Philippine Electricity Market Corporation

WHOLESALE ELECTRICITY SPOT MARKET RULES CHANGE COMMITTEE

RESOLUTION NO. 2020-03

Proposed Amendments to the WESM Manual on Dispatch Protocol (Issue 13.0) to Enhance Procedures in Must-Run Unit (MRU) Accounting

WHEREAS, on 14 October 2019, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted the proposed amendments to the WESM Manual on Dispatch Protocol (WESM Dispatch Protocol Manual) to Enhance Procedures in Must-Run Unit (MRU) Accounting;

WHEREAS, the proposal aims to improve the accounting of energy produced due to a must-run unit dispatch instruction and processing of discrepancy reports;

WHEREAS, during its 157th Meeting on 18 October 2019, the RCC approved the publication of the proposal in the PEMC website to solicit comments from industry stakeholders and interested parties;

WHEREAS, following the 30-working day commenting period from publication date on 22 October 2019, comments were received from Millennium Energy Inc. (MEI), National Grid Corporation of the Philippines (NGCP), Philippine Electricity Market Corporation (PEMC), and SPC Power Corporation (SPC) / SPC Island Power Corporation (SIPC), which, together with the proponent's responses to these comments, were given due course during its 159th meeting on 06 December 2019;

WHEREAS, during said meeting, the RCC requested the IEMOP to revise the proposal and incorporate the comments that were considered, among others, as follows:

- To consider that the generator is fully ramping down to zero (0) MW or ramping up from zero (0) MW in the identification of additional dispatch intervals where the generator is additionally tagged as a must-run unit; and
- To treat the ramping-up of a must-run unit during synchronization as MRU;

WHEREAS, the RCC during its 160th meeting held on 24 January 2020 deliberated upon IEMOP's additional changes to the proposal as agreed during its previous meeting;

WHEREAS, after due deliberations and further amendments to ensure the clear interpretation of the provisions, the RCC approved the proposal, as amended, and its endorsement to the PEM Board;

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

RESOLVED, that the RCC approves the Proposed Amendments to the WESM Manual on Dispatch Protocol (WESM Dispatch Protocol Manual) to Enhance Procedures in Must-Run Unit (MRU) Accounting;

RESOLVED FURTHER, that the said Proposed Amendments to the WESM Manual on Dispatch Protocol (WESM Dispatch Protocol Manual) to Enhance Procedures in Must-Run Unit (MRU) Accounting (attached as Annex A) are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation;

Done this 12 February 2020, Pasig City.

Approved by: **THE RULES CHANGE COMMITTEE**	
Independent Members:	
Maila Lourdes G. de Castro Chairperson	**Francisco L.R. Castro, Jr.**
[redacted] **Allan C. Nerves**	[redacted] **Concepcion L. Tanglao**
Generation Sector Members:	
[redacted] **Dixie Anthony R. Banzon** Masinloc Power Partners Co. Ltd. (MPPCL)	**Abner B. Tolentino** Power Sector Assets and Liabilities Management Corporation (PSALM)
[redacted] **Cherry A. Javier** Aboitiz Power Corp. (APC)	*(vacant seat)*
Distribution Sector Members:	
[redacted] **Virgilio C. Fortich, Jr.** Cebu III Electric Cooperative, Inc. (CEBECO3)	[redacted] **Ryan S. Morales** Manila Electric Company (MERALCO)
[redacted] **Ricardo G. Guinaldi** Iligan Light and Power, Inc. (ILPI)	[redacted] **Jose P. Santos** Ilocos Norte Electric Cooperative, Inc. (INEC)

Supply Sector Member:
[redacted] **Lorreto H. Rivera** TeaM (Philippines) Energy Corporation (TPEC)
Market Operator Member:
[redacted] **Isidro E. Cacho, Jr.** Independent Electricity Market Operator of the Philippines (IEMOP)
System Operator Member:
[redacted] **Ambrocio R. Rosales** National Grid Corporation of the Philippines (NGCP)

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Annex A

Proposed Amendments to the WESM Manual on Dispatch Protocol to Enhance Procedures in Must-Run Unit (MRU) Accounting

WESM Manual on Dispatch Protocol, Issue 13.0				
Title	**Clause**	**Provision**	**Proposed Amendment**	**Rationale**
Management of Must-Run Units – Overview	**17.1.8** (new)	(new)	**The *generator* shall also be considered as a *must-run unit* in the *dispatch intervals* succeeding its *dispatch instruction* as *must-run unit* until the *dispatch interval* when any of the following conditions occur:** **a) it is deemed to have fully ramped down based on its registered *ramp rate*; or** **b) it is re-designated as a *must-run unit*.**	To ensure proper compensation of MRUs when complying with dispatch instructions.
Management of Must-Run Units – Overview	**17.1.9** (new)	(new)	**The *generator* shall also be considered as a *must-run unit* in the *dispatch intervals* prior its *dispatch instruction* as *must-run unit* starting the most recent *dispatch interval* with any of the following conditions:** **a) it is deemed to have started ramping from zero (0) MW at that *dispatch interval* based on its registered *ramp rate*; or** **b) it is a *dispatch interval* after the *generator* was designated as a *must-run unit*.**	To ensure proper compensation of MRUs when complying with dispatch instructions.
Management of Must-Run Units – Reporting and Publication	**17.5.2** (new)	(new)	**Within two (2) *working days* from receipt of a report, the *Market Operator* shall request the *System Operator* to validate a reported discrepancy by a *generator*.**	To provide clear timelines in the processing of reported discrepancies by generators designated as MRUs.

Annex A

WESM Manual on Dispatch Protocol, Issue 13.0				
Title	**Clause**	**Provision**	**Proposed Amendment**	**Rationale**
Management of Must-Run Units – Reporting and Publication	**17.5.3** (new)	(new)	**The *System Operator* shall provide the results of its validation of the reported discrepancies within two (2) weeks from the receipt of the request from the *Market Operator*. If the *Market Operator* has not received any validation within the prescribed timeline, the *Market Operator* shall consider the submitted discrepancies by the *Generator* as valid.**	To provide clear timelines in the processing of reported discrepancies by generators designated as MRUs.
Management of Must-Run Units – Dispatch Intervals under Ramp Down and Ramp Up	**17.6** (new)	(new)	**Dispatch Intervals under Ramp Down and Ramp Up**	To provide details on the determination of the dispatch intervals when a generator is ramping down from or ramping up to its MRU instruction
Management of Must-Run Units – Dispatch Intervals under Ramp Down and Ramp Up	**17.6.1** (new)	(new)	**The *Market Operator* shall determine the number of *dispatch intervals* when a generator ramped down succeeding its MRU designation. Said generator shall additionally be designated as MRU during the identified dispatch intervals, provided that the generator has not been tagged as MRU.** **The Market Operator shall use the following formula in determining the number of**	It is proposed that dispatch intervals when the generator is ramping down from its MRU instruction based on its registered ramp rate be considered as MRU intervals to allow the generator to recover costs resulting from its compliance with the MRU dispatch instruction.

[redacted]

WESM Manual on Dispatch Protocol, Issue 13.0				
Title	**Clause**	**Provision**	**Proposed Amendment**	**Rationale**
			dispatch intervals, rounded up to the next whole *dispatch interval*: $$n_{rd,g,i} = \frac{MRU_{g,i}}{RR_g \times 5}$$ **Where:** $n_{rd,g,i}$ **refers to the number of *dispatch intervals* that *generator g* will be considered as a *must-run unit* after *dispatch interval i* with *dispatch instruction* as *must-run unit*** $MRU_{g,i}$ **refers to the actual *dispatch*, in MW, of *generator g* as *must-run unit* for *dispatch interval i*** RR_g **refers to the registered *ramp rate*, in MW/min, of *generator g***	
Management of Must-Run Units – Dispatch Intervals under Ramp Down and Ramp Up	**17.6.2.** (new)	(new)	**The *Market Operator* shall determine the number of *dispatch intervals* when a generator ramped up prior to its MRU designation. Said generator shall additionally be designated as MRU during the identified dispatch intervals, provided that the generator has not been previously tagged as MRU.**	It is proposed that dispatch intervals when the generator is ramping up to its MRU instruction based on its registered ramp rate be considered as MRU intervals to allow the generator to recover costs resulting from its compliance with the MRU dispatch instruction.

WESM Manual on Dispatch Protocol, Issue 13.0				
Title	**Clause**	**Provision**	**Proposed Amendment**	**Rationale**
			The Market Operator shall use the following formula in determining the number of dispatch intervals, rounded up to the next whole *dispatch interval*: $$n_{ru,g,i} = \frac{MRU_{g,i}}{RR_g \times 5} - 1$$ **Where:** **$n_{ru,g,i}$ refers to the number of *dispatch intervals* that *generator g* will be considered as a *must-run unit* after from *dispatch interval i* with *dispatch instruction* as *must-run unit*** **$MRU_{g,i}$ refers to the actual *dispatch*, in MW, of *generator g* as *must-run unit* for *dispatch interval i*** **RR_g refers to the registered *ramp rate*, in MW/min, of *generator g***	