

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 1 of 40

**ATTENDEES**

	Name	Designation/Position	Department/ Company
1	Allan C. Nerves	Chairperson, Independent	RCC
2	Concepcion I. Tanglao	Member, Independent	RCC
3	Jesusito G. Morillos	Member, Independent	RCC
4	Dixie Anthony R. Banzon	Member, Generation Sector	RCC
5	Cherry A. Javier	Member, Generation Sector	RCC
6	Carlito C. Claudio	Member, Generation Sector	RCC
7	Jessie Victorio	Member (Alternate), Generation Sector	RCC
8	Mark D. Habana	Member, Generation Sector	RCC
9	Michelle S. Tuazon	Member (Alternate), Generation Sector	RCC
10	Ryan S. Morales	Member, Distribution Sector	RCC
11	Manuel Luis Zagala	Member (Alternate), Distribution Sector	RCC
12	Nelson M. Dela Cruz	Member, Distribution Sector	RCC
13	Lorreto H. Rivera	Member, Supply Sector	RCC
14	Ambrocio R. Rosales	Member, System Operator	RCC
15	Isidro E. Cacho, Jr.	Member, Market Operator	RCC
16	Karen A. Varquez	RCC Secretariat	PEMC
17	Divine Gayle C. Cruz	RCC Secretariat	PEMC
18	Dianne L. De Guzman	RCC Secretariat	PEMC
19	Kathleen R. Estigoy	RCC Secretariat	PEMC
20	Luningning G. Baltazar	Observer	DOE
21	Marvin Jay A. Masanda	Observer	DOE
22	Mario Pangilinan	Technical Committee	TC
23	Kevin John Y. Dela Cuesta	Technical Committee Secretariat	PEMC
24	Edward I. Olmedo	Proponent	IEMOP
25	Karen Anne Siruma	Proponent	IEMOP
26	Jesus I. Santiago Jr.	Commenter	MERALCO
27	Jed Angelo G. Tetangco	Commenter	MERALCO
28	Jerico O. Hugo	Commenter	NGCP
29	Nielson M. Asedillo	Commenter	NGCP
30	Janice D. Tabada	Commenter	NGCP
31	Joselito C. Quilala	Commenter	NGCP
32	Mikaela Victoria Perez	Commenter	NGCP

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 2 of 40

Agenda	Agreements / Action Taken / Action Required
I. Call to Order	<ul style="list-style-type: none"> The meeting was conducted via Microsoft Teams and was called to order at 09:03 AM. The meeting was presided by Chairperson Dr. Allan C. Nerves (Independent).
II. Determination of Quorum	There were 13 principal, and 2 alternate members present during the meeting.
III. Adoption of Agenda	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Resolution:</u> The agenda of meeting was approved and adopted by the body, as revised.</p>
IV. Approval of Minutes of Previous Regular Meeting <ul style="list-style-type: none"> 186th (Special) Meeting, 12 November 2021 188th (Regular) Meeting, 17 December 2021 	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Proceedings:</u></p> <p>Revisions were made on pages 9 and 10 of the draft minutes of the 188th Meeting, as follows:</p> <ul style="list-style-type: none"> Page 9: <p>xxx</p> <p><i>Mr. Rosales expressed his opinion that the proposal is still a temporary configuration in the absence of network data, but is more acceptable compared to the previous proposal. He appreciated the proposal that it considered somehow the reflection of all connected substations the looped distribution network configuration.</i> xxx</p> Page 10: <p>xxx</p> <p><i>Mr. Morales requested to have a comparison of error of the two (2) methods used: 1) SSLA, and 2) estimation of loads. However, Mr. Olmedo can't share the specific file due to the non-disclosure agreement with Meralco. Still, he explained that while estimating of the loads and load profiles may have an error, the physical/technical characteristics are translated to price. The locational marginal price (LMP) is the sum of</i></p>



MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 3 of 40

Agenda	Agreements / Action Taken / Action Required
	<p><i>marginal cost losses and congestion. However, when using SSLA, the technical parameters in the line between the real-time monitoring unit and revenue meter almost negligible in terms of how cost of losses is determined. <u>are not considered in the determination in cost of losses but are rather incorporated in the metered quantity.</u> xxx</i></p> <p>Resolution: The RCC approved the minutes of the 186th RCC (Special) Meeting as submitted, and the 188th RCC (Regular) Meeting, as revised, and agreed to affix their e-signatures.</p>
<p>V. Matters Arising from Previous Meeting</p>	
<p>5.1. Proposed Amendments to Various Market Manuals for Improvements to Market Resource Modelling and Monitoring</p> <ul style="list-style-type: none"> ○ Comments 	<p>Presenter: Ms. Kathleen R. Estigoy (Secretariat)</p> <p>Action Requested: For approval to endorse to the PEM Board</p> <p>Material/s: Annex A – matrix of additional proposed amendments</p> <p>Proceedings:</p> <p>The Secretariat informed that, following the RCC’s request from those who originally submitted comments on the subject proposal to again submit comments to the revised portions of and additional proposed amendments, submissions were received from the Technical Committee, NGCP and MERALCO. However, it was noted that the Technical Committee and NGCP still provided comments to the parts of the proposal that were already approved by the RCC and were not subject to revisions. The RCC agreed to no longer re-deliberate those parts of the proposal already approved.</p> <ul style="list-style-type: none"> • On the TC’s comment, Mr. Edward I. Olmedo (IEMOP) emphasized that the additional proposal no longer aims to simplify but rather to approximate the load data in areas where real-time data is not available. In these cases, other inputs are necessary to obtain approximations as accurate as possible. He added that IEMOP already conducted an impact study on the proposed methodology but the data used are considered confidential, hence the study cannot be disclosed. • On MERALCO’s request for clarification regarding SSLA, Mr. Olmedo stated that the Market Operator (MO) will no longer

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 4 of 40



Agenda	Agreements / Action Taken / Action Required
	<p>apply SSLA if the real-time monitoring is modelled in the scheduling point, which is co-located with the connection point where the revenue meter is. For clarity, if the real-time monitoring is not modelled in the scheduling point and there are no available historical data/inputs, the MO shall still apply SSLA in the settlements. The intention is to eventually reduce or minimize the applications of SSLA as the MO is able to incrementally model the loads downstream to be co-located with the meter.</p> <ul style="list-style-type: none"> • Mr. Ryan S. Morales (MERALCO) inquired how the IEMOP shall ensure that there will be no double-charging for line rental and SSLA in cases when the load point is after the facilities owned by the distribution utility (DU). Mr. Olmedo responded that those cases are still to be further assessed by the MO since for now, it focused more on modelling situations where the load point is downstream, as primarily described in the proposal. • Atty. Jesusito G. Morillos (Independent) asked if the MO will still be collecting data on the losses even when the real-time monitoring is already modelled as co-located with the meters. He added that historical data on the losses might be used as inputs for studies on what might be improved in the system. Mr. Olmedo explained that the MO currently computes the losses in megawatts (i.e. Site-Specific Loss Adjustment) between the real-time monitoring and the revenue meter, but this computation is done not in real-time but only during settlement process. The computed SSLA is then added to the relevant Trading Participant's metered quantity used for settlement. The proposal calls for reflecting the line, with all its technical parameters, in the real-time model which will make the MW losses across that line readily available every five (5) minutes when before, these are only computed after the fact. This means, Mr. Olmedo added, that the proposal will actually improve the availability of data since the losses will no longer be measured in terms of quantity only, but already in terms of price and in real-time. Mr. Olmedo likewise confirmed that the MO will still have data on the losses even with the co-location. • Mr. Ambrocio R. Rosales (NGCP-System Operator) recognized that in the absence of distribution network data, the proposal and the resulting deliberations focused on how to at least reflect the loop configurations in the model. However, he reiterated

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 5 of 40



Philippine Electricity
Market Corporation

Agenda	Agreements / Action Taken / Action Required
	<p>that this practice should only be temporary. The problem of unavailable distribution network data exists since around 2006 resulting to the MO's inability to accurately model the distribution system. Mr. Rosales commented that if the System Operator was able to provide the data of the entire transmission system in Luzon, Visayas and Mindanao, then there should be no problem for the distribution utilities to provide their data as well, especially the large ones with SCADA systems capable of sending real-time data. The WESM Rules, in fact, requires the provision of such information. Further, if an inaccurate model of distribution networks has impact on the pricing, there should be other ways for the MO to obtain the information. Mr. Rosales opined that the proposal, which should only be a temporary measure, might undermine the long-standing issue of non-provision of network data of some distribution utilities.</p> <ul style="list-style-type: none"> • In response, Mr. Olmedo stated that the primary problem is already a compliance issue already beyond the control of the MO. For its part, the MO had already elevated this issue to the DOE and has exercised a lot of avenues to address it since 2006. As of 2019, the Market Operator has been engaging with the relevant distribution utilities to come up with ways on how to address their concerns when it comes to modelling their networks. Part of the agreement with them is to treat their network data used in the impact study confidential until the Market Operator and the distribution utilities agree on the modelling of their network. • Mr. Jed Angelo G. Tetangco (MERALCO) asked if the billing of the customer will be adjusted due to the modelling of the DU that is looped, what will be the effect on that customer and its billing considering that the DU already collects wheeling and system loss charges. <p>Mr. Olmedo responded that the proposal only focused on how to incorporate parts of the power system, particularly the distribution system, in the market network model. The proposal did not cover the associated changes needed when it comes to charges with the eventual integration of the DU network. Mr. Olmedo further explained that before integrating a DU system in the MNM, the PEM Board should still review and approve it. The PEM Board will of course not approve the integration if the concerned DUs object to it, hence the MO will consult first with</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 6 of 40



Agenda	Agreements / Action Taken / Action Required
	<p>the DU prior the inclusion of their network in the MNM. But for now, the proposal only covers the technical aspects of incorporating the DU system in the MNM.</p> <p>As a follow-up, Atty. Morillos asked what the ultimate aim of the proposal is supposed to be if not to have a more accurate final settlement through better approximation of the revenue of the generators and charges to consumers.</p> <p>In response, Mr. Olmedo explained, as follows:</p> <ul style="list-style-type: none"> ○ The MO is currently including in the MNM the point where real-time monitoring is located. But there are certain parts in the system that are still not modelled because of unavailable real-time monitoring down at the connection point. The connection point is defined as the boundary between the transmission system and the customer or DU where the real-time monitoring and revenue meter is supposed to be co-located. But there are cases when the real-time monitoring is still within the transmission system, say at the top feeder in the substation of NGCP. In cases where the revenue meter is down at the connection point (i.e., metering location) while the real-time monitoring (i.e., pricing location) is still within the transmission system, the MO, during the settlement process, manually computes the losses between the pricing location and the metering location (i.e. SSLA), which is added to the metered quantity. <p>The proposal intends to adjust the pricing location in the MNM to be co-located with the metering location. This means that the price instead of the metered quantity will be adjusted. Consequently, the metered quantity that will be obtained already includes the quantity that is supposed to correspond to the SSLA.</p> <ul style="list-style-type: none"> ○ <i>Diagram explanation (see Annex A):</i> <p>The original proposal is to simplify the modelling of the DU network in case there is no real-time monitoring co-located with the revenue meter. In these cases, the generator is modelled at the nearest substation it is operationally connected to. This also keeps the looping connections from being reflected in the MNM. A possible consequence of this</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 7 of 40



Agenda	Agreements / Action Taken / Action Required
	<p>simplified modelling is that when the un-modelled transmission line to which a generator is connected is cut in actuality, the MMS could still schedule that generator for dispatch because the model does not indicate this information.</p> <p>The revised proposal, on the other hand, will veer away from simplification and model the actual connections. Instead, approximating real-time data (using relevant historical information of the load) is the proposed method to be applied in those areas where real-time monitoring is unavailable.</p> <ul style="list-style-type: none"> ○ <i>What would be the process when the MNM reflects the network further down inside the DU system, including looped networks?</i> <p>For the purpose of price discovery and settlement, the pricing trading node shall be modelled at the asset boundary of the System Operator and the DU (connection point). But for the purposes of scheduling, the power flows within the DU system will be considered through the revenue meter of the DU customers.</p> <ul style="list-style-type: none"> • Mr. Rosales inquired what impedance shall be used when modelling the looped network at the DU system. Mr. Olmedo answered that the actual data on the line parameters will be obtained from the Network Service Provider (i.e., DU), no approximations will be used. Only the loading will be estimated using historical data. • Mr. Morales asked if the formula for loss factor will be changed. Mr. Olmedo answered that there will be no change to the loss factor formula as written in the Price Determination Methodology. Neither the formula for locational marginal price, in which loss factor is a component, will be changed. • Mr. Mario Pangilinan (Technical Committee) reiterated the TC's general comments which are: (1) if there are changes in the network, the process should follow the original rules, (2) all changes should be done on a case to case basis so it will be able to address the concerns of participants who will be

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 8 of 40



Agenda	Agreements / Action Taken / Action Required
	<p>affected, and (3) every change should be evaluated on the basis of how it will improve the dispatch, pricing and the settlement. Mr. Pangilinan stated that the TC is still uncomfortable with the IEMOP's revised proposal. The TC's way forward and part of its Work Plan for the year is to thoroughly review the entire MNM Manual since some of the procedures are unclear, some are not structured or arranged properly.</p> <p>Mr. Pangilinan also noted that there is no formal instruction from the PEM Board on why they remanded the proposal to the RCC for further study. Ms. Estigoy stated that the Secretariat did not receive any formal communication from the PEM Board and, thus, being present during the PEM Board meeting, only relayed to the RCC that the PEM Board considered the objections of the NGCP regarding looping consideration and the comments from the Technical Committee.</p> <p><u>Resolution:</u></p> <ol style="list-style-type: none"> 1) The revised proposal was approved for endorsement to the PEM Board. 2) The RCC agreed to include the illustration or diagram on how looped connections at the DU system will be modelled in the MNM.
<p>5.2. Proposed Amendments to the Guidelines Governing the Constitution of the PEM Board Committees</p>	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For approval to endorse to the PEM Board</p> <p><u>Resolution:</u> As requested by PEMC, the discussion was deferred to the next RCC meeting.</p>
<p>5.3. Proposed Amendments to the WESM Rules, WESM Manual and Retail Manual on Validation Timeline Adjustment in Metering and Billing</p> <ul style="list-style-type: none"> o Update (DOE DC 2021-07-0021: Metering for EWDO Implementation) 	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval to endorse to the PEM Board</p> <p><u>Proceedings:</u></p> <p>Ms. de Guzman informed the RCC that during the course of revising the relevant Rules and Manuals per DOE Department Circular No. DC2021-07-0021 dated 25 June 2021, the Secretariat found inconsistencies with said department circular and the RCC-approved proposal and items for clarification on metering and billing timeline and validation per RCC Resolution No. 2021-23</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 9 of 40



Philippine Electricity
Market Corporation

Agenda	Agreements / Action Taken / Action Required
	<p>dated 17 December 2021. Because of this, the Secretariat held in abeyance the submission of the RCC Resolution to the PEM Board pending reconciliation of the inconsistent provisions, which are primarily as regards the timelines on the correction of Meter Trouble Reports, and clarification regarding the performance measures of Metering Service Providers (MSPs) for WESM and Retail.</p> <p>To harmonize the timelines between the circular and the pending proposal, the Secretariat recommended coordination with the DOE and IEMOP. Ms. de Guzman stated that the results of the meeting might necessitate further revisions to the RCC Resolution No. 2021-23.</p> <p><u>Resolution:</u> The RCC agreed with the suggestion of the Secretariat for a meeting with the DOE and IEMOP to discuss the inconsistencies noted in RCC Resolution No. 2021-15, DOE DC2021-07-0021 and Retail Metering Manual.</p>
<p>5.4. RCC Work Plan for CY 2022</p>	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For review of the draft RCC Work Plan</p> <p><u>Proceedings:</u></p> <p>The Secretariat presented the draft Work Plan for 2022, which mostly contains recurring outputs from the RCC similar with the previous year. The list of possible rules change proposals that the RCC expects to process within 2022 is also included in the Work Plan.</p> <p><u>Resolution:</u> The RCC will review and provide comments/approval to the RCC Work Plan by 26 January 2022.</p>
<p>VI. New Business</p>	
<p>6.1. Proposed Amendments to WESM Manuals regarding Pricing Error Notice Event</p> <ul style="list-style-type: none"> ○ Preliminary Assessment ○ Proponent's Presentation 	<p><u>Presenter/s:</u> Mr. Antonio Mercado (Panasia Energy, Inc., proponent)</p> <p><u>Action Requested:</u> For approval to post in PEMC website to solicit comments.</p> <p><u>Material/s:</u> Annex B – presentation material for Panasia Energy, Inc.'s proposal</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 10 of 40



Agenda	Agreements / Action Taken / Action Required
	<p><u>Proceedings:</u></p> <p>Mr. Mercado (Panasia) presented an overview of the proposal which intends to include pricing error with market pricing re-run as another criterion for claiming for additional compensation. This will sufficiently recompense a Trading Participant who is negatively affected by pricing errors and subsequent market pricing re-runs. Panasia noted that pricing errors continue to occur, even with the implementation of the five-minute market.</p> <p>The documents proposed to be amended are the WESM Manuals on (1) Price Determination Methodology and (2) Billing and Settlement.</p> <p>Using 2021 data, Mr. Mercado likewise presented as an example the impact of pricing errors to the generation of Bataan Combined Cycle in terms of number of intervals issued with PENs and its adverse effect to Panasia's total trading amount compensation. He presented several examples of intervals issued with PENs when Panasia's offer price and the final price (adjusted due to PENs) had significant variance. Mr. Mercado stated that because pricing errors are currently not among the grounds for claiming additional compensation, Panasia is unable to recover its production costs on those intervals.</p> <p>Ms. Cherry A. Javier (Aboitiz) asked why pricing errors still occur even with the 5-minute market, which was supposed to address such errors during the 1-hour market. Mr. Carlito C. Claudio (MEI/Panasia) clarified that pricing errors occur when there is error in the snapshot data (input data) provided by the System Operator and this problem still happens even with the 5-minute market. Mr. Olmedo further provided an example, as follows: when there is a conventional generator currently running that should continue in the next interval suddenly went offline, and the Market Operator sees that the real-time data at the breaker position does not accurately reflect the actual status of the generator. If upon further validation the Market Operator finds that the conventional generator is still able to run but the real-time data indicates otherwise resulting to more expensive plants to be dispatched, then IEMOP shall issue a pricing error notice and will proceed conducting a market re-run to correct that erroneous data and discover what should have been the clearing price. Mr. Olmedo also remarked that IEMOP observes</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 11 of 40



Agenda	Agreements / Action Taken / Action Required
	<p>instances when the final price (after re-run) is much lower than the initial price.</p> <p>Ms. Concepcion I. Tanglao (Independent) inquired if Panasia's concern also happens with other generators. Mr. Mark Habana responded (via MS Teams chat box) that it is a common occurrence.</p> <p>Mr. Isidro E. Cacho (IEMOP) requested the proponent if IEMOP can get a copy of the data used by Mr. Mercado during the presentation for further analysis on what happened during those intervals, and for presentation during the RCC deliberation. Panasia agreed with IEMOP's request.</p> <p>Given that the spreadsheet presented contains confidential information (e.g., offer price of specific Trading Participant), the Secretariat requested express permission from Panasia if the supporting data may be published as well along with the discussion paper, for comment. Panasia will advise the Secretariat on their response by 26 January 2022.</p> <p><u>Resolution:</u> The RCC approved the posting of the proposal to solicit comments from stakeholders and interested parties.</p> <p>The proponent, Panasia Energy Inc. (PEI) / Millennium Energy, Inc. (MEI), will advise the RCC Secretariat by 26 January 2022 if the presented spreadsheet containing confidential market data/information can be posted together with their proposal. PEI/MEI also authorized the Secretariat to share the said spreadsheet to IEMOP for the latter's further analysis.</p>
6.2. Draft RCC Semestral Report (July to December 2021)	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For review of the draft Semestral Report</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman provided an overview of the contents of the Semestral Report covering July to December 2021. The Report presents a summary table of the proposals processed in 2021 as well as their status, a brief narrative of the proposals completed by the RCC in the second half of 2021, and the status update of all proposals endorsed to the DOE.</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 12 of 40



Agenda	Agreements / Action Taken / Action Required
	<p><u>Resolution:</u> The RCC will review and provide comments/approval on the report via e-mail until 26 January 2022.</p>
<p>6.3. Updates in the Rules Change Manual</p>	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For information and discussion</p> <p><u>Material/s:</u> Annex C - presentation material for Updates in the Rules Change Manual</p> <p><u>Proceedings:</u></p> <p>Ms. Estigoy informed the body of the major changes in the rules change process per DOE Department Circular No. DC2021-10-0034:</p> <ol style="list-style-type: none"> 1) Addition of new terms: “WESM Governance Committees”, “WESM Governance Secretariat” and “publish”; 2) Documentation of existing process when the PEM Board remands a proposal to the RCC for further study; 3) Posting of revised Market Rules and Manuals in the MO’s market information website, aside from the PEMC website; 4) Posting of urgent proposals in the PEMC website within ten (10) days following the PEM Board’s approval to solicit comments; 5) Submission by the PEMC-Market Assessment Group (PEMC-MAG) to the RCC, copy-furnished the PEM Board and DOE, of an assessment report regarding the implementation of the urgent proposal within ninety (90) calendar days following the PEM Board’s approval of an urgent proposal; 6) Deliberation of the RCC of the urgent amendment as general amendment considering the comments received and assessment report (i.e., the original proponent of an urgent amendment shall no longer re-submit its proposal as general amendment); and 7) PEM Board allowed to grant one-time extension of the effectivity of urgent amendments for another six (6) months <p><u>Ms. Estigoy also informed the RCC that the proposed extended timeline for the RCC’s deliberation on general amendments was not approved by the DOE.</u></p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 13 of 40



Philippine Electricity
Market Corporation

Agenda	Agreements / Action Taken / Action Required
	<p><u>Resolution:</u> The RCC noted the changes to the Rules Change Manual based on DOE DC2021-10-0034, specifically the new process for urgent amendments.</p>
<p>6.4. Call for Comments for the PEM Board-Approved Urgent Amendments to the WESM Rules, Retail Rules and Various Market Manuals on the Implementation of the Green Energy Option Program (as General Amendments)</p>	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval of the following:</p> <ol style="list-style-type: none"> 1) proposed timeline for processing the PEM Board-approved urgent proposal on Green Energy Option Program, and 2) post the proposal in PEMC website as general amendments to solicit comments <p><u>Material/s:</u> Annex C - presentation material for Updates in the Rules Change Manual</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz informed the Committee that the new procedures for processing urgent amendments will be applied to the most recent urgent proposal approved by the PEM Board which is on the implementation of the Green Energy Option Program (GEOP). However, since the new process took effect (10 December 2021) after the PEM Board approved the urgent proposal (24 November 2021), the Secretariat recommended having the subsequent procedures be reckoned from the date the effectivity, December 10th, instead of the PEM Board's approval date. The main next steps for processing the GEOP urgent proposal are the following:</p> <ol style="list-style-type: none"> 1) Posting of proposal in the PEMC website to solicit comments; and 2) Preparation by PEMC-MAG of an assessment report <p>Ms. Cruz also presented the timelines to accomplish the foregoing steps, which would be completed just in time for the meeting of the RCC in March when the proposal will be deliberated.</p> <p><u>Resolution:</u> The RCC approved the posting of the proposal for comments as general amendments. It also determined that the reckoning date for processing the proposal based on the new process is the effectivity of the DOE DC2021-10-0034, which is 10 December 2021.</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 14 of 40



Agenda	Agreements / Action Taken / Action Required
<p>6.5. National Power Corporation's (NPC) Letter to PEMC regarding MRU Criteria</p>	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For information and discussion</p> <p><u>Material/s:</u> Annex D - presentation material for Highlights of PEMC-MAG and NPC Meeting on Must-Run Unit Criteria</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz informed that the NPC copy-furnished RCC in their letter to PEMC dated 10 December 2021 requesting the re-instatement of the "local calamities and emergencies" among the must-run unit (MRU) criteria.</p> <p>To be further clarified of NPC's issues, PEMC-MAG conferred with NPC on 12 January 2021. NPC's main concern is that the removal of the subject criterion puts into question the propriety of their dam management_protocol that facilitates the pre-emptive water discharge through power turbines instead of via spillway gates during imminent weather disturbance. These pre-emptive release of water through power turbines are ensured by designating their hydropower plants as MRU. MRU operations is valuable to some of NPC's dams as it is a way to lower reservoir elevation of the dam when the spillway gates are inoperable or under repair. Pre-emptive water releases are conducted when an increase in water level reservoir in the dam is observed and inclement weather is imminent. With the removal of the "local calamities and emergencies" criterion, the designation of plants concerned as MRUs will not be prioritized by the System Operator.</p> <p>Ms. Cruz informed that PEMC-MAG provided NPC a background, based on the discussions of the RCC back in 2013, on why the criterion was removed. The RCC's discussions on the matter focused on these scenarios:</p> <ul style="list-style-type: none"> • during local calamities and emergencies, it is likely that market intervention is declared and in such case the procedures for market intervention and the administered price determination methodology shall apply. • when a grid is isolated due to extreme weather condition and a generator within that local area continues to provide power, that generator is considered an MRU but its

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 15 of 40



Philippine Electricity
Market Corporation

Agenda	Agreements / Action Taken / Action Required
	<p>designation as such shall be under the new criterion <i>Real Power Balancing and Frequency Control</i></p> <p>Ms. Cruz relayed that NPC's action plan, to which PEMC-MAG concurred, is to submit a rules change proposal to allow careful consideration of their issues. PEMC-MAG likewise recommended NPC to review current MRU provisions in various Manuals in the context of the 5-minute market, and further coordinate with System Operator as entity who designates MRUs.</p> <p><u>Resolution:</u></p> <p>The RCC noted the NPC's way forward to submit rules change proposal regarding MRU criteria to address local calamities and emergencies.</p> <p>The body also noted PEMC-MAG's Initial Recommendations, as follows:</p> <ol style="list-style-type: none"> 1) NPC to review current MRU provisions in various Manuals in the context of the 5-minute market 2) Further coordination with System Operator as entity who designates MRUs 3) Propose rules change
VII. Other Matters	
7.1. DOE Public Consultation Updates	<p><u>Presenter:</u> Ms. Luningning Baltazar (DOE) and Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman relayed that the DOE circulated a draft Department Circular on the proposed amendments for the implementation of the Reserve Market for comments of stakeholders. Said draft circular shall be the subject of a DOE virtual public consultation scheduled on 10 and 11 February 2022.</p> <p>Ms. Luningning Baltazar (DOE) added that along with the proposed amendments regarding the Reserve Market, the draft circular on</p>

MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 16 of 40



Agenda	Agreements / Action Taken / Action Required
	<p>changes related to Market Operator Performance Standards was also posted for comments and is included in the public consultation on the same dates.</p> <p><u>Resolution:</u> The RCC noted the updates.</p>
<p>7.2. DOE-promulgated Department Circulars</p>	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman informed that DOE Department Circular No. DC2021-12-0041 entitled Adopting Further Amendments to WESM Rules and Market Manual on WESM Compliance Officers (WCO) Certification and Registration was published in Business World and Daily Tribune on 31 December 2021. It took effect on 16 January 2022.</p> <p><u>Resolution:</u> The RCC noted the update.</p>
<p>VIII. Schedule of Next Meetings</p>	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Resolution:</u></p> <p>The RCC noted the following schedules:</p> <ul style="list-style-type: none"> • RCC Regular Meetings <ul style="list-style-type: none"> ○ 18 Feb 2022 ○ 18 Mar 2022 ○ 15 Apr 2022 (re-scheduled to 22 April 2022 since April 15th is a Good Friday, a holiday) • Board Review Committee (BRC) Meeting <ul style="list-style-type: none"> ○ 17 Jan 2022 • PEM Board Meeting <ul style="list-style-type: none"> ○ 26 Jan 2022 • Market Systems Orientation and Walkthrough Training

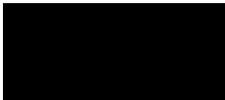


MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
 Date & Time : 21 January 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 17 of 40

Agenda	Agreements / Action Taken / Action Required
	<ul style="list-style-type: none"> o 02 Feb 2022, 9:30 AM - 3:00 PM, via Zoom (tentative)
IX. Adjournment	The meeting was adjourned at 12:02 AM.

Prepared by:



DIVINE GAYLE C. CRUZ
 Senior Specialist, Rules Review Division
 Market Assessment Group

Reviewed by:



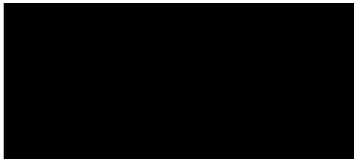
KAREN A. VARQUEZ
 Manager, Rules Review Division
 Market Assessment Group

Noted by:



JOHN MARK S. CATRIZ
 Head, Market Assessment Group

Approved by:



ALLAN C. NERVES
 Chairman, Independent

JESUSITO G. MORALLOS
 Member, Independent



CONCEPCION I. TANGLAO
 Member, Independent

(Vacant)
 Member, Independent



DIXIE ANTHONY R. BANZON
 Member, Generation Sector
 Masinloc Power Partners Co. Ltd. (MPPCL)



CHERRY A. JAVIER
 Member, Generation Sector
 Aboitiz Power Corp. (APC)



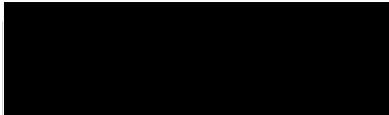


MEETING MINUTES

Subject/Purpose : 189th Rules Change Committee (Regular) Meeting
Date & Time : 21 January 2021, 09:00 AM
Venue : Online via Microsoft Teams
Page : 18 of 40



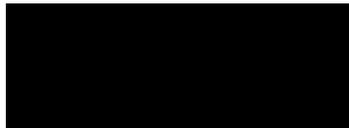
CARLITO C. CLAUDIO
Member, Generation Sector
Millennium Energy, Inc. / Panasia Energy, Inc.
(MEI/PEI)



MARK D. HABANA
Member, Generation Sector
Vivant Corporation – Philippines (Vivant)



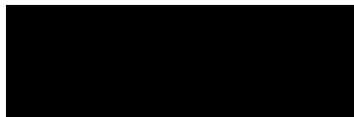
RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)



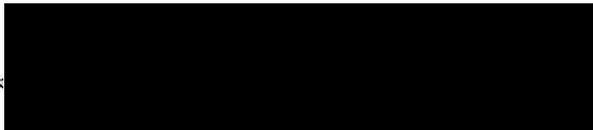
VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO III)



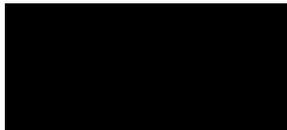
RICARDO G. GUMALAL
Member, Distribution Sector
Iligan Light and Power, Inc. (ILPI)



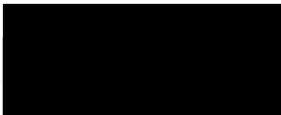
NELSON M. DELA CRUZ
Member, Distribution Sector
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area I)



LORRETO H. RIVERA
Member, Supply Sector
TeaM (Philippines) Energy Corporation (TPEC)



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



AMBROCIO R. ROSALES
Member, System Operator
National Grid Corporation of the Philippines
(NGCP)



ANNEX A
Additional Proposed Amendments to the Proposal regarding Enhancements to the Market Network Model

ADDITIONAL PROPOSAL

WESM Manual Load Forecasting Methodology Issue 4.0								
Title	Clause	Provision	RCC-Approved Proposed Amendment	Revised IEMOP's Proposal	Rationale	Comment	Proponent's Response	RCC Decision
Load Forecasting Methodology	6.2.8	(NEW)		<p><u>The projected load used in clause 6.2.4 may be based on the following information.</u></p> <ul style="list-style-type: none"> a. <u>Real-time data</u> b. <u>Historical load profiles from real-time data</u> c. <u>Historical metered quantity profiles</u> d. <u>Load profiles from network service providers that shall be regularly updated at least every month</u> 	In practice, IEMOP primarily uses real-time data. But in cases where real-time data is non-updating, IEMOP resorts to the use of either historical load profiles from archived real-time data, or from MQ. Item (d) on load profiles from NSPs is being proposed in cases where distribution systems are included in the market network model.	<p>Technical Committee:</p> <p>The proposed MNM simplification seems to have added some steps in load forecasting. Will this facilitate dispatch, pricing or settlement processes?</p> <p>If this is simplification how come are we adding additional process?</p> <p>The TC would also want to see an impact study on this proposed methodology.</p>	TC: It is IEMOP's understanding that NGCP and TC had reservations in the simplification process for looped networks. Note that the initial simplification process is made due to the limitations on the availability of real-time data downstream. IEMOP's proposal hopes to address that concern by modelling looped networks amidst the still limited availability of real-time data. This is why there are additional	Discussion: On the TC's comment, Mr. Olmedo emphasized that the additional proposal no longer aims to simplify but rather to approximate the load data in areas where real-time data is not available. In these cases, other inputs are necessary to obtain approximations as accurate as possible. He added that IEMOP already conducted an impact study on the proposed methodology but



ANNEX A
 Additional Proposed Amendments to the Proposal regarding Enhancements to the Market Network Model

WESM Manual Load Forecasting Methodology Issue 4.0								
Title	Clause	Provision	RCC-Approved Proposed Amendment	Revised IEMOP's Proposal	Rationale	Comment	Proponent's Response	RCC Decision
						<p>MERALCO: For clarity we suggest revising the provision as follows to show that any one of the sources may be used: "The projected load used in clause 6.2.4 may be based on any one of the following information.</p> <ul style="list-style-type: none"> a. Real-time data b. Historical load profiles from real-time data c. Historical metered quantity profiles d. Load profiles from network service providers that shall be 	<p>considerations in the forecasting of nodal loads as added in this proposal.</p> <p>MERALCO: Agree with proposed revision.</p> <p>NGCP: 1. IEMOP has internal methodologies in forecasting nodal loads, and this may vary. At the end of the day, it is more important to consider the forecast accuracy rather than focusing on the methodology.</p>	<p>the data used are considered confidential, hence the study cannot be disclosed.</p> <p>On MERALCO's request for clarification regarding SSLA, Mr. Olmedo stated that the Market Operator will no longer apply SSLA if the real-time monitoring is modelled in the scheduling point, which is co-located with the connection point where the revenue meter is. For clarity, if the real-time monitoring is not modelled in the scheduling point, the Market</p>



ANNEX A

Additional Proposed Amendments to the Proposal regarding Enhancements to the Market Network Model

WESM Manual Load Forecasting Methodology Issue 4.0								
Title	Clause	Provision	RCC-Approved Proposed Amendment	Revised IEMOP's Proposal	Rationale	Comment	Proponent's Response	RCC Decision
						<p>regularly updated at least every month, where distribution systems are included in the market network model. "</p> <p>***</p> <p>For clarification: Does this proposal imply that SSLA will no longer be applied once projected loads are provided by the NSP?</p> <p>NGCP: 1. Request to provide the methodology in the estimation of loads.</p>	<p>2. This will definitely help as we prefer use of real-time data.</p>	<p>Operator shall still apply SSLA. The intention is to eventually reduce or minimize the applications of SSLA as the Market Operator is able to incrementally model the loads downstream to be co-located with the meter.</p> <p>Mr. Morales inquired how the IEMOP shall ensure there will not be double-charging for line rental and SSLA in cases when the load point is after the facilities owned by the distribution utility. Mr. Olmedo responded that those cases are</p>



ANNEX A
 Additional Proposed Amendments to the Proposal regarding Enhancements to the Market Network Model

WESM Manual Load Forecasting Methodology Issue 4.0								
Title	Clause	Provision	RCC-Approved Proposed Amendment	Revised IEMOP's Proposal	Rationale	Comment	Proponent's Response	RCC Decision
						2. We also would like to inform IEMOP on the existing NGCP project on providing DU monitoring at the connection point, this may partially resolve or improve the estimation of loads by IEMOP in the future.		still to be further assessed by the Market Operator since for now, it focused more on modelling situations where the load point is downstream, as primarily described in the proposal. <u>RCC Decision:</u> APPROVED, as revised, to consider MERALCO's re-wording.

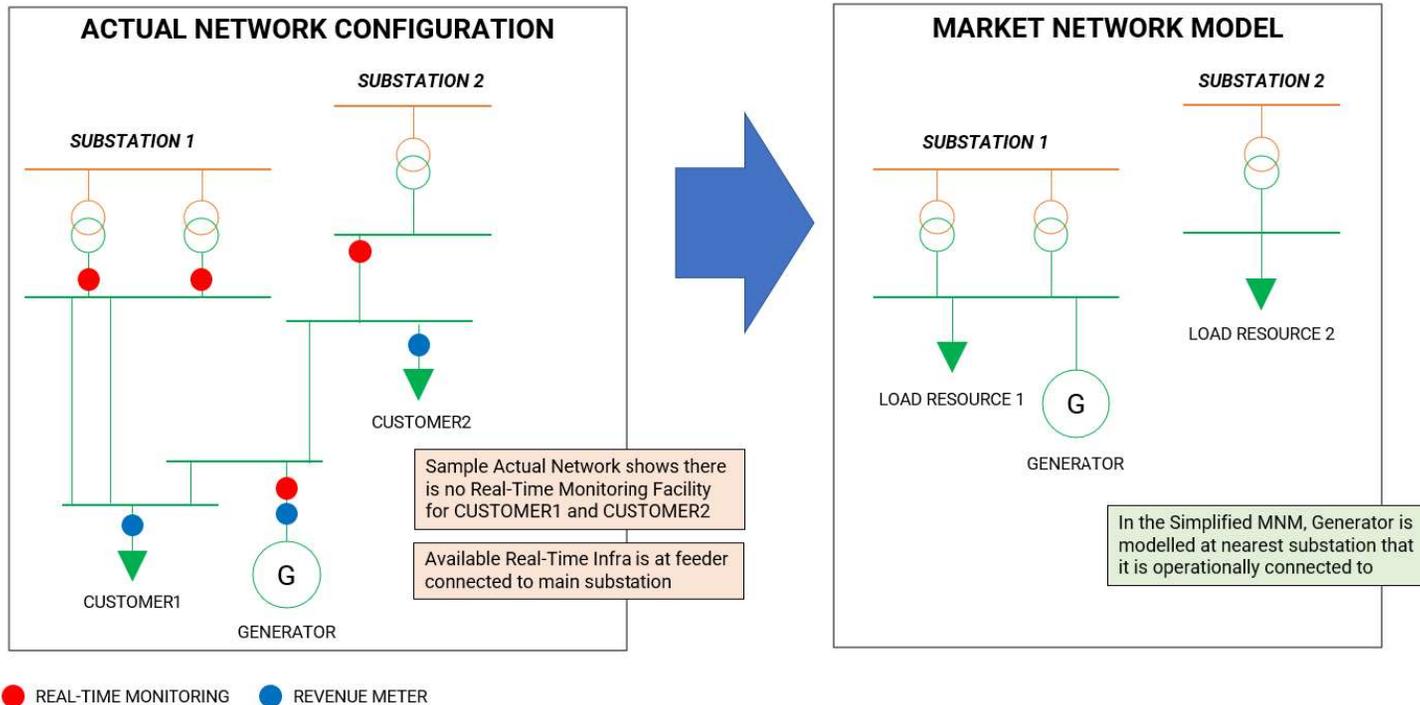


ANNEX A
Additional Proposed Amendments to the Proposal regarding Enhancements to the Market Network Model

PREVIOUS PROPOSAL

Appendix A. Illustration of Simplified Model for Embedded Generators

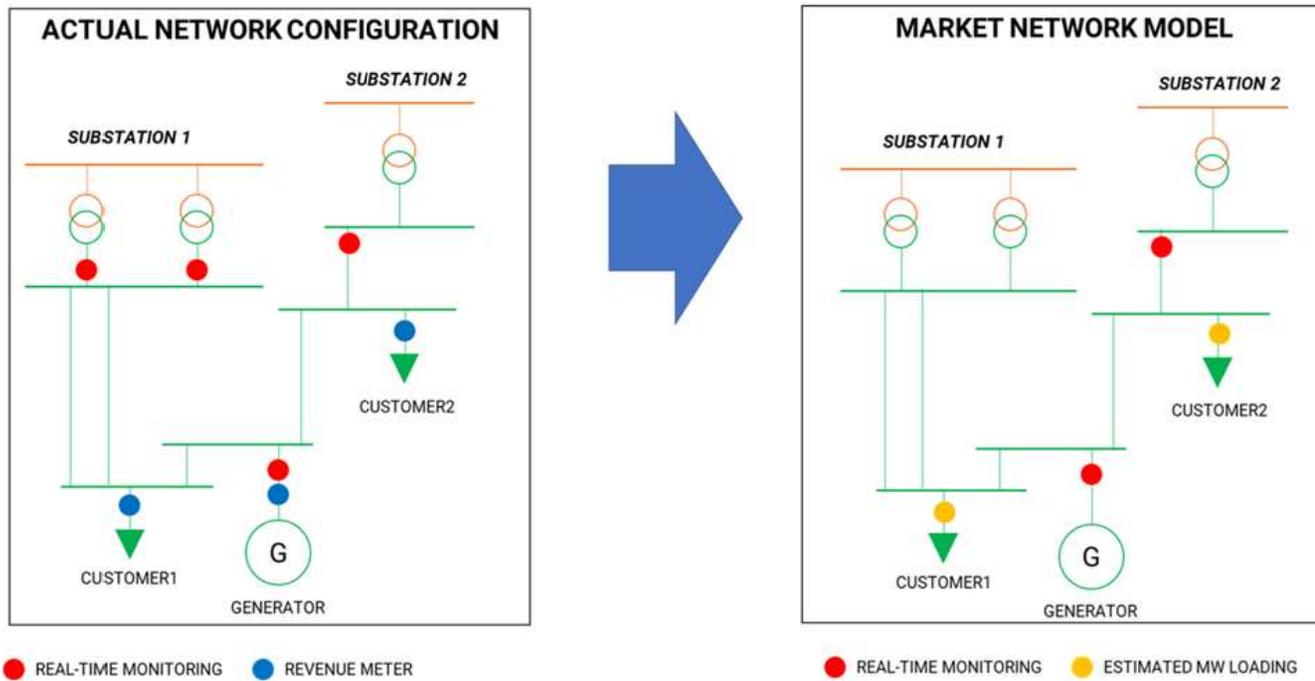
Main Criteria for Simplification
Insufficient real-time monitoring adjacent to the connection points of Customer Feeders



ANNEX A
Additional Proposed Amendments to the Proposal regarding Enhancements to the Market Network Model

REVISED PROPOSAL

Appendix A. Illustration of Approximating Network Model with Limited Real-Time Data



ANNEX B

Presentation Material for Panasia Energy, Inc.'s Proposal



**PROPOSED AMENDMENTS TO THE WESM
MANUALS ON PRICE DETERMINATION
METHODOLOGY AND BILLING AND SETTLEMENT**

January 21, 2022

189th RCC Meeting via Microsoft Teams

THE PROPONENT

- The proponent is Panasia Energy Inc. (PEI).
- PEI is a registered Direct WESM Member - Generator Company.
- It owns and operates the 540-MW Bataan Combined Cycle Power Plant in Limay, Bataan.



ANNEX B
Presentation Material for Pansia Energy, Inc.'s Proposal

OUTLINE

			
ACTION REQUESTED	RATIONALE OF THE PROPOSAL	SUMMARY OF THE PROPOSAL	OTHER RELEVANT MATTERS

 3

ACTION REQUESTED

- For approval to publish the proposed amendments for comments of WESM Members and interested parties

 4

ANNEX B

Presentation Material for Pansia Energy, Inc.'s Proposal

RATIONALE OF THE PROPOSAL

- The proposed amendments are expected to sufficiently recompense a Trading Participant who is negatively affected by pricing errors and subsequent market pricing re-runs. Pricing errors continue to occur, even with the implementation of the five-minute market.
- If no additional compensation is forthcoming to the affected Trading Participant, its financial losses will keep on piling up, severely threatening its economic viability.



Number of Intervals with Pricing Errors Affecting PEI

Billing Month	Number of Relevant Intervals	Number of PEN Issuances	
		Daily	Final
July	166 (60.36%)	221	275
August	19 (20.88%)	64	91
September	0	101	172
October	1 (0.25%)	218	395
November	1 (0.27%)	405	377
December	13 (21.31%)	88	61
July - December	200 (14.59%)	1,097	1,371

% - percentage of affected intervals over the Final posting, for Issuance of PEN



ANNEX B

Presentation Material for Panasia Energy, Inc.'s Proposal

Pricing Error Data

- [Click here for spreadsheet](#)



Difference between Offer Price and Final Price

Billing Month	Difference between Offer Price and Final Price		
	Minimum	Maximum	Average
July	300.00 (Limay 2)	20,970.14 (Limay 3)	9,301.79
August	9,549.67 (Limay 6)	21,966.77 (Limay 3)	18,599.71
September	N/A	N/A	N/A
October	13,146.74 (Limay 7)	13,146.74 (Limay 7)	13,146.74
November	8,476.71 (Limay 2)	8,476.71 (Limay 2)	8,476.71
December	7,598.46 (Limay 2)	19,613.79 (Limay 3)	12,748.14
July - December	300.00 (Limay 2)	21,966.77 (Limay 3)	10,424.20



ANNEX B

Presentation Material for Pansia Energy, Inc.'s Proposal

SUMMARY OF THE PROPOSAL

WESM Manual	Section	Proposed Change
Price Determination Methodology	Additional Compensation	Include pricing error with market pricing re-run as another criterion
Billing and Settlement	Criteria for Additional Compensation	Include pricing error with market pricing re-run as another criterion
	Filing of Claims	Include qualified Trading Participants affected by pricing error
	Quantity Eligible for Additional Compensation	Specify the quantity eligible for additional compensation for qualified Trading Participants affected by pricing error



9

OTHER RELEVANT MATTERS

- None



10

ANNEX B

Presentation Material for Panasia Energy, Inc.'s Proposal

ACTION REQUESTED

- For approval to publish the proposed amendments for comments of WESM Members and interested parties



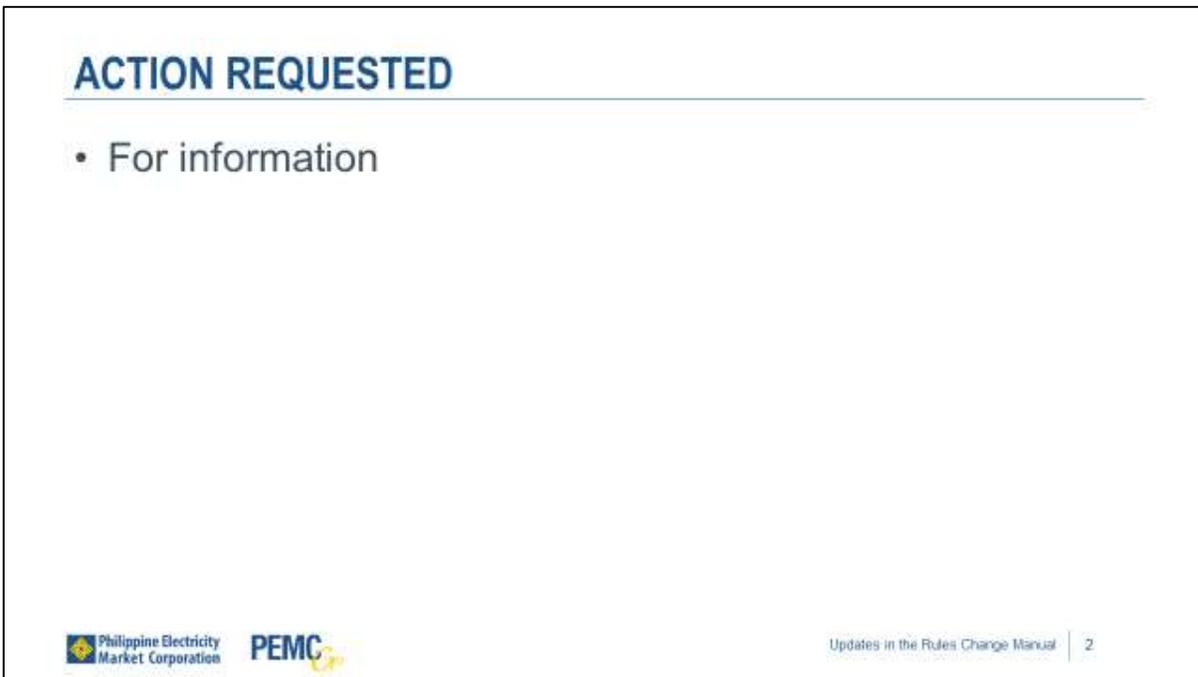
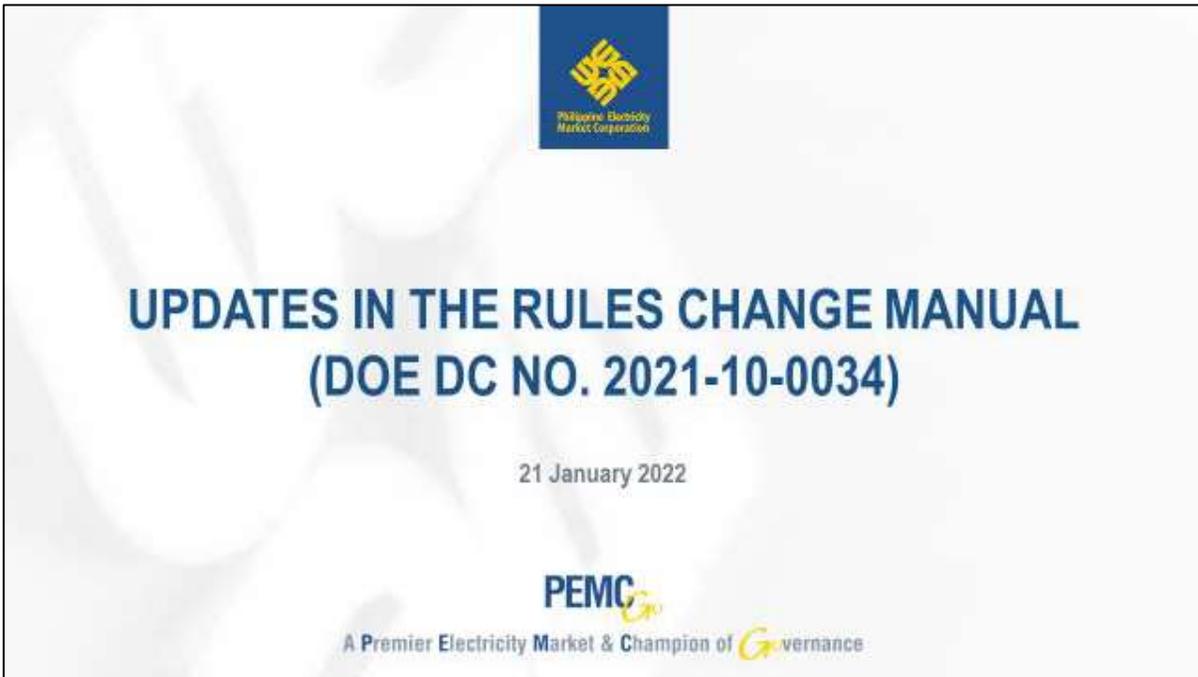
11



THANK YOU!

ANNEX C

Presentation Material for Updates in the Rules Change Manual



ANNEX C

Presentation Material for Updates in the Rules Change Manual

DEFINITION OF TERMS

TERMS	Definitions
WESM Governance Committees	refers to the Committees created by the PEM Board pursuant to the WESM Rules.
WESM Governance Secretariat	refers to the support group tasked to handle administrative matters of the WESM Governance Committees.
Publish	means to make information available through the market information website and the Governance Arm website.

**6.2 PEM Board**

The PEM Board shall render its decision:

- a) whether or not the proposal satisfies the criteria set forth in Section 4 of this Manual and in the WESM Rules and it may, as may be practicable under the circumstances:
 - i) take into account any information and document which it reasonably considers to be relevant for its consideration of the proposal;
 - ii) consult with persons who are likely to be affected by the proposal;
 - iii) seek such information and views from any person with expertise on the subject matter of the *proposal*; and
 - iv) **remand the *proposal* to the Rules Change Committee for further study. As necessary, the Rules Change Committee may subject the *proposal* to consultation as set out in WESM Rules Clause 8.4.5 (b).**



ANNEX C

Presentation Material for Updates in the Rules Change Manual

7.4 Effectivity of Urgent Amendment

a) The approved urgent amendment shall become effective within twenty-four (24) hours upon publication of the relevant Rules and/or *Market Manual(s)* in the market information website and *Governance Arm website*. The *Governance Arm and Market Operator* shall issue an advisory to the participants of the date of its effectivity. The *Governance Arm and Market Operator* shall publish the amendments within twenty-four (24) hours from its approval and advisories shall be made through *email, the market information website and the Governance Arm website*.



7.4 Effectivity of Urgent Amendment

f) **Within ten (10) days from ratification by the *PEM Board* of the urgent amendment or upon approval by the *PEM Board*, the *Rules Change Committee* shall notify and invite all *WESM Members* and all other interested parties of the amendment to make written submissions as a general amendment in accordance with Section 6 hereof. **After one (1) billing period but no later than ninety (90) calendar days** from the *PEM Board's* approval, the Market Assessment Group shall prepare and submit to the *Rules Change Committee*, copy furnished the *PEM Board* and the *DOE*, an assessment report on the implementation of the approved urgent amendments. **Thereafter**, the *Rules Change Committee* shall deliberate on the written submissions received to consider the urgent amendment as a general amendment in accordance with Section 6 hereof.**



ANNEX C

Presentation Material for Updates in the Rules Change Manual

7.4 Effectivity of Urgent Amendment

Activity	Timeline
1. The <i>RCC</i> shall notify and invite all <i>WESM Members</i> and all other interested parties of the amendment to make written submissions as a general amendment.	Within ten (10) days from ratification by the PEM Board of the urgent amendment or upon approval by the PEM Board
2. MAG shall prepare and submit to the <i>Rules Change Committee</i> , copy furnished the <i>PEM Board</i> and the <i>DOE</i> , an assessment report on the implementation of the approved urgent amendments.	After one (1) billing period but no later than ninety (90) calendar days from the PEM Board's approval
3. The <i>RCC</i> shall deliberate on the written submissions received to consider the urgent amendment as a general amendment in accordance with Section 6 hereof.	After submission of assessment report (not explicitly stated in the manual). *proposed 120 wd not adopted by the DOE


Updates in the Rules Change Manual | 7

7.4 Effectivity of Urgent Amendment

- **Section 6.1.5 of the RCM**

The Rules Change Committee shall make its decision and shall submit its resolution or status report to the PEM Board not later than sixty (60) working days from the date of publication of the notice made pursuant to Section 6.1.2 (a).


Updates in the Rules Change Manual | 8

ANNEX C

Presentation Material for Updates in the Rules Change Manual

7.4 Effectivity of Urgent Amendment

g) On the basis of the assessment conducted by the Market Assessment Group, the *PEM Board* may extend the effectivity of urgent amendments **only once for up to six (6) months** and shall inform the *DOE* of such extension.



7.4 EFFECTIVITY OF URGENT AMENDMENT

Applied to Urgent Amendments on Green Energy Option Program

	Date
PEM Board approval	November 24, 2021
Proposal took effect	November 25, 2021
New Rules Change process took effect (DOE DC2021-10-0034)	December 10, 2021

Proposed reckoning date for processing GEOP urgent amendments:

December 10, 2021



ANNEX C

Presentation Material for Updates in the Rules Change Manual

7.4 EFFECTIVITY OF URGENT AMENDMENT

Applied to Urgent Amendments on Green Energy Option Program

Activity	Timeline	Date
1. The RCC shall notify and invite all <i>WESM Members</i> and all other interested parties of the amendment to make written submissions as a general amendment.	Within ten (10) days from ratification by the PEM Board of the urgent amendment or upon approval by the PEM Board	<i>Reckoned from Dec 10, 2021:</i> • December 20, 2021 <i>(not yet accomplished)</i> Target posting date: January 24-26, 2022
2. MAG shall prepare and submit to the <i>Rules Change Committee</i> , copy furnished the <i>PEM Board</i> and the <i>DOE</i> , an assessment report on the implementation of the approved urgent amendments.	After one (1) billing period but no later than ninety (90) calendar days from the PEM Board's approval	<i>Reckoned from Dec 10, 2021:</i> Until March 10, 2022 <i>(90 cdays)</i>
3. The RCC shall deliberate on the written submissions received to consider the urgent amendment as a general amendment in accordance with Section 6 hereof.	After submission of assessment report (not explicitly stated in the manual). *proposed 120 wd not adopted by the DOE	<i>End of 30-wday commenting period:</i> March 09-11, 2022 RCC meeting: March 18



11

7.4 EFFECTIVITY OF URGENT AMENDMENT

Applied to Urgent Amendments on Green Energy Option Program

Documents for Publication:

- Original proposal from proponent (includes discussion paper)
- PEM Board-approved proposal (i.e., RCC Resolution)
- Matrix of Proposed Amendments (PEM Board-approved)



12

ANNEX C

Presentation Material for Updates in the Rules Change Manual

ACTION REQUESTED

- For approval of proposed reckoning date for processing urgent amendments on Green Energy Option Program based new rules change process (i.e., December 10, 2021)
- For approval to publish the urgent amendments on Green Energy Option Program as general amendments to solicit comments



**A Premier Electricity Market &
Champion of Governance**

18F Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City 1600, Philippines

pemc.info@wesm.ph

+63 2 8631 8734

+63 2 8636 0802

www.wesm.ph

ANNEX D

Presentation Material for Highlights of PEMC-MAG and NPC Meeting on Must-Run Unit Criteria

**HIGHLIGHTS OF PEMC-MAG & NPC MEETING
ON MUST-RUN UNIT CRITERIA**

21 January 2022
MS Teams

PEMC
A Premier Electricity Market & Champion of Governance

BACKGROUND

Must-Run Unit (MRU) Criteria:

MRU MANUAL ISSUES 1.0 to 4.0 (2004-2014)	MRU MANUAL ISSUES 5.0 to 8.0 (2014-2021)
1) System Voltage Requirement	1) System Voltage Requirement
2) Thermal Limits of Transmission Lines and Power Equipment	2) Thermal Limits of Transmission Lines and Power Equipment
3) System Tests of TransCo Facilities/Equipment	3) Real-power Balancing and Frequency Control
4) Insufficient offers from generators*	
5) Inadequate levels of reserve*	
6) Regulatory Requirements	
7) Commercial Operation Requirements	
8) Local Calamities and Emergencies	

**Added in Issue 3.0 in 2006*

2

ANNEX D

Presentation Material for Highlights of PEMC-MAG and NPC Meeting on Must-Run Unit Criteria

BACKGROUND

Must-Run Unit (MRU) Criteria – Local Calamities and Emergencies

MRU Manual Issue 4.0 (2007-2014):

“6.2.3 Local Calamities and Emergencies – these are short-term incidents (i.e., flooding, etc.) that would require designation of generators as MRUs to avert or minimize damage to infrastructure and security of people living in affected localities

xxx

8.3 Trading Participants that request for designation of their generating units MRUs to avert the impact of local calamities or emergencies will submit request to the System Operator and shall state the quantity (in MWh) for which they request to be run as MRU. Copies of the request shall be furnished the Market Operator.”

  | 3

BACKGROUND

Must-Run Unit (MRU) Criteria – Local Calamities and Emergencies

Reasons for removal:

- Local calamities and emergencies considered as condition for market intervention and generators dispatched compensated through Administered Price Determination Methodology
- Utilization of MRU resulting from grid isolation due to local calamities and emergencies is considered under *Real Power Balancing and Frequency Control* criterion

Sources:
Minutes of 79th RCC Meeting (03 October 2013)
Original Rules Change Proposal (June 2014)

  | 4

ANNEX D

Presentation Material for Highlights of PEMC-MAG and NPC Meeting on Must-Run Unit Criteria

HIGHLIGHTS OF PEMC-MAG & NPC MEETING

Issue:

- The deleted criteria served as legal basis for the creation of the Caliraya Dam Contingency Protocol (2009) and San Roque Dam Dispatch Protocol (2010), both of which protocols provide, among others, the process for the approval of Kalayaan Pumped Storage Power Plant, Caliraya HEPP and San Roque HEPP to be designated as MRUs when there is imminent weather disturbance.
- Operating the plants as MRU:
 - (1) optimizes the pre-emptive discharge of water through power turbines, instead of through spillway gates, in anticipation of incoming weather disturbance, and
 - (2) a way to lower reservoir elevation of the dam when the spillway gates are inoperable or under repair. Pre-emptive water releases are conducted when an increase in water level reservoir in the dam is observed and inclement weather is imminent.
- Absent the deleted criterion, NGCP may consider but not prioritize or deny their request Kalayaan and San Roque to be dispatched as MRU

  | 5

HIGHLIGHTS OF PEMC-MAG & NPC MEETING

NPC's Way Forward: Propose rules change to RCC

PEMC-MAG's Initial Recommendations:

- NPC to review current MRU provisions in various Manuals in the context of the 5-minute market
- Further coordination with System Operator as entity who designates MRUs
- Propose rules change

  | 6