



RULES CHANGE COMMITTEE

Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Enhancements and Updating of the System Operator's Re-Dispatching, Reporting and Market Intervention/Market Suspension Procedures

Effective Date : 06 June 2023

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WHEREAS, the WESM Rules (WR) and WESM Manual on Dispatch Protocol (DPM) set out the guidelines, timetable, and procedures on dispatch scheduling and implementation in the WESM. Specifically, the DPM provides procedures for the following:

- (i) Re-dispatch instructions of the System Operator (SO); and
- (ii) Market Intervention (MI) and Market Suspension (MS).

WHEREAS, on 23 December 2022, the National Grid Corporation of the Philippines (NGCP) submitted proposed amendments to said WESM documents to update the SO's procedures for re-dispatch implementation, submission of system advisories and significant incident reports, and MI/MS.

WHEREAS, NGCP presented during the 208th RCC meeting on 20 January 2023 the summary of the proposal as follows:

| WESM Document Clause | Proposed Amendment | Rationale |
|---------------------------|---|---|
| WR 6.2 and 6.5 DPM 7.4 | Removal of the Grid Management Committee (GMC) on the recipients of the SO's System Advisories and Significant Incident Reports | Dissolution of the GMC and Distribution Management Committee |
| DPM 11.1.5 | Deletion of Section 11.1.5 regarding the use of the first WMOT as the SO's reference in issuing re-dispatch instructions | Improvement of SO's internal procedures wherein it uses the 5-minute WESM Merit Order Table (WMOT) as reference in issuing re-dispatch instructions |
| DPM 2.1.2 and 10.1 | Addition of national WMOT which will cover the interconnected grids where WESM is in operation Specification of the different classification of regional WMOTs | To clarify that the Market Operator (MO) will prepare a National WMOT for the interconnected grids and a Regional WMOT for each of the grids where WESM are in commercial operation |
| DPM 11.7 | Generators that followed re-dispatch instructions to seek clearance from the SO prior to following dispatch schedules | Possibility that during MOT constrain-off instruction due to over frequency, the latter still persists for the following dispatch interval |
| DPM 13.4 | Amendment of the basis of outage schedule updating due to generating unit's deferred start-up | To undergo proper coordination protocol to be approved for unplanned outage (non-Grid Operation Program) |
| WR 6.9.4.2 DPM 16.3.3 | Addition of the SO as recipient of the Market Surveillance Committee's (MSC) assessment report during MI or MS | To apprise the SO of the MSC's assessment result |

| WESM Document Clause | Proposed Amendment | Rationale |
|----------------------|---|---|
| DPM 16.3.4 | Addition of an option for the SO to submit its comments on the MSC's assessment report during MI or MS | To provide the SO with the option/opportunity to correct or comment on the report |
| DPM 16.8.1 | Resumption of the market at a specific interval prescribed by the ERC considering the preparations needed by the participants to comply market-based instructions | To provide the participants with sufficient time to prepare for market-based instructions |

WHEREAS, in the same meeting, the RCC approved the posting of the proposal in the Governance Arm website for solicitation of comments, and made the following clarifications and suggestions:

- (i) Request from ERC the document pertaining to the dissolution of the DMC and GMC;
- (ii) On the proposal for generators to seek clearance from SO to follow dispatch schedules after re-dispatch, cite specific timeline and medium to be used for the generators in seeking such clearance;
- (iii) Coordinate with MSC if they would be amenable for the SO to be entitled to submit its comments on the MSC's assessment report to the PEM Board on MI or MS; and
- (iv) Align WR Clause 6.9.4.1 with WESM Manual on Market Surveillance Section 5.3.3 wherein the MSC shall automatically conduct a review on the circumstances of the event and prepare an assessment report and should not wait for PEM Board's instruction.

WHEREAS, following the 30-day commenting period from 25 January 2023 to 08 March 2023, comments were received from Aboitiz Power Corporation (APC), Independent Market Operator of the Philippines (IEMOP), Panasia Energy Inc./Millennium Energy Inc. (PEI/MEI), SPC Power Corporation/SPC Island Power Corporation (SPC/SIPC); and Technical Committee (TC).

WHEREAS, during the 214th RCC meeting on 28 April 2023, the RCC deliberated the proposal with due consideration on the comments received, and the corresponding responses from the proponent. The RCC members agreed to:

- (i) While awaiting the ERC's response to the RCC's letter requesting clarification on the status of GMC and DMC, retain GMC references in the proposal in consideration with the probable move of ERC to revive the said entity;
- (ii) Noting the provisional agreement of the MSC during its meeting on 09 February 2023, include the SO as one of the recipients of the MSC's assessment report on MI considering that the report is being provided to the MO, and since both MO and SO submit MI reports to the MSC;
- (iii) Secretariat to confirm if the original provisions in the proposal, which are based on DP Manual 17.0, were affected due to the publication of the DP Manual Issue 18.0;
- (iv) Exclude the proposed island WMOT as it shall be complex to prepare given that the scope of islanding may vary on a case-to-case basis unlike for regional WMOT where the scope of each region is clearly defined. Further, adoption of the island WMOT would require system enhancements with the attendant costs;
- (v) Adopt the recommendation of one the Generation Sector Representatives for re-dispatched generators to await the SO's instruction, instead of requesting clearance from SO, prior to following their dispatch schedules. Relative to this, the RCC noted that this needs to be further discussed in consideration of the five (5) minute dispatch interval, and the timeline and manner in which the SO will be providing such clearances/instructions;
- (vi) Specify that submission of the generator's new outage schedule should be immediate in cases that its start-up will be deferred; and

- (vii) Seek concurrence from MSC on RCC's further suggestion for any WESM Member, not only the SO, to submit comments on the MSC's assessment report on MI or MS.

WHEREAS, during the 216th RCC meeting, the RCC noted updates relevant to the proposal, as follows:

- (i) The MSC's "Proposed Amendments to the WESM Rules and the Dispatch Protocol Manual regarding the Market Intervention/Suspension Procedures", which was presented to the RCC on 28 April 2023, addresses the above-mentioned harmonization of WR Clause 6.9.4.1 and WESM Manual on Market Surveillance Section 5.3.3;
- (ii) The ERC issued on 03 May 2023 Resolution No. 04, Series of 2023, "A Resolution constituting an Interim Grid Management Committee (GMC) for a Specific Purpose and Perform Limited Functions under the Philippine Grid Code", wherein the PEMC Technical Committee members, a representative each from the ERC's Regulatory Operations Service, and the Market Operations Service were constituted to be the Interim GMC. As such, the status of the GMC is confirmed to be existing; and
- (iii) During its meeting on 11 May 2023, the MSC recommended, for the RCC's consideration, the deletion of the proposed provision that allows the SO and other WESM Members to submit comments on the MSC's Review Report on MI/MS due to the following reasons:
 - a. Both the MO and SO have respective representations in the PEM Board which gives them the opportunity to ask or raise comments before actions are taken by the PEM Board. Also, there is an available procedure by the Market Assessment Department of PEMC and MSC wherein concerned entities are consulted prior to the MSC's submission of the report to the PEM Board; and
 - b. The proposal for the WESM participants to submit comments to MSC reports may open the flood gates to those participants who may not be concerned about the MI/MS, which may cause inefficiency in the process of the MSC.

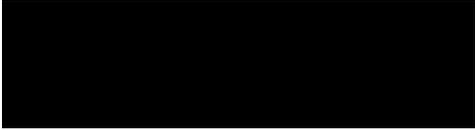
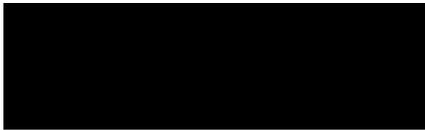
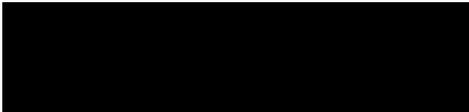
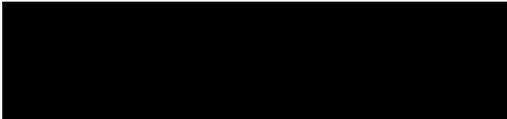
WHEREAS, during the same meeting, the RCC approved the proposal with the following additional clarifications:

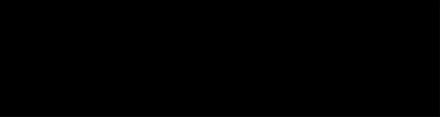
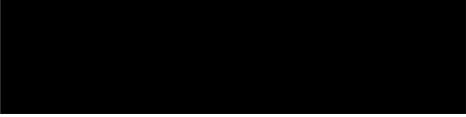
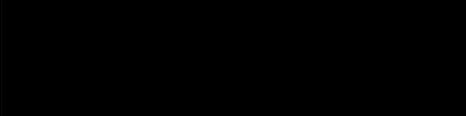
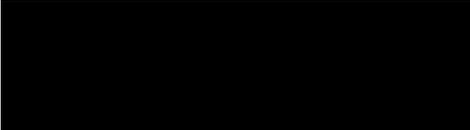
- (i) The SO's instruction for the re-dispatched generators to follow their dispatched schedules in the next dispatch interval shall be provided by the SO the same way it provided re-dispatch instructions; and
- (ii) The generators' submission to the SO of their new outage schedules if the start-up will be deferred should be prior to the original schedule of the start-up or the relevant Real-time Dispatch run.

RESOLVED, that RCC approved the Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Enhancements and Updating of the System Operator's Re-Dispatching, Reporting and Market Intervention/Market Suspension Procedures attached as Annex A.

RESOLVED FINALLY, that the said Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Enhancements and Updating of the System Operator's Re-Dispatching, Reporting and Market Intervention/Market Suspension Procedures, are hereby endorsed to the PEM Board for approval and for submission to DOE for final approval.

Done this 6th day of June 2023, Pasig City.

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

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|---|---|
|  VIRGILIO C. FORTICH, JR. Cebu III Electric Cooperative, Inc. (CEBECO III) |  NELSON M. DELA CRUZ Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1) |
| Supply Sector Member: | |
|  GIAN KARLA C. GUTIERREZ First Gen Corporation (FGen) | |
| Market Operator Member: | |
|  JOHN PAUL S. GRAYDA Independent Electricity Market Operator of the Philippines (IEMOP) | |
| Transmission Sector Member: | |
|  DARRYL LON A. ORTIZ National Grid Corporation of the Philippines (NGCP) | |

Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Enhancements and Updating of the System Operator's Re-Dispatching, Reporting and Market Intervention/ Market Suspension Procedures

| A. WESM Rules | | | | |
|------------------------------|---------|---|---|---|
| Title | Clause | Provision | Proposed Amendment | Rationale |
| CLAUSE 6.9 MARKET SUSPENSION | 6.9.4.2 | <p>A copy of the report prepared under Clause 6.9.4.1 shall be provided to:</p> <ul style="list-style-type: none"> a) the <i>PEM Board</i>; b) the <i>Market Operator</i>; c) the <i>ERC</i> and the <i>DOE</i>; and d) <i>WESM Participants</i> and interested persons on request. | <p>A copy of the report prepared under Clause 6.9.4.1 shall be provided to:</p> <ul style="list-style-type: none"> (a) the <i>PEM Board</i>; (b) the <i>Market Operator</i>; (c) <u>System Operator</u>; (c) the <i>ERC</i> and the <i>DOE</i>; and (d) <i>WESM Participants</i> and interested persons on request. | <p>To apprise the System Operator of the MSC's assessment result same with the MO because the SO also submits MI report to the MSC.</p> |

| B. WESM Rules WESM Manual on Dispatch Protocol Issue 18.0 | | | | |
|---|--------|--|--|--|
| Title | Clause | Provision | Proposed Amendment | Rationale |
| SECTION 2 DEFINITION, REFERENCES AND INTERPRETATION | 2.1.2 | NEW | <u>National WESM Merit Order Table (WMOT). WMOT for the interconnected grids where WESM is in operation. Upon energization of the Mindanao-Visayas Interconnection Project (MVIP), National WMOT refers to interconnected Luzon-Visayas-Mindanao.</u> | To clarify that the MO will prepare a National WMOT for the interconnected grids and a Regional WMOT for each of the grids where WESM is in commercial operation. The addition of the National WMOT will cover the interconnected grids, to serve as a guide of the SO (particularly the Central Grid Operations) in managing the capacity sharing between regions. |
| | 2.1.2 | NEW | <u>Regional WESM Merit Order Table (WMOT). WMOT for each of the grids where WESM is in operation.</u> | Regional WMOT is also proposed to be defined with its classifications specified in Section 10. |
| SECTION 10 PREPARATION OF THE WESM MERIT ORDER TABLE | 10.1 | 10.1 Background xxx 10.1.4 The <i>Market Operator</i> prepares a separate <i>WMOT</i> for each of the <i>grids</i> where the <i>WESM</i> is in commercial operation. | 10.1 Background xxx 10.1.4 The <i>Market Operator</i> prepares a <u>national WMOT and regional</u> separate <i>WMOTs</i> for each of the <i>grids</i> where the <i>WESM</i> is in commercial operation. <u>The Regional WMOT is further classified as follows:</u> i. <u>Luzon-Visayas WMOT - WMOT for interconnected Luzon-Visayas Grid, when the Mindanao Grid in Market Intervention, upon energization of MVIP</u> | To clarify that the MO will prepare a national WMOT for the interconnected grids and a regional WMOT for each of the grids where WESM is in commercial operation. The national WMOT will cover the interconnected grids, to serve as a guide of the SO (particularly the Central Grid Operations) in managing the capacity sharing between regions. |

| B. WESM Rules WESM Manual on Dispatch Protocol Issue 18.0 | | | | |
|---|--------|--|--|--|
| Title | Clause | Provision | Proposed Amendment | Rationale |
| | | | <ul style="list-style-type: none"> ii. <u>Visayas-Mindanao WMOT - WMOT for interconnected Visayas-Mindanao Grid, when the Luzon Grid is in Market Intervention, upon energization of MVIP</u> iii. <u>Luzon WMOT - WMOT for Luzon Grid</u> iv. <u>Visayas WMOT - WMOT for Visayas Grid</u> v. <u>Mindanao WMOT - WMOT for Mindanao Grid</u> <p><u>10.1.5 The System Operator utilizes the national WMOT and the regional WMOT as a guide in the management of capacity sharing between grids, where WESM is in commercial operation.</u></p> | |
| SECTION 11 DISPATCH IMPLEMENTATION Background | 11.1 | <p>11.1 Background</p> <p>xxx</p> <p>11.1.4 At any given dispatch interval, the <i>System Operator</i> shall issue re-dispatch instructions in accordance to the <i>WMOT</i> and shall make an <i>out-of-merit dispatch</i> when the <i>system security</i> is at risk.</p> <p>11.1.5 The <i>System Operator</i> shall make use of the first <i>WMOT</i> available for the hour as reference for its re-dispatch instruction at any <i>dispatch interval</i></p> | <p>11.1 Background</p> <p>xxx</p> <p>11.1.4 At any given <i>dispatch interval</i>, the <i>System Operator</i> shall issue re-dispatch instructions in accordance to the <i>WMOT</i> and shall make an <i>out-of-merit dispatch</i> when the <i>system security</i> is at risk.</p> <p>11.1.5 The <i>System Operator</i> shall make use of the first <i>WMOT</i> available for the hour as reference for its re-dispatch instruction at any <i>dispatch interval</i></p> | <p>The use of the first WMOT as the SO’s reference in issuing re-dispatch instructions was due to the foreseen difficulty in the dispatch of power plants brought about by the frequent changes in the list of WMOT.</p> <p>With the improvement of the System Operator’s internal procedures, the issuance of re-dispatch instructions based on the 5-minute WMOT is now possible and the difficulties that were previously anticipated were already addressed.</p> |

| B. WESM Rules WESM Manual on Dispatch Protocol Issue 18.0 | | | | |
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| Title | Clause | Provision | Proposed Amendment | Rationale |
| | | for that hour (e.g. 1005H <i>WMOT</i> shall be used for all <i>dispatch intervals</i> from 1005H to 1100H). | for that hour (e.g. 1005H <i>WMOT</i> shall be used for all <i>dispatch intervals</i> from 1005H to 1100H). | The System Operator is proposing to incorporate this enhancement in view of the following advantages: <ol style="list-style-type: none"> 1. Real-time approach and reflects the actual sequence of dispatch of power plants per 5-minutes; 2. Alignment with the methods set by the Market Operator; and 3. Utilization of the existing platform used by SCADA in displaying the <i>WMOT</i> in OPEN-3000. |
| SECTION 11 DISPATCH IMPLEMENTATION | 11.7 | 11.7 Re-dispatch Procedures xxx 11.7.5 After complying with the re-dispatch instructions, generators shall immediately follow the <i>dispatch schedules</i> for the next <i>dispatch interval</i> . | 11.7 Re-dispatch Procedures xxx 11.7.5 After complying with the re-dispatch instructions, generators shall immediately <u>wait for the System Operator's instruction for them to follow the <i>dispatch schedules</i> for the next <i>dispatch interval</i>.</u> | The re-dispatch process has not ended until the grid issue has been resolved and the system frequency is within allowable limits. Upon reaching this condition, the SO should communicate to the generators that the re-dispatch process has ended and that the generators can follow the dispatch schedules for the next trading intervals. The clearance shall be provided by the SO the same way it provided re-dispatch instructions. |
| SECTION 13 START-UP AND SHUTDOWN OF GENERATING UNITS | 13.4 | 13.4 Start-up of a Generating Unit xxx 13.4.3 If the <i>start-up</i> will be deferred, the <i>System Operator</i> shall update the <i>outage</i> schedule | 13.4 Start-up of a Generating Unit xxx 13.4.3 If the <i>start-up</i> will be deferred, <u>the generators shall submit its new outage schedule to the System Operator prior the</u> | If a generating unit fails to start-up after its planned outage schedule has lapsed, its outage schedule must not be modified since this extension would now fall under forced outage. If the extension is |

| B. WESM Rules WESM Manual on Dispatch Protocol Issue 18.0 | | | | |
|---|--------|---|--|---|
| Title | Clause | Provision | Proposed Amendment | Rationale |
| | | accordingly and in accordance with the <i>WESM timetable</i> for submission of <i>outage</i> schedules. | <u>original schedule of the start-up or the relevant RTD run.</u> The System Operator shall then update the <i>outage</i> schedule accordingly, and in accordance with the <i>WESM timetable</i> for submission of <i>outage</i> schedules. | necessary for inclusion in System Operator Market Operator Data Interchange Program schedule must undergo proper coordination protocol and approved for unplanned outage (non-Grid Operating Program). Generators should submit its new outage schedule to the System Operator for proper tagging and updating. |
| SECTION 16 PROCEDURES DURING MARKET INTERVENTION 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: a. Adequacy of the provisions of the <i>WESM Rules</i> relevant to the event/s which occurred; b. Appropriateness of actions taken by the <i>System Operator</i> in relation to the event/s that occurred; and c. Costs incurred by the <i>WESM Members</i> as a result to responding to the event/s. | 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: a. Adequacy of the provisions of the <i>WESM Rules</i> relevant to the event/s which occurred; b. Appropriateness of actions taken by the <i>System Operator</i> in relation to the event/s that occurred; and c. Costs incurred by the <i>WESM Members</i> as a result to responding to the event/s. <u>A copy of the report shall be furnished to the Market Operator and the System Operator for their information and reference.</u> | To apprise the System Operator and Market Operator of the MSC's assessment result. |
| SECTION 16 PROCEDURES DURING MARKET INTERVENTION AND SUSPENSION | 16.8.1 | Market Resumption after a Market Suspension. When the <i>ERC</i> lifts the suspension of the market, the operations of the market will resume at the soonest possible time following receipt by the | Market Resumption after a Market Suspension. When the <i>ERC</i> lifts the suspension of the market, the operations of the market will resume at the soonest possible time following receipt by the | To provide the participants with sufficient time to prepare for market-based instructions. |

| B. WESM Rules WESM Manual on Dispatch Protocol Issue 18.0 | | | | |
|---|--------|--|---|-----------|
| Title | Clause | Provision | Proposed Amendment | Rationale |
| | | <p><i>Market Operator</i> from the <i>ERC</i> of the notice lifting the market suspension. If the cause of the <i>market suspension</i> is the occurrence of a natural calamity, the <i>Market Operator</i> or the <i>System Operator</i> may recommend to the <i>ERC</i> the lifting of the <i>market suspension</i> if the effects of the calamity on the market or the <i>grid</i> has already been resolved.</p> | <p><i>Market Operator</i> from the <i>ERC</i> of the notice lifting the market suspension. If the cause of the <i>market suspension</i> is the occurrence of a natural calamity, the <i>Market Operator</i> or the <i>System Operator</i> may recommend to the <i>ERC</i> the lifting of the <i>market suspension</i> if the effects of the calamity on the market or the <i>grid</i> has already been resolved. <u>When the <i>ERC</i> lifts the suspension of the market, the operations of the market will resume at the specific <i>dispatch interval</i> prescribed by the <i>ERC</i>, which may come from the recommendation of the <i>Market Operator</i> in coordination with <i>System Operator</i> considering the preparations necessitated by the participants in complying with market-based instructions.</u></p> | |