

RULES CHANGE COMMITTEE

Request for Extension of Effectivity of Urgent Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 “Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the WESM Amending for this Purpose”



Effective Date : 24 January 2024

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WHEREAS, the PEM Board approved on 25 January 2023¹ RCC Resolution No. 2023-01 entitled “Proposed Urgent Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the WESM Amending for this Purpose Department Circular No. DC2015-03-0001)”, which sought to implement said Department Circular by:

1. amending the classification of priority dispatch generating units to include all biomass plants (with FiT certificate or none), geothermal, and impounding hydro plants; and
2. providing that controllable generating units involving biomass, geothermal and impounding hydro plants that are currently registered as providers of ancillary services should be registered as scheduled generating units in view of the principles of co-optimizing its energy and reserve capacities through market offers for the upcoming reserve market.

WHEREAS, in accordance with the rules change process for urgent amendments, the pertinent market documents were immediately revised and posted in the PEMC website, with the changes taking effect for a period of not more than six (6) months from the date of posting (i.e., until 26 July 2023) or until a general amendment on the same matter has been approved by the DOE, whichever comes first²;

WHEREAS, the rules change process for the corresponding general amendments was initiated with the posting of the proposal in the PEMC website³ on 03 February 2023 to solicit comments from WESM Members, stakeholders and interested parties within 30-working days;

WHEREAS, the RCC proceeded to deliberate on and finalize the general proposed amendments over two (2) meetings⁴, approved the endorsement of the same to the PEM Board, as revised, per RCC Resolution No. 2023-07 dated 27 June 2023; and in the same Resolution likewise recommended extending the effectivity of the urgent amendments for another six (6) months (until 26 January 2024), as permitted in the Section 7.4 (g) of the Rules Change Manual, noting that the effectivity was to expire on 26 July 2023;

WHEREAS, the PEM Board approved the general amendments and the recommendation to extend the effectivity of the urgent amendments on 26 July 2023 per PEM Board Resolution No. 2023-62-03, which was thereafter endorsed to the DOE for final approval on 31 July 2023;

¹ PEM Board Resolution No. 2023-56-01

² WESM Manual Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals (“Rules Change Manual”); Sections 7.4 (a) and (b)

³ Rules Change Manual, Section 7.4 (f)

⁴ 19 May and 23 June 2023

WHEREAS, the DOE conducted public consultations on the draft Department Circular regarding the proposal on 23 August (Taguig City), 31 August (General Santos City) and 06 September 2023 (Cebu City) to allow WESM members and stakeholders to provide comments;

WHEREAS, noting that the effectivity of the PEM-Board approved urgent amendments is due to expire by 26 January 2024 and in the absence of the DOE's approval of the general amendment, the RCC again recommends extending the effectivity of the urgent amendments for another six (6) months;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve that extending the implementation of the PEM-Board approved Urgent Amendments is necessary considering the material effects to the scheduling of renewable energy resources should said amendments cease to take effect;

RESOLVED, that the RCC recommends to the PEM Board extending the effectivity of the PEM-Board Approved Urgent Amendments for another six (6) months;

Done this **24th** day of **January 2024**, 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) 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)	(signed) RUSSEL S. ALABADO Angeles Electric Corporation (AEC)

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)

System Operator Member:

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