP and DRP can be conducted without MI declaration, it should be excluded in the criteria of MI declaration.

The RCC agreed to retain the criteria based on the MO representative’s explanation that MI due to BCP/DRP simulation depends on the extent of simulation exercise.

- (iv) Reporting related to MI/MS – The RCC noted that the MSC will submit its initial assessment reports on MI and MS for the DOE to provide timely feedback and conduct necessary actions when needed. Further, the RCC approved the following:
- a. Revision for the SO to notify, among others, during emergency condition the PEM Board through MSC, instead of separately notifying both entities; and
  - b. One template by the MO and SO for MI/MS that considers instances wherein the system condition and weather condition per grid is unique.

**RESOLVED**, that RCC approved the Proposed Amendments to the WESM Rules and WESM Manuals on Dispatch Protocol and Market Surveillance regarding Refinements to Procedures during Market Intervention/Market Suspension Procedures attached as Annex A.

**RESOLVED FINALLY**, that the said Proposed Amendments to the WESM Rules and WESM Manuals on Dispatch Protocol and Market Surveillance regarding Refinements to Procedures during Market Intervention/Market Suspension Procedures, are hereby endorsed to the PEM Board for approval and for submission to DOE for final approval.

Done this **22<sup>nd</sup>** day of **December 2023**, Pasig City.

Approved by: <b>THE RULES CHANGE COMMITTEE</b>	
Independent Members:	
(signed) <b>JESUSITO G. MORALLOS</b> Chairperson	(signed) <b>JOSE RODERICK F. FERNANDO</b>
(signed) <b>RACHEL ANGELA P. ANOSAN</b>	(signed) <b>JORDAN REL C. ORILLAZA</b>
Generation Sector Members:	
(signed) <b>DIXIE ANTHONY R. BANZON</b> Masinloc Power Partners Co. Ltd. (MPPCL)	(signed) <b>CHERRY A. JAVIER</b> Aboitiz Power Corp. (APC)
(signed) <b>CARLITO C. CLAUDIO</b> Millennium Energy, Inc./ Panasia Energy, Inc. (MEI/PEI)	(signed) <b>MARK D. HABANA</b> Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
(signed) <b>RYAN S. MORALES</b> Manila Electric Company (MERALCO)	(signed) <b>RUSSEL S. ALABADO</b> Angeles Electric Corp. (AEC)

(signed) <b>VIRGILIO C. FORTICH, JR.</b> Cebu III Electric Cooperative, Inc. (CEBECO III)	(signed) <b>NELSON M. DELA CRUZ</b> Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)
Supply Sector Member:	
(signed) <b>GIAN KARLA C. GUTIERREZ</b> First Gen Corporation (FGen)	
Market Operator Member:	
(signed) <b>ISIDRO E. CACHO, JR.</b> Independent Electricity Market Operator of the Philippines (IEMOP)	
Transmission Sector Member:	
(signed) <b>DARRYL LON A. ORTIZ</b> National Grid Corporation of the Philippines (NGCP)	

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
Preparation and Responses	6.2.1.2	Intervention is warranted when the <i>grid</i> or a portion of the <i>grid</i> is in the alert or <i>emergency state</i> condition as established in the <i>Grid Code</i> arising from: (a) an <i>emergency</i> condition; (b) a threat to <i>system security</i> ; or (c) an event of <i>force majeure</i> .	<b>Grid Security-related</b> Intervention <b>by the System Operator</b> is warranted when the <i>grid</i> or a portion of the <i>grid</i> is in the alert or <i>emergency state</i> condition as established in the <i>Grid Code</i> arising from:  (a) an <i>emergency</i> condition <b>or</b> ; <del>(b)</del> a threat to <i>system security</i> <b>as adverted to in Clause 6.5.2</b> ; or  <del>(c)</del> <b>(b)</b> an event of <i>force majeure</i> .	To delineate the categories of market intervention which may be declared by the MO and SO, as the case may be allowed
Preparation and Responses	6.2.1.3	<i>Market intervention</i> may also be warranted if there are interruptions in the operations of market software used by the <i>Market Operator</i> to support various processes in the WESM during the simulation of the <i>business continuity</i> plan and <i>disaster recovery</i> procedures of the <i>Market Operator</i> developed under Clause 6.8.1.1.	Market <b>System-related</b> intervention <b>by the Market Operator</b> may also be warranted if there are <b>is an</b> interruptions in the operations <b>of the Market</b> :  (a) <b>due to failure</b> of <b>the</b> market software used by the <del>Market Operator</del> <b>to produce implementable Real-time-Dispatch (RTD) schedule</b> support various processes in the WESM;  (b) during the simulation of the <i>business continuity</i> plan and <i>disaster recovery</i> procedures of the <i>Market Operator</i> developed under Clause 6.8.1.1- <b>or</b>  (c) <b>due to an event of force majeure</b> .  <b><u>If arising from an event of force majeure events, as contemplated above that also affects the security of the grid, the Market Operator may likewise declare a market intervention, in coordination with the System Operator.</u></b>	To delineate the categories of market intervention which may be declared by the MO and SO, as the case may be allowed  Coordination with SO is necessary as it is the primary responsible entity for system security-related concerns.

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
Exemption from Liability due to Market Suspension and Market Intervention	6.2.2.1	In the event of a <i>market suspension or market intervention</i> , any action of the <i>ERC, Market Operator, System Operator</i> or a <i>WESM Participant</i> in compliance with the <i>emergency</i> procedures provided in this Chapter shall not constitute a breach of the <i>WESM Rules</i> , except in the case of an act committed in bad faith or gross negligence, and said parties shall not be liable for any loss incurred by a <i>WESM Participant</i> as a result of any action taken by the <i>System Operator, the Market Operator</i> or the <i>ERC</i> under this Chapter 6.	In the event of a <i>market suspension or market intervention</i> , any action of the <i>ERC, Market Operator, System Operator</i> or a <i>WESM Participant</i> in compliance with the <i>emergency</i> procedures provided in this Chapter shall not constitute a breach of the <i>WESM Rules</i> , except in the case of an act committed in bad faith or gross negligence, and said parties shall not be liable for any loss incurred by a <i>WESM Participant</i> as a result of any action taken by the <i>System Operator, the Market Operator,</i> or the <i>ERC</i> under this Chapter 6.	Clerical revision
Administered Price	6.2.3	During <i>market suspension</i> and <i>market intervention</i> , the <i>Market Operator</i> shall impose an <i>administered price</i> to be used as basis for settlements.  The <i>Market Operator</i> shall formulate, and update as necessary, the methodology for determining the <i>administered price</i> to be used during <i>market suspension</i> or <i>market intervention</i> . Said <i>administered price</i> and any change thereto is to be endorsed by the <i>PEM Board</i> for <i>ERC</i> approval.	During <i>market suspension</i> and <i>market intervention</i> , the <i>Market Operator</i> shall impose the <b>computed</b> <del>an administered price</del> <b>as provided in the <u>Market Manual on Price Determination Methodology</u></b> , to be used as basis for settlements.  <del>The <i>Market Operator</i> shall formulate, and update as necessary, the methodology for determining the administered price to be used during market suspension or market intervention. Said administered price and any change thereto is to be endorsed by the PEM Board for ERC approval.</del>	For clarity
Emergency	6.3.1.1	The <i>System Operator</i> shall give an <i>emergency instructions</i> when it determines the existence of a situation which has an adverse material effect on electricity supply or which poses as a significant threat to <i>system security</i> .	The <i>System Operator</i> shall give <del>an</del> <i>emergency instructions</i> when it determines the existence of a situation which has an adverse material effect on electricity supply or which poses as a significant threat to <i>system security</i> .	Clerical revision
Emergency	6.3.1.7	When the <i>System Operator</i> has determined that an emergency or the effect thereof has ended, the <i>System Operator</i> shall notify the <i>Market Operator</i> who in turn shall notify all <i>WESM</i>	When the <i>System Operator</i> has determined that an <i>emergency</i> or the effect thereof has ended, the <i>System Operator</i> shall notify the <i>Market Operator</i> who in turn shall	To include the PEM Board, through MSC, as one of the recipients of the notification in

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
		<i>Participants</i> , the DOE and the ERC that the emergency or the effect of such emergency has ended.	notify all <i>WESM Participants</i> , the DOE, <del>and the ERC, and</del> <b><u>the PEM Board through Market Surveillance Committee, and Grid Management Committee</u></b> that the <i>emergency</i> or the effect of such <i>emergency</i> has ended.	line with similar clauses of the WESM Rules  GMC is among the entities notified when emergency condition arises pursuant to Clause 6.5.1.2. Hence, it is necessary to also notify it once emergency or the effect thereof has ended.
Emergency Procedures	6.3.2.2	<i>Emergency</i> procedures are the processes or steps to be taken by or at the direction of the <i>System Operator</i> to: (a) Maintain <i>system security</i> ; (b) Avert or reduce the effect of an <i>emergency</i> ; (c) Issue notifications and warnings to the <i>Market Operator</i> , the <i>PEM Board</i> , the <i>DOE</i> and the <i>ERC</i> where appropriate; (d) Restore the <i>power system</i> to a satisfactory operating state immediately after an <i>emergency</i> .	<i>Emergency</i> procedures are the processes or steps to be taken by or at the direction of the <i>System Operator</i> to: (a) Maintain <i>system security</i> ; (b) Avert or reduce the effect of an <i>emergency</i> ; (c) Issue notifications and warnings to the <i>Market Operator</i> , the <i>PEM Board</i> , the <i>DOE</i> and the <i>ERC</i> where appropriate; <b>and</b> (d) Restore the <i>power system</i> to a satisfactory operating state immediately after an <i>emergency</i> .	Clerical revision
Instructions during Emergency Condition	6.5.1.2	When an <i>emergency</i> condition arises, the <i>System Operator</i> shall immediately notify the <i>ERC</i> , the <i>DOE</i> , <i>Market Operator</i> and <i>Grid Management Committee</i> as soon as reasonably practicable, of the commencement and nature of the <i>emergency</i> . The <i>Market Operator</i> , on the other hand, shall notify <i>WESM Participants</i> , as soon as reasonably practicable, of the commencement and nature of the <i>emergency</i> .	When an <i>emergency</i> condition arises, the <i>System Operator</i> shall immediately notify the <i>ERC</i> , the <i>DOE</i> , <b><u>the PEM Board through Market Surveillance Committee</u></b> , <i>Market Operator</i> and <i>Grid Management Committee</i> as soon as reasonably practicable, of the commencement and nature of the <i>emergency</i> . The <i>Market Operator</i> , on the other hand, shall notify <i>WESM Participants</i> , as soon as reasonably practicable, of the commencement and nature of the <i>emergency</i> .	To include the PEM Board, through MSC, as one of the recipients of the notification in line with similar clauses of the WESM Rules
Market Intervention Due to Emergency	6.5.2.1	If the <i>System Operator</i> determines that, insufficient time exists for the <i>spot market</i> to address an <i>emergency</i> condition or eliminate threat in <i>system security</i> , the <i>System Operator</i> shall take any or all measures it considers to be reasonable and	If the <i>System Operator</i> determines that, insufficient time exists for the <i>spot market</i> to address an <i>emergency</i> condition or eliminate threat in <i>system security</i> , the <i>System Operator</i> shall take any or all measures it considers to be reasonable	To clarify that the SO is the one responsible to provide a report in cases of emergency condition or threat in system security.

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
Condition or Threat in System Security		<p>necessary to overcome the emergency, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) Increase or decrease the <i>generation</i> or <i>supply</i> capability such as issuance of <i>emergency instructions</i> to all available but not committed <i>generating units</i> to start-up, shutdown, cancel <i>generating units</i> on testing or recall <i>transmission</i> equipment outages;</li> <li>(b) Disconnect one or more connection points as considered by the <i>System operator</i> to be necessary;</li> <li>(c) Direct, in accordance with clause 6.5.1, a <i>Customer</i> take such steps as are reasonable to immediately reduce its load;</li> <li>(d) Constrain-on or constrain-off a Generation Company; and</li> <li>(e) Require <i>WESM Participants</i> to do any reasonable act or thing which, the <i>System Operator</i> believes necessary in the circumstances.</li> </ul> <p>Thereafter, the <i>System Operator</i> shall report in detail to the <i>Market Surveillance Committee</i>, the <i>DOE</i>, and <i>ERC</i> regarding the actions and circumstances under which the intervention was made. The <i>Market Operator</i> shall likewise submit a report to the PEM Board, DOE and ERC for such incidents.</p>	<p>and necessary to overcome the emergency, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) Increase or decrease the <i>generation</i> or <i>supply</i> capability such as issuance of <i>emergency instructions</i> to all available but not committed <i>generating units</i> to start-up, shutdown, cancel <i>generating units</i> on testing or recall <i>transmission</i> equipment outages;</li> <li>(b) Disconnect one or more connection points as considered by the <i>System operator</i> to be necessary;</li> <li>(c) Direct, in accordance with clause 6.5.1, a <i>Customer</i> <b>to</b> take such steps as are reasonable to immediately reduce its load;</li> <li>(d) Constrain-on or constrain-off a Generation Company; and</li> <li>(e) Require <i>WESM Participants</i> to do any reasonable act or thing which, the <i>System Operator</i> believes necessary in the circumstances.</li> </ul> <p>Thereafter, the <i>System Operator</i> shall <b>provide a</b> report in detail <b>in accordance with clauses 6.6.2.2 and 6.6.5.2</b> <del>to the <i>Market Surveillance Committee</i>, the <i>DOE</i>, and <i>ERC</i></del> regarding the actions and circumstances under which the intervention was made. The <i>Market Operator</i> shall likewise submit a report to the PEM Board, DOE and ERC for such incidents.</p>	<p>Further, clauses 6.6.2.2 and 6.6.5.2 were made as reference clauses to avoid redundancy on mentioning the timeline for MI reports.</p>
System Security and Reliability Guidelines	6.6.1.1	<p>In consultation with <i>WESM Participants</i> and the <i>Market Operator</i>, the <i>System Operator</i> shall develop and periodically update the <i>system security and reliability guidelines</i>, subject to approval of the <i>PEM Board</i>.</p>	<p>In consultation with <i>WESM Participants</i> and the <i>Market Operator</i>, the <i>System Operator</i> shall develop and periodically update the <i>system security and reliability guidelines</i>, subject to approval of the <i>PEM Board</i> <b>and the subsequent promulgation of the DOE.</b></p>	<p>To reflect the current procedures in the promulgation of Market Manuals</p>

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
Notice of Declaration of Market Intervention	6.6.2.1	<p>Upon determination of the existence of an alert or <i>emergency</i> state, the <i>System Operator</i>, in coordination with the <i>Market Operator</i>, may declare <i>market intervention</i>.</p> <p>The <i>Market Operator</i> shall inform the <i>WESM Participants</i> of alert warning notice from the <i>System Operator</i> and/or declaration of <i>market intervention</i>.</p>	<p>Upon determination of the existence of an alert or <i>emergency</i> state, the <i>System Operator</i>, in coordination with the <i>Market Operator</i>, may declare <i>market intervention</i>.</p> <p>The <i>Market Operator</i> shall inform the <i>WESM Participants</i> of alert warning notice from the <i>System Operator</i> and/or declaration of <i>market intervention</i>.</p> <p><b><u>If arising from an event of force majeure event, as contemplated above that also affects the security of the grid, the Market Operator may likewise declare a Market System related-intervention, in coordination with the System Operator.</u></b></p>	<p>To reflect that the MO may likewise initiate market intervention due to market software interruptions</p> <p>Coordination with SO is necessary as it is the primary responsible entity for system security-related concerns.</p>
Notice of Declaration of Market Intervention	6.6.2.2	<p>The <i>System Operator</i> (for grid-related events) and <i>Market Operator</i> (for market-related events) shall submit a <i>market intervention</i> report, as soon as practicable, to the <i>Market Surveillance Committee</i>, <i>Market Operator</i>, <i>DOE</i> and <i>ERC</i>, after the resumption of the <i>spot market</i>. Said report shall include the details relative to the <i>market intervention</i>, as follows:</p> <ul style="list-style-type: none"> <li>(a) the reason for the declaration of <i>market intervention</i>;</li> <li>(b) the number of trading intervals affected by the <i>intervention</i>;</li> <li>(c) the actions done to address the threat in <i>system security</i>; and</li> <li>(d) the actual dispatch of all <i>generating units</i> per interval affected.</li> </ul>	<p>The <i>System Operator</i> (for grid <b>security</b>-related events) and <i>Market Operator</i> (for market <b>system</b>-related events) shall submit a <i>market intervention</i> report, <b><u>within five (5) working days</u></b> <del>as soon as practicable</del>, to the <i>Market Surveillance Committee</i>, <del><i>Market Operator</i></del>, <i>DOE</i> and <i>ERC</i>, after the resumption of the <i>spot market</i>. Said report shall include the details relative to the <i>market intervention</i>, as follows:</p> <ul style="list-style-type: none"> <li>(a) the reason for the declaration of <i>market intervention</i>;</li> <li>(b) the number of trading intervals affected by the <i>intervention</i>;</li> <li>(c) the actions done to address the threat in <i>system security</i>; <del>and</del></li> <li>(d) the actual dispatch of all <i>generating units</i> per interval affected; <b><u>and</u></b></li> <li>(e) <b><u>recommendation(s) to avoid the recurrence of the event,</u></b></li> </ul>	<p>On the provided timelines, it is for the MSC to allow to comply with the requirement of report to be submitted to the PEM Board.</p> <p>On the deletion of Market Operator as a recipient of Market Intervention Report, it is for clarity and to reflect the current procedures where both the MO and SO submit their respective reports to the MSC, DOE, and the ERC.</p> <p>On item (e), recommendations from the Operators to address the issues which led to the implementation of these events are currently included in the monitoring of the MSC.</p>

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
			<p><b><u>In the event the <i>System Operator</i> or <i>Market Operator</i>, as the case may be, cannot submit a final and complete report within the above prescribed five (5)-day period, an initial report must still be submitted while the final and complete report shall be submitted within fifteen (15) working days from market resumption.</u></b></p> <p><b><u>Upon request from the <i>Market Surveillance Committee</i>, the <i>System Operator</i> or the <i>Market Operator</i>, as the case may be, shall submit within a reasonable period of time, all available data or information necessary to determine the estimated cost impact that was incurred or may be incurred by <i>WESM Members</i> as a consequence of the <i>market intervention</i>, including, but not limited to, the estimated costs of enhancements to the <i>Market Management System</i> or other related market systems or processes that may be implemented to address issues that were identified as the principal cause of the market intervention or that have contributed thereto.</u></b></p>	<p>On request for submission of the impact and actual costs incurred by WESM Members as a consequence of the event, it is in line with the Market Surveillance Manual wherein the MSC is mandated to submit an assessment report based on the MI/MS reports submitted by the MO and SO. Further, the MO and SO will have the most accurate data on the cost impact of the MI/MS especially that some MI/MS affects their assets which are likewise collected from the end-users.</p>
System Security	6.6.2.5	The <i>System Operator</i> , in coordination with the <i>Market Operator</i> , shall recommend for market resumption if the <i>emergency</i> condition or threat in <i>system security</i> has ended. The <i>Market Operator</i> shall inform the <i>WESM Participants</i> of the market resumption.	The <i>System Operator</i> , in coordination with the <i>Market Operator</i> , shall <b><u>initiate</u></b> for market resumption if the <i>emergency</i> condition or threat in <i>system security</i> has ended. The <i>Market Operator</i> shall inform the <i>WESM Participants</i> of the market resumption.	In accordance with the PGC, it is the SO that solely determines if the emergency condition or threat in system security has ended. Hence, it should also initiate the subsequent market resumption.
Market Intervention Due to System Security Threat	6.6.5.2	Thereafter, as specified in Clause 6.6.2, the System Operator shall prepare a market intervention report to be submitted to the Market Surveillance Committee, Market Operator, DOE and ERC regarding the actions and circumstances under which the market intervention was made.	<b><u>Within five (5) working days after market resumption</u></b> Thereafter, as specified in Clause 6.6.2, the System Operator shall prepare a market intervention report to be submitted to the Market Surveillance Committee, <del>Market Operator</del> , DOE and ERC regarding the actions and circumstances under which the market intervention was made.	In consideration of SO's concerns as regards prioritizing the market resumption, a 5 working-day timeline for submission of reports was provided.

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Title	Clause	Original Provision	Proposed Amendment	Rationale
			<b><u>In the event the System Operator cannot submit a final and complete report within the above prescribed five (5)-day period, an initial report must still be submitted while the final and complete report shall be submitted within fifteen (15) working days from market resumption.</u></b>	For the deletion of MO in the recipients of the report, similar rationale as provided in Clause 6.6.2.2.
Force Majeure Event	6.7.1	A force majeure is the occurrence of an event or events in the grid and in a dispatch interval that is/are is not within the reasonable control, directly or indirectly, of the System Operator, Market Operator and WESM Member, to the extent that such event, despite the exercise of the reasonable diligence, cannot be or be caused to be prevented, or removed and has resulted in a reduction in the normal capacity of part or all of the power system during that dispatch interval and such reduction is likely to materially affect the operation of the spot market or materially threaten system security.	A force majeure is the occurrence of an event or events in the grid and in a dispatch interval that is/are <del>is</del> not within the reasonable control, directly or indirectly, of the System Operator, Market Operator and WESM Member, to the extent that such event, despite the exercise of the reasonable diligence, cannot be or be caused to be prevented, or removed and has resulted in a reduction in the normal capacity of part or all of the power system during that dispatch interval and such reduction is likely to materially affect the operation of the spot market or materially threaten system security.	Clerical revision
Force Majeure	6.7.3.3	<b>NEW</b>	<b><u>In cases of Market Intervention declarations under an event of force majeure, the recurrence of similar force majeure event/s shall be subject to further assessment and evaluation of the Market Surveillance on its validity depending on the impact that the intervention has caused in the spot market.</u></b>	This shall require the MSC to undertake further assessment of a recurring MI event whenever it has an impact to the WESM.
Simulations	6.8.2.2	The <i>Market Operator</i> shall coordinate with the <i>System Operator</i> and inform the <i>Trading Participants</i> of the simulations at least thirty (30) days prior to the conduct of the same.	The <i>Market Operator</i> shall coordinate with the <i>System Operator</i> and inform the <i>Trading Participants</i> , <b><u>the DOE, the ERC, and the PEM Board through Market Surveillance Committee</u></b> , of the simulations at least thirty (30) days prior to the conduct of the same.	To include the PEM Board, through MSC, as one of the recipients of the notification in line with similar clauses of the WESM Rules
Simulations	6.8.2.3	The <i>Market Operator</i> shall also notify all <i>Trading Participants</i> and the <i>System Operator</i> 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 <i>Market Operator</i> to support various	The <i>Market Operator</i> shall also notify all <i>Trading Participants</i> , <b><u>the DOE, the ERC, and the PEM Board through Market Surveillance Committee</u></b> , and the <i>System Operator</i> as soon as reasonably possible if the simulation or implementation of its Business Continuity Plan and Disaster Recovery	To include the PEM Board, through MSC, as one of the recipients of the notification in line with similar clauses of the WESM Rules

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Title	Clause	Original Provision	Proposed Amendment	Rationale
		processes in the WESM. The <i>Market Operator</i> shall use all efforts to minimize any possible market interruption in the conduct of the simulation or implementation of the Business Continuity Plan and Disaster Recovery Procedures.	Procedures may interrupt the operations of market software used by the <i>Market Operator</i> to support various processes in the WESM. The <i>Market Operator</i> shall use all efforts to minimize any possible market interruption in the conduct of the simulation or implementation of the Business Continuity Plan and Disaster Recovery Procedures.	
	6.9.2	Declaration of Market Suspension	Declaration <b>and Lifting</b> of Market Suspension	For clarity
Declaration of Market Suspension	6.9.2.6	<b>NEW</b>	<p><b><u>The System Operator (for grid security-related information) and Market Operator (for market system-related information) shall submit a market suspension report, within five (5) working days to the Market Surveillance Committee, Market Operator, DOE and ERC, after the resumption of the spot market. Said report shall include the details relative to the market suspension, as follows:</u></b></p> <ul style="list-style-type: none"> <li><b><u>(a) the reason for the declaration of market suspension;</u></b></li> <li><b><u>(b) the number of trading intervals affected by the suspension;</u></b></li> <li><b><u>(c) the actions done to address the threat in system security; and</u></b></li> <li><b><u>(d) the actual dispatch of all generating units per interval affected.</u></b></li> </ul> <p><b><u>In the event the System Operator or Market Operator, as the case may be, cannot submit a final and complete report within the above prescribed five (5)-day period above, an initial report must still be submitted while the final and complete report shall be submitted within fifteen (15) working days from market resumption.</u></b></p>	To provide a similar provision with MI events on the preparation of MS reports

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Title	Clause	Original Provision	Proposed Amendment	Rationale
			<u>Upon request from the <i>Market Surveillance Committee</i>, the <i>System Operator</i> or the <i>Market Operator</i>, as the case may be, shall submit within a reasonable period of time, all available data or information necessary to determine the estimated cost impact that was incurred or may be incurred by <i>WESM Members</i> as a consequence of the <i>market suspension</i>, including, but not limited to, the estimated costs of enhancements to the <i>Market Management System</i> or other related market systems or processes that may be implemented to address issues that were identified as the principal cause of the <i>market intervention</i> or that have contributed thereto.</u>	
	6.10	<b>NEW</b>	<u><b>6.10. Market Intervention and Market Suspension Reportorial Requirements by the Market Surveillance Committee</b></u>	For clarity
Market Intervention Report	6.9.4 6.9.4.1	<p>Upon the concurrence of one or more of the following events:</p> <ul style="list-style-type: none"> <li>(a) A Market intervention;</li> <li>(b) An event which, in the <i>System operator's</i> reasonable opinion, is or may be a threat to <i>system security</i>;</li> <li>(c) A <i>force majeure</i> event; or</li> <li>(d) An <i>emergency</i>.</li> </ul> <p>The <i>PEM Board</i> shall, within ten days thereof, direct the <i>Market Surveillance Committee</i> to investigate the circumstances of that event and prepare a report to assess:</p> <ul style="list-style-type: none"> <li>(a) The adequacy of the relevant provisions of the WESM Rules relevant to the event, and its proposed amendments, if any;</li> </ul>	<p><u><b>6.10.1</b></u> <del>6.9.4.</del> Market Intervention Report <u>by the Market Surveillance Committee</u></p> <p><u><b>6.10.1.1</b></u> <del>6.9.4.4</del> Upon the concurrence of one or more of the following events:</p> <ul style="list-style-type: none"> <li><del>(a)</del> A Market intervention;</li> <li>(b) <b>(a)</b> An event which, in the <i>System <del>o</del>Operator's</i> reasonable opinion, is or may be a threat to <i>system security</i>;</li> <li>(c) <b>(b)</b> A <i>force majeure</i> event; or</li> <li>(d) <b>(c)</b> An <i>emergency</i>.</li> </ul> <p><del>The <i>PEM Board</i> shall, within ten days thereof, direct the <i>Market Surveillance Committee</i>, <u>upon receipt of the <i>System Operator</i> (for grid security-related events) or <i>Market Operator</i> (for market system-related events)</u></del></p>	<p>The deletion of item (a) is for clarity, as the provision enumerates instances referring to the occurrence of a MI.</p> <p>The MSC's report shall be submitted to the PEM Board upon its completion for review and approval.</p> <p>Similarly, the PEM Board has likewise released its Resolution No. 2011-62 ordering the MSC to commence with its investigations on MI reports, motu proprio.</p>

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Title	Clause	Original Provision	Proposed Amendment	Rationale
		(b) The appropriateness of actions taken by the <i>System Operator</i> and/or the <i>Market Operator</i> in relation to the event; (c) The impact and possible costs incurred by <i>WESM Members</i> as a consequence of the event; and (d) Any finding of potential fault of any <i>WESM Participant</i> including a preliminary recommendation for further evaluation by the <i>PEM Audit Committee</i> .	<p><b>reports</b>, shall investigate the circumstances of that event and prepare a report <b>Market Intervention Report</b> to assess:</p> <ul style="list-style-type: none"> <li>(a) The adequacy of the relevant provisions of the WESM Rules relevant to the event and its proposed amendments, if any;</li> <li>(b) The appropriateness of actions taken by the <i>System Operator</i> and/or the <i>Market Operator</i> in relation to the event;</li> <li>(c) The impact and possible costs incurred by <i>WESM Members</i> as a consequence of the event; and</li> <li>(d) Any finding of potential fault of any <i>WESM Participant</i> including a preliminary recommendation for further evaluation by the <i>PEM Audit Committee</i>.</li> </ul>	
Market Intervention Report	6.9.4.2	A copy of the report prepared under Clause 6.9.4.1 shall be provided to:  (a) the <i>PEM Board</i> ; (b) the <i>Market Operator</i> ; (c) the <i>ERC</i> and the <i>DOE</i> ; and (c) <i>WESM Participants</i> and interested persons on request.	<p><b>6.10.1.2</b> <del>6.9.4.2</del> A copy of the report prepared under <del>C</del> clause <b>6.10.1.1</b> <del>6.9.4.1</del> shall be provided to:</p> <ul style="list-style-type: none"> <li>(a) the <i>PEM Board</i>;</li> <li>(b) the <i>Market Operator</i>;</li> <li><b>(c) the System Operator;</b></li> <li><del>(d)</del> (d) the <i>ERC</i> and the <i>DOE</i>; and</li> <li><del>(e)</del> (e) <i>WESM Participants</i> and interested persons upon request <b>and in accordance with the Market Manual on Information Disclosure and Confidentiality.</b></li> </ul>	Renumbering and for clarity on the recipients and inclusion of Market Manual on Information Disclosure and Confidentiality as a reference in the provision of the report to the requesting party.
Market Suspension Report	6.9.5 6.9.5.1	Within ten (10) business days following a declaration by the <i>ERC</i> under Clause 6.9.1.1, the <i>Market Surveillance Committee</i> shall review the circumstances of that event and prepare a Market Suspension Report.	<p><b>6.10.2</b> <del>6.9.5</del>. Market Suspension Report <b>by the Market Surveillance Committee</b></p> <p><b>6.10.2.1</b> <del>6.9.5.1</del> <b>Upon receipt of the market suspension report from the Market Operator and the System Operator</b> Within ten (10) business days following a declaration by the <i>ERC</i> under Clause 6.9.1.1, the <i>Market</i></p>	Re-numbering and for clarity on the timeline for MSC's preparation of MS report

A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
			<p><i>Surveillance Committee</i> shall review the circumstances of that event and prepare a Market Suspension Report <b><u>to assess:</u></b></p> <ul style="list-style-type: none"> <li>(a) <b><u>The adequacy of the relevant provisions of the WESM Rules relevant to the event and its proposed amendments, if any;</u></b></li> <li>(b) <b><u>The appropriateness of actions taken by the System Operator and/or the Market Operator in relation to the event;</u></b></li> <li>(c) <b><u>The impact and possible costs incurred by WESM Members as a consequence of the event; and</u></b></li> <li>(d) <b><u>Any finding of potential fault of any WESM Participant including a preliminary recommendation for further evaluation by the PEM Audit Committee.</u></b></li> </ul>	
Market Suspension Report	6.9.5.2	<p>A copy of the report prepared under clause 6.9.5.1 shall be provided to:</p> <ul style="list-style-type: none"> <li>(a) The <i>PEM Board</i>;</li> <li>(b) The <i>ERC</i> and the <i>DOE</i> on completion of the report; and</li> <li>(c) <i>WESM Participants</i> and interested persons on request.</li> </ul>	<p><b><u>6.10.2.2</u></b> <del>6.9.5.2</del> A copy of the report prepared under clause <b><u>6.10.2.1</u></b> <del>6.9.5.4</del> shall be provided to:</p> <ul style="list-style-type: none"> <li>(a) The <i>PEM Board</i>;</li> <li>(b) The <i>ERC</i> and the <i>DOE</i> on completion of the report; and</li> <li>(c) <i>WESM Participants</i> and interested persons on request <b><u>and in accordance with the Market Manual on Information Disclosure and Confidentiality.</u></b></li> </ul>	Re-numbering and harmonization
Glossary – Force Majeure Event		An event arising from major network trouble that caused partial or system-wide blackout, market system software failure, and any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing.	<del>An event arising from major network trouble that caused partial or system-wide blackout, market system software failure, and any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing.</del>	For deletion. Force majeure is exhaustively defined in WESM Rules Clauses 6.7.1 and 6.7.2

B. WESM Manual on Dispatch Protocol Issue 18.0				
Title	Section	Original Provision	Proposed Amendment	Rationale
SECTION 16 PROCEDURES DURING MARKET INTERVENTIO N AND SUSPENSION	16.3.3	16.3.3 The <i>Market Surveillance Committee</i> will perform an assessment and submit a report to the <i>PEM Board</i> , the <i>DOE</i> and the <i>ERC</i> containing the following: <ul style="list-style-type: none"> <li>a. Adequacy of the provisions of the WESM Rules relevant to the event/s which occurred;</li> <li>b. Appropriateness of actions taken by the <i>System Operator</i> in relation to the event/s that occurred; and</li> <li>c. Costs incurred by the <i>WESM Members</i> as a result to responding to the event/s.</li> </ul>	16.3.3 The <i>Market Surveillance Committee</i> <del>will</del> <b>shall</b> perform an assessment and submit a report to the <i>PEM Board</i> , the <i>DOE</i> and the <i>ERC</i> containing the following: <ul style="list-style-type: none"> <li>a. Adequacy of the provisions of the WESM Rules relevant to the event/s which occurred;</li> <li>b. Appropriateness of actions taken by the <i>System Operator</i> <b>and/or the Market Operator</b> in relation to the event/s that occurred; <del>and</del></li> <li>c. <b><u>Impact and possible</u></b> costs incurred by the <i>WESM Members</i> as a result of responding to the event/s; <b>and</b></li> <li>d. <b><u>Potential breaches by WESM Members including a preliminary recommendation for further evaluation by the PEM Audit Committee.</u></b></li> </ul> <p><b><u>A copy of the report shall be furnished to the Market Operator and the System Operator for their information and reference.</u></b></p>	For consistency with similar provisions in the WESM Rules and MSC Manual  The last paragraph was added in line with RCC's previous Resolution No. 2023-06 regarding the proposal of NGCP related to MI/MS.
Grounds for Market Intervention and Suspension	16.4.2	<b>Grounds for Market Intervention.</b> Market intervention by the <i>System Operator</i> is permitted in WESM Rules Clause 6.2.1.2 when the <i>grid</i> is in Alert or <i>Emergency</i> state arising from (a) an <i>emergency</i> ; or (b) a threat to <i>system security</i> , or (c) an event of <i>force majeure</i> . <i>Market intervention</i> is also warranted if there is an interruption in the workflows of the <i>Market Management System</i> occurring during the simulation by the <i>Market Operator</i> of its Business Continuity Plan.	<b>Grounds for Market Intervention. <u>Grid Security-related</u></b> <del>Market intervention by the System Operator</del> is permitted in WESM Rules Clause 6.2.1.2 when the <i>grid</i> <b><u>or a portion of the grid</u></b> is in Alert or <i>Emergency</i> state arising from (a) an <i>emergency</i> ; or <del>(b)</del> a threat to <i>system security</i> , or <del>(c)</del> <b><u>b</u></b> an event of <i>force majeure</i> .  <b><u>Market System-related</u></b> intervention <del>may</del> <b>is also be</b> warranted if there is <del>an</del> interruptions in the <b><u>operations</u></b> workflows of the <b><u>Market</u></b> .	To reflect proposed amendments in the WESM Rules

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<p>(a) <del>Due to failure of the market software to produce implementable Real-time Dispatch (RTD) schedule</del> Market Management System occurring during;</p> <p><del>(a)</del> <b><u>(b) Due an event of force majeure; or</u></b></p> <p><del>(b)</del> <b><u>(c) During</u></b> simulation by the Market Operator of its <b><u>the business continuity plan and disaster recovery procedures of the Market Operator developed under WESM Rules Clause 6.8.1.1</u></b> Business Continuity Plan.</p> <p><b><u>If arising from an event of force majeure events, as contemplated above that also affects the security of the grid, the Market Operator may likewise declare a market intervention, in coordination with the System Operator.</u></b></p>	
Declaration of Market Suspension or Market Intervention	16.5.2	<p>Declaration of Market Intervention. <i>Market intervention</i> is declared by the <i>System Operator</i>, regardless of the source of the event that gave rise to such <i>market intervention</i>.</p> <p>a. Where the event that may result to intervention originates from market operations or is due to market failure, the <i>Market Operator</i> shall assess the situation and immediately advise the <i>System Operator</i> of the need to intervene in the WESM.</p> <p>b. Where the event that may result to market intervention originates from the operation of the <i>System Operator</i> or pertains to the <i>grid</i>, the <i>System Operator</i> shall assess the situation and immediately advise the <i>Market Operator</i> of the need for <i>market intervention</i>.</p> <p>c. The <i>Market Operator</i> or the <i>System Operator</i> shall notify the <i>ERC</i> and the <i>DOE</i> that an <i>emergency</i> or <i>force majeure</i> event</p>	<p>Declaration of Market Intervention. <i>Market intervention</i> <b><u>may be</u></b> is—declared by the <i>System Operator</i> <b><u>or the Market Operator, in accordance with the relevant Clauses of Chapter 6 of the WESM Rules.</u></b> <del>regardless of the source of the event that gave rise to such <i>market intervention</i>.</del></p> <p>a. Where the event that may result to intervention originates from market operations or is due to market failure, the <i>Market Operator</i> shall assess the situation and immediately advise the <i>System Operator</i> of the need to intervene in the WESM.</p> <p>b. Where the event that may result to <i>market intervention</i> originates from the operation of the <i>System Operator</i> or pertains to the <i>grid</i>, the <i>System Operator</i> shall assess the situation and immediately advise the <i>Market Operator</i> of the need for <i>market intervention</i>.</p>	To reflect proposed amendments in the WESM Rules

B. WESM Manual on Dispatch Protocol Issue 18.0				
Title	Section	Original Provision	Proposed Amendment	Rationale
		has occurred that may lead to <i>market intervention</i> , and if possible, the notice shall indicate the expected duration of the same. The responsibility for giving such notice shall depend on the source or origin of the event.	c. The <i>Market Operator</i> or the <i>System Operator</i> shall notify <b>each other, the PEM Board through Market Surveillance Committee</b> , the <i>ERC</i> and the <i>DOE</i> that an <i>emergency</i> or <i>force majeure</i> event has occurred that may lead to <i>market intervention</i> , and if possible, the notice shall indicate the expected duration of the same. The responsibility for giving such notice shall depend on the source or origin of the event.	
Declaration of Market Suspension or Market Intervention	16.5.3	Regional Declaration of Market Intervention and Market Suspension. Where the event that gives rise to the declaration of <i>market intervention</i> occurs in one <i>grid</i> and does not affect the other <i>grid/s</i> , the <i>System Operator</i> shall declare <i>market intervention</i> in the affected <i>grid</i> only (i.e., regional declaration).	Regional Declaration of Market Intervention and Market Suspension. Where the event that gives rise to the declaration of <i>market intervention</i> occurs in one <i>grid</i> and does not affect the other <i>grid/s</i> , the <i>System Operator</i> <b>or the Market Operator</b> shall declare <i>market intervention</i> in the affected <i>grid</i> only (i.e., regional declaration). <b>Similarly, the System Operator or the Market Operator may recommend to ERC the regional declaration of market suspension.</b>	To reflect proposed amendments in the WESM Rules
Market Resumption	16.8.2	Market Resumption after Market Intervention. Once the conditions that triggered the <i>market intervention</i> has been resolved, the <i>market intervention</i> shall be lifted by the <i>System Operator</i> .  a. If the event that gave rise to the <i>market intervention</i> pertains to market failure or market operations, the <i>Market Operator</i> shall immediately notify the <i>System Operator</i> that the condition has already been resolved and that the declaration of <i>market intervention</i> can already be lifted. Immediately upon being notified, the <i>System Operator</i> shall declare the lifting of the declaration of <i>market intervention</i> .  b. If the event that gave rise to the <i>market intervention</i> pertains to the <i>grid</i> or the operations of the <i>System Operator</i> , the <i>System Operator</i> shall immediately notify the <i>Market Operator</i> that the condition has already been	Market Resumption after Market Intervention. Once the conditions that triggered the <i>market intervention</i> has been resolved, the <i>market intervention</i> shall be lifted by the <i>System Operator</i> <b>or the Market Operator</b> .  a. If the event that gave rise to the <i>market intervention</i> pertains to market failure or market operations, the <i>Market Operator</i> shall immediately notify the <i>System Operator</i> that the condition has already been resolved <b>and initiate the lifting of the intervention</b> and that the declaration of <i>market intervention</i> can already be lifted. Immediately upon being notified, <del>the System Operator shall declare the lifting of the declaration of market intervention.</del>  b. If the event that gave rise to the <i>market intervention</i> pertains to the <i>grid</i> or the operations of the <i>System Operator</i> , the <i>System Operator</i> shall immediately	To clarify that the MO and SO both may declare and lift Market Intervention events

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Title	Section	Original Provision	Proposed Amendment	Rationale
		resolved and that it is lifting the declaration of <i>market intervention</i> .	notify the <i>Market Operator</i> that the condition has already been resolved and that it is lifting the declaration of <i>market intervention</i> .	
Report on Market Intervention or Market Suspension	16.10.1	<p>Upon market resumption, the <i>System Operator</i> and the <i>Market Operator</i> shall prepare and submit to the <i>PEM Board</i>, the <i>ERC</i> and the <i>DOE</i> a detailed report containing, as minimum, the following information:</p> <ul style="list-style-type: none"> <li>a. Description of the circumstances that gave rise to the <i>market intervention</i> or <i>market suspension</i>;</li> <li>b. Steps taken to maintain operations and, in case of intervention, the steps taken to correct the situation; and</li> <li>c. Conclusions and recommendations for avoiding similar <i>market intervention</i> in the future.</li> </ul>	<p><b><u>Within five (5) working days from the</u></b><del>Upon</del> market resumption, the <i>System Operator</i> and<del>or</del> the <i>Market Operator</i> shall prepare and submit to the <del>PEM Board</del> <b><u>through the Market Surveillance Committee</u></b>, the <i>ERC</i> and the <i>DOE</i> a detailed report containing, as minimum, the following information:</p> <ul style="list-style-type: none"> <li>a. Description of the circumstances that gave rise to the <i>market intervention</i> or <i>market suspension</i>;</li> <li>b. Steps taken to maintain operations and, in case of intervention, the steps taken to correct the situation; and</li> <li>c. Conclusions and recommendations for avoiding similar <i>market intervention</i> in the future.</li> </ul> <p><b><u>In the event the <i>System Operator</i> or <i>Market Operator</i>, as the case may be, cannot submit a final and complete report within the above prescribed five (5)-day period, an initial report must still be submitted while the final and complete report shall be submitted within fifteen (15) working days from market resumption.</u></b></p> <p><b><u>Upon request from the <i>Market Surveillance Committee</i>, the <i>System Operator</i> or the <i>Market Operator</i>, as the case may be, shall submit within a reasonable period of time, all available data or information necessary to determine the estimated cost impact that was incurred or may be incurred by <i>WESM Members</i> as a consequence of the <i>market intervention</i> or <i>market suspension</i>, including, but not limited to, the estimated costs of enhancements</u></b></p>	To reflect proposed amendments in the WESM Rules

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Title	Section	Original Provision	Proposed Amendment	Rationale
			<b><u>to the Market Management System or other related market systems or processes that may be implemented to address issues that were identified as the principal cause of the market intervention or that have contributed thereto.</u></b>	
Report on Market Intervention or Market Suspension	16.10.2	In accordance with WESM Rules Clauses 6.9.4 and 6.9.5, the <i>Market Surveillance Committee</i> shall render to the <i>PEM Board, DOE</i> and the <i>ERC</i> a report on the <i>market intervention or market suspension</i> containing its assessment of the following: <ul style="list-style-type: none"> <li>a. The adequacy of the relevant provisions of the WESM Rules in relation to the event or events which occurred;</li> <li>b. The appropriateness of the actions taken by the <i>System Operator</i> and the <i>Market Operator</i> in relation to the event or events that occurred; and</li> <li>c. The costs incurred by the <i>WESM Members</i> as a consequence of responding to the event or events.</li> </ul>	In accordance with WESM Rules Clauses 6.109.4 and 6.9.5, the <i>Market Surveillance Committee</i> shall render to the <i>PEM Board, DOE</i> and the <i>ERC</i> a report on the <i>market intervention or market suspension</i> containing its assessment of the following: <ul style="list-style-type: none"> <li>a. The adequacy of the relevant provisions of the WESM Rules in relation to the event or events which occurred;</li> <li>b. The appropriateness of the actions taken by the <i>System Operator</i> and/or the <i>Market Operator</i> in relation to the event or events that occurred; and</li> <li>c. The <b><u>impact and possible</u></b> costs incurred by the <i>WESM Members</i> as a consequence of responding to the event or events-; <b><u>and</u></b></li> <li>d. <b><u>Potential breaches by WESM Members including a preliminary recommendation for further evaluation by the PEM Audit Committee.</u></b></li> </ul> <p><b><u>A copy of the report shall be furnished to the Market Operator and the System Operator for their information and reference.</u></b></p>	Re-numbering and harmonization  The last paragraph was added in line with RCC's previous Resolution No. 2023-06 regarding the proposal of NGCP related to MI/MS.

B. WESM Manual on Dispatch Protocol Issue 18.0				
Title	Section	Original Provision	Proposed Amendment	Rationale
Report on Market Intervention or Market Suspension	16.10.3	<b>NEW</b>	<b><u>The Market Operator and the System Operator shall use Appendix H. Market Intervention/Suspension Report Template for the submission of their respective complete report(s) to the Market Surveillance Committee.</u></b>	For uniformity and easier assessment on the submissions

WESM Manual on Market Surveillance 1.0				
Title	Section	Original Provision	Proposed Amendment	Rationale
REVIEW OF MARKET INTERVENTION	5.3.1	<p>The <i>Market Surveillance Committee</i> shall conduct a review upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>a) An Intervention declared by the <i>System Operator</i> as established in the Grid Code, due to:                             <ul style="list-style-type: none"> <li>(i) An <i>emergency</i>;</li> <li>(ii) A threat to <i>system security</i>; or</li> <li>(iii) An event of <i>force majeure</i>;</li> </ul> </li> <li>b) An intervention declared by the <i>Market Operator</i> due to force majeure, which includes:                             <ul style="list-style-type: none"> <li>(i) Market system hardware or software failure that makes it impossible to receive or process market offer/bid information or produce market schedules due to erroneous real-time status input data or dispatch the system in accordance with the WESM Rules; and</li> <li>(ii) Interruption in the operations of market software used by the Market Operator to support various processes in the WESM during the simulation of the business continuity plan and disaster recovery procedures, or any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing.</li> </ul> </li> </ul>	<p>The <i>Market Surveillance Committee</i> shall conduct a review upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>a) An Intervention declared by the <i>System Operator</i> as established in the Grid Code, due to:                             <ul style="list-style-type: none"> <li>(i) An <i>emergency</i>;</li> <li>(ii) A threat to <i>system security</i>; or</li> <li>(iii) An event of <i>force majeure</i>;</li> </ul> </li> <li>b) An intervention declared by the <i>Market Operator</i> due to force majeure, which includes:                             <ul style="list-style-type: none"> <li>(i) Market system hardware or software failure that makes it impossible to receive or process market offer/bid information or produce market schedules due to erroneous real-time status input data or dispatch the system in accordance with the WESM Rules; and</li> <li>(ii) (Interruption in the operations of market software used by the Market Operator to support various processes in the WESM during the simulation of the business continuity plan and disaster recovery procedures, or any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing.</li> </ul> </li> </ul> <p><b><u>In cases of <i>Market Intervention</i> declarations under an event of <i>force majeure</i>, the recurrence of similar <i>force majeure</i> event/s shall be subject to further assessment and evaluation of the <i>Market Surveillance Committee</i> on its validity depending on the impact that the intervention has caused in the <i>spot market</i>.</u></b></p>	<p>The Market Surveillance Committee has recorded 21 instances of MI imposition by the MO relating to the same market software issues. While the Civil Code of the Philippines contemplates force majeure as those which may be foreseen but are inevitable, advanced technologies may already address these occurrences in order to mitigate the imposition of an MI.</p> <p>The MSC has likewise noted that in some of MI impositions, administered prices were higher than the prevailing market prices which may be detrimental to spot exposed participants.</p>

WESM Manual on Market Surveillance 1.0				
Title	Section	Original Provision	Proposed Amendment	Rationale
REVIEW OF MARKET INTERVENTION	5.3.3	<p>Upon receipt of the notification from the <i>Market Operator</i> or the <i>System Operator</i>, the <i>Market Surveillance Committee</i> shall conduct a review and shall prepare a Market Intervention Report, which shall include:</p> <ul style="list-style-type: none"> <li>a) All data and information regarding the event, including those provided by the <i>System Operator</i> or the <i>Market Operator</i>;</li> <li>b) Assessment and recommendations, as applicable, on: <ul style="list-style-type: none"> <li>(i) The adequacy of the provisions of the <i>WESM Rules</i> relevant to the event, and its proposed amendments, if any;</li> <li>(ii) The appropriateness of actions taken by the <i>System Operator</i> and/or <i>Market Operator</i> in relation to the event;</li> <li>(iii) The impact and possible costs incurred by <i>WESM Members</i> as a consequence of the event; and</li> <li>(iv) Potential breaches by <i>WESM Members</i>.</li> </ul> </li> </ul>	<p>Upon receipt of the <b>final report notification</b> from the <i>Market Operator</i> <b>and/or</b> the <i>System Operator</i>, the <i>Market Surveillance Committee</i> shall conduct a review and shall prepare a Market Intervention Report, which shall include:</p> <ul style="list-style-type: none"> <li>a) All data and information regarding the event, including those provided by the <i>System Operator</i> or the <i>Market Operator</i>;</li> <li>b) Assessment and recommendations, as applicable, on: <ul style="list-style-type: none"> <li>(i) The adequacy of the provisions of the <i>WESM Rules</i> relevant to the event, and its proposed amendments, if any;</li> <li>(ii) The appropriateness of actions taken by the <i>System Operator</i> and/or <i>Market Operator</i> in relation to the event;</li> <li>(iii) The impact and possible costs incurred by <i>WESM Members</i> as a consequence of the event; and</li> <li>(iv) Potential breaches by <i>WESM Members</i> <b>including a preliminary recommendation for further evaluation by the PEM Audit Committee.</b></li> </ul> </li> </ul>	<p>The MSC requires the complete submission of the reports from the MO and SO in order to proceed with its assessment report. Mere notification may not be sufficient for the Committee to undertake what is required of the WESM Manual.</p>
REVIEW OF MARKET INTERVENTION	5.3.6	<p>The <i>Market Surveillance Committee's</i> Market Intervention Report shall be submitted to the <i>PEM Board</i> for review and approval, within a reasonable period, provided that the initial report shall be submitted within thirty (30) working days after the <i>MSC</i> has received the notification from the <i>Market Operator</i> or the <i>System Operator</i>.</p>	<p>The <i>Market Surveillance Committee's</i> Market Intervention Report shall be submitted to the <i>PEM Board</i> for review and approval, <del>within a reasonable period</del>, provided that the <del>initial</del> report shall be submitted within thirty (30) working days after the <i>MSC</i> has received the <b>final report notification</b> from the <i>Market Operator</i> <b>and/or</b> the <i>System Operator</i>.</p>	<p>On the deletion of “within a reasonable period”, the 30-day timeline is already provided.</p> <p>On the deletion of “initial”, the MSC only submits one report to the PEM Board, i.e., there is neither initial nor final.</p> <p>On the “revision of notification” to “final report”, the MSC requires the</p>

WESM Manual on Market Surveillance 1.0				
Title	Section	Original Provision	Proposed Amendment	Rationale
				complete submission of the reports from the MO and SO in order to proceed with its assessment report.
<b>REVIEW OF MARKET SUSPENSION</b>	5.4.1	<p>Within ten (10) business days following a notice by the <i>Market Operator</i> of a declaration of Market Suspension by the <i>ERC</i> under Clause 6.9.1.1 of the <i>WESM Rules</i>, the <i>Market Surveillance Committee</i> shall convene and review such declaration and prepare a report to assess:</p> <ul style="list-style-type: none"> <li>a. The adequacy of the relevant provisions of the WESM Rules in relation to the event or events which occurred;</li> <li>b. The appropriateness of actions taken by the <i>System Operator</i> and the <i>Market Operator</i> in relation to the event or events which occurred;</li> <li>c. The costs incurred by <i>WESM Members</i> as a consequence of responding to the event or events; and</li> <li>d. Any finding of potential, fault of any <i>WESM Participant</i> including a preliminary recommendation for further evaluation by the PEM Auditor.</li> </ul>	<p><b><u>Upon receipt of the final report Market Suspension Report from the Market Operator and/or System Operator</u></b> Within ten (10) business days following a notice by the <del>Market Operator</del> of a declaration of Market Suspension by the <i>ERC</i> under Clause 6.9.1.1 of the <i>WESM Rules</i>, the <i>Market Surveillance Committee</i> shall <del>convene and review such declaration and prepare a report</del> <b><u>Market Suspension Report</u></b> to assess:</p> <ul style="list-style-type: none"> <li>a. The adequacy of the relevant provisions of the WESM Rules in relation to the event or events which occurred;</li> <li>b. The appropriateness of actions taken by the <i>System Operator</i> and/or the <i>Market Operator</i> in relation to the event or events which occurred;</li> <li>c. The <b><u>impact and possible</u></b> costs incurred by <i>WESM Members</i> as a consequence of responding to the event or events; and</li> </ul> <p><del>Any finding of potential, fault of any WESM Participant</del> <b><u>Potential breaches by WESM Members</u></b> including a preliminary recommendation for further evaluation by the <del>PEM Auditor</del> <b><u>PEM Audit Committee</u></b>.</p>	<p>To reflect proposed amendments in the WESM Rules</p> <p>For harmonization</p>

**Appendix H - Market Intervention/Suspension Report Template**

Record No.:			
Document Title: <b>MARKET INTERVENTION/SUSPENSION EVENT REPORT</b>			
<b>A. MARKET INTERVENTION/SUSPENSION EVENT DETAILS</b>			
<b>Accomplished by:</b>	<input type="checkbox"/> Market Operator	<input type="checkbox"/> System Operator	
<b>Type of Report</b>	<input type="checkbox"/> Initial	<input type="checkbox"/> Final	
<b>Trading Date:</b>	<b>Dispatch Interval:</b>		
<b>Grid:</b>	<input type="checkbox"/> Luzon	<b>Duration:</b>	
	<input type="checkbox"/> Visayas		
	<input type="checkbox"/> Mindanao		
<b>Categorization</b>	<input type="checkbox"/> Grid System-related Intervention		
	<input type="checkbox"/> Market System-related Intervention		
	<input type="checkbox"/> Market Suspension		
<b>Grounds for Market Intervention</b>	<input type="checkbox"/> Emergency Condition		
	<input type="checkbox"/> Threat to System Security		
	<input type="checkbox"/> Force Majeure		
	<input type="checkbox"/> Disaster Recovery Procedure Simulation		
	<input type="checkbox"/> Business Continuity Plan		
<b>System/s Affected</b>			
<b>B. SEQUENCE OF EVENTS</b>			
<b>Date/Time</b>	<b>Description of Incident</b>	<b>Actions Taken</b>	
<b>C. POWER SUPPLY AND DEMAND SITUATION</b>			
<b>Luzon</b>	<input type="checkbox"/> Normal	<input type="checkbox"/> Insufficient	<input type="checkbox"/> Surplus
<b>Visayas</b>	<input type="checkbox"/> Normal	<input type="checkbox"/> Insufficient	<input type="checkbox"/> Surplus
<b>Mindanao</b>	<input type="checkbox"/> Normal	<input type="checkbox"/> Insufficient	<input type="checkbox"/> Surplus
<b>D. SYSTEM AND WEATHER CONDITIONS</b>			
<b>System Condition</b>			
<b>Luzon</b>	<input type="checkbox"/> Normal	<input type="checkbox"/> Yellow Alert	<input type="checkbox"/> Red Alert
<b>Visayas</b>	<input type="checkbox"/> Normal	<input type="checkbox"/> Yellow Alert	<input type="checkbox"/> Red Alert
<b>Mindanao</b>	<input type="checkbox"/> Normal	<input type="checkbox"/> Yellow Alert	<input type="checkbox"/> Red Alert
<b>Weather Condition</b>			
<b>Fair Weather</b>	<input type="checkbox"/> Luzon	<input type="checkbox"/> Visayas	<input type="checkbox"/> Mindanao
<b>Weather Disturbance</b>	<input type="checkbox"/> Luzon	<input type="checkbox"/> Visayas	<input type="checkbox"/> Mindanao
<b>Blue Alert</b>	<input type="checkbox"/> Luzon	<input type="checkbox"/> Visayas	<input type="checkbox"/> Mindanao
<b>Additional Information</b>	<input type="checkbox"/> Constrained On Generators	<input type="checkbox"/> Constrained Off Generators	<input type="checkbox"/> Emergency Load Dropping
	<input type="checkbox"/> Generators Shedding	<input type="checkbox"/> Load Shedding	Others:
<b>Affected Transmission Line/Substations</b>			
<b>E. DETAILED REPORT</b>			
<b>Problem Encountered :</b>			
<b>Assessment of the Problem :</b>			
<b>Steps/Actions Take to Mitigate the Problem :</b>			
<b>Conclusion :</b>			
<b>Recommendation :</b>			
<b>F. SUPPORTING DOCUMENTS/ATTACHMENTS</b>			
<i>i.e.</i> a.) Significant Incident Report Schedules (SIR), b.) Grid Updates, c.) Steps/actions taken vis-à-vis the SO procedures on Dispatch Protocol, d.) Actual dispatch of all generating units per interval affected, e.) Others			
<b>Prepared By:</b>	<b>Reviewed By:</b>		
<b>Approved By:</b>			