

## MEETING MINUTES

Subject/Purpose : 198<sup>th</sup> Rules Change Committee (Regular) Meeting  
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 Venue : Online via Microsoft Teams  
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### ATTENDEES

	Name	Designation/Position	Department/ Company
1	Jesusito G. Morillos	Member, Independent	RCC
2	Fernando Martin Y. Roxas	Member, Independent	RCC
3	Jose Roderick F. Fernando	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	Nelson M. Dela Cruz	Member, Distribution Sector	RCC
12	Virgilio C. Fortich, Jr.	Member, Distribution Sector	RCC
13	Ricardo G. Gumalal	Member, Distribution Sector	RCC
14	Lorreto H. Rivera	Member, Supply Sector	RCC
15	Ambrocio R. Rosales	Member, System Operator	RCC
16	Isidro E. Cacho, Jr.	Member, Market Operator	RCC
17	John Mark S. Catriz	RCC Secretariat	PEMC
18	Karen A. Varquez	RCC Secretariat	PEMC
19	Divine Gayle C. Cruz	RCC Secretariat	PEMC
20	Dianne L. De Guzman	RCC Secretariat	PEMC
21	Kathleen R. Estigoy	RCC Secretariat	PEMC
22	Melanie Papa	Observer	DOE
23	Karen Anne H. Siruma	Market Operator	IEMOP
24	Arjon B. Valencia	Market Operator	IEMOP
25	Atty. Lilibeth Grace L. Vetus	Market Operator	IEMOP
26	Sergio Villafuerte	Proponent	NPC
27	Ken Trinidad	Proponent	NPC

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Market Corporation

Agenda	Agreements / Action Taken / Action Required
I. Call to Order	<ul style="list-style-type: none"> <li>Upon request of RCC Chairperson Concepcion I. Tanglao, Atty. Jesusito G. Morillos (Independent) presided the 198th Meeting in her absence.</li> <li>Atty. Morillos called the meeting to order at 9:02 AM.</li> </ul>
II. Determination of Quorum	Fourteen (14) principal members and two (2) alternate members were present during the meeting.
III. Adoption of Agenda	The agenda was approved, as revised.
IV. Approval of Minutes of Previous Meeting <ul style="list-style-type: none"> <li>193rd (Special) Meeting, 25 Mar 2022</li> <li>194th (Special) Meeting, 20 Apr 2022</li> <li>197th (Regular) Meeting, 27 Jun 2022</li> </ul>	<ul style="list-style-type: none"> <li>193rd (Special) Meeting, 25 Mar 2022 – approved as amended</li> <li>194th (Special) Meeting, 20 Apr 2022 – provisionally approved, subject to further comments from RCC until 19 July 2022 (Tuesday)</li> <li>197th (Regular) Meeting, 27 Jun 2022 - provisionally approved, subject to further comments by IEMOP (Mr. Edward I. Olmedo, regarding covered period of the percentage of Pricing Error Notices due to input error mentioned in the discussion) and the RCC until 19 July 2022 (Tuesday).</li> </ul>
V. Matters Arising from Previous Meeting	
5.1. Proposed Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures regarding Test and Commissioning Penalty Framework	<p><u>Presenter:</u> Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval to defer deliberation</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>PEMC (proponent) requested to defer the deliberation of the proposal in consideration of further consultations with PEMC Management, the Market Surveillance Committee, and the Compliance Committee on PEMC's responses to the comments received.</li> <li>Seven (7) entities submitted comments to the proposal:               <ol style="list-style-type: none"> <li>1) Aboitiz Power Corp.</li> <li>2) NGCP</li> <li>3) Millennium Energy, Inc./Panasia Energy, Inc.</li> <li>4) IEMOP</li> <li>5) Technical Committee</li> <li>6) MERALCO</li> <li>7) First Gen</li> </ol> </li> </ul>

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	<p><u>Agreement:</u></p> <ul style="list-style-type: none"> <li>The proposal shall be tabled for deliberation during the 199<sup>th</sup> (Regular) Meeting on 19 August 2022.</li> </ul>
<p>5.2. Update on RCC Resolution No. 2022-09: Proposed Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints</p>	<p><u>Presenter:</u> Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For Discussion</p> <p><u>Materials:</u> Annex A – Presentation Material</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>Ms. Cruz provided a background regarding the PEM Board's feedback on the subject proposal when it was presented to the PEM Board during its 49<sup>th</sup> meeting last 29 June 2022. The PEM Board's agreement is as follows<sup>1</sup>:</li> </ul> <p><i>Deferred for further review/study.</i></p> <p><i>The PEM Board concurred with Dir. Danel Aboitiz, that the hydroelectric power plants can simply adjust their trading strategy and that the current manual on dispatch protocol is still working and need not be amended.</i></p> <p><i>The Board then approved to defer the said proposal for further review/study of the Committee.</i></p> <p>Ms. Cruz proceeded to emphasize that the RCC, as indicated in RCC Resolution No. 2022-09 submitted to the PEM Board prior its meeting, in fact concurs with the comments of Dir. Aboitiz. Per the RCC's Resolution:</p> <p><b>WHEREAS</b>, notwithstanding the proposed amendments and the RCC's revisions thereto, the RCC noted that the NPC as the dam operator is cognizant that: (i) strategizing offers is the primary manner by which its Trading Participant could increase the likelihood of being dispatched, and by extension facilitate the pre-emptive release of stored water from the dams, and (ii)</p>

<sup>1</sup> PEMC Office of the Corporate Secretary. PEM Board directive. Received via email on 29 June 2022.

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	<p><i>NPC may need to change its coordination protocols with the plant operator;</i></p> <p>Ms. Cruz added that the minutes of the RCC deliberation likewise documents that the NPC was sufficiently informed about managing offers in order to be dispatched and the NPC's statement that they may need to change its internal procedures with the plant operator.</p> <p>Atty. Morillos, who presented the proposal to the PEM Board, recounted that he even mentioned NPC's arguments which are: (i) relying solely on strategizing offers without the support of the proposal is impractical, (ii) that the NPC assured it will not abuse using the amendment should the proposal be approved, and (iii) that the Trading Participant shall be a price-taker, for emphasis. Atty. Morillos explained that the PEM Board might be expecting the RCC to either augment the proposal or withdraw it entirely.</p> <ul style="list-style-type: none"> <li>• Prof. Roxas (Independent) sought clarification if the issue is not merely about NPC's coordination with its partner Trading Participant, but about the possible bifurcation of interest that may not always coincide between NPC, who is responsible for ensuring dam safety, and the Trading Participant who is concerned with the commercial aspect.</li> </ul> <p>Ms. Javier (APC) responded that power generation is usually the last priority when it comes to dam operations. For instance, irrigation requirements or water requirements for consumption are prioritized before power generation.</p> <ul style="list-style-type: none"> <li>• Mr. Serge Villafuerte (NPC) confirmed that NPC as the dam operator is not involved with the commercial operations of the power plants nor concerned with maximizing its profits but is only concerned with the safety of the dams. He stated that this should arrest any concern that the NPC would abuse the proposal. NPC expressed its intention to still pursue the proposal in the PEM Board through the RCC.</li> </ul> <p><u><i>Discussion on the Characteristics of NPC Dams</i></u></p> <ul style="list-style-type: none"> <li>• Mr. Claudio (MEI/PEI) inquired (i) if NPC is also responsible for dams with power plants that were already privatized (i.e.,</li> </ul>

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	<p>Ambuklao, Binga, Magat, Pantabangan, Angat), and (ii) what is unique with the Caliraya and San Roque Dams that NPC is making this proposal. Ms. Javier reminded that CBK is still government-owned via NPC-PSALM, so coordination between NPC Dam Operations and NPC-PSALM is essentially an internal process.</p> <p>Atty. Morillos inquired if the uniqueness lies on the nature of the dams themselves, or the ownership/management of the power plants. Considering that CBK hydropower is still government-owned, Atty. Morillos asked if the ownership structure might have contributed to the difficulty of NPC in coordinating with its Trading Participant on short notice.</p> <p>Mr. Ken Trinidad (NPC) replied that Caliraya Dam is particularly unique such that spilling operations through the spillway gates has never been conducted for Caliraya since doing so may be catastrophic to nearby communities.</p> <p>Mr. Villafuerte expounded that one unique characteristic of Caliraya is its short river channel downstream resulting to its short distance from the populated area. Thus, water releases coming from Caliraya Dam through the spillway gate would not take long to reach the highly populated communities. Caliraya is different from other dams like Ambuklao dam since the latter has a large catchment area via the San Roque reservoir.</p> <p>Other than Caliraya, San Roque and Angat dams are also subjects of concern since these dams have large capacities with communities located downstream. Because of their large capacities, water releases also tend to be huge in times of calamities threatening the populated communities nearby.</p> <ul style="list-style-type: none"> <li>• Mr. Villafuerte likewise confirmed that Caliraya and Kalayaan use the same reservoir, while Botocan power plant is a separate facility. He added that they are being operated by CBK Power Corporation through a contract.</li> <li>• Mr. Fortich (CEBECO 3) asked the following: whether the operator of the CBK hydropower plant requested NPC to maintain the dams or if it is NPC's initiative, (ii) if the power plant company is located near the dams, and (iii) if there is communication between NPC and the power plant operators.</li> </ul>

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	<p>Mr. Villafuerte explained that there are legal documents mandating NPC to maintain and operate the dams under its management. He also confirmed that the hydropower plant companies are located downstream the dam reservoir. NPC and the power company do communicate but not much pertaining to operations during calamities as they seldom happen. However, NPC is anticipating the extreme and risky scenarios.</p> <ul style="list-style-type: none"> <li>• Atty. Morillos summed up that the uniqueness of the dams mentioned lies on their characteristics and not in the ownership structure.</li> </ul> <p><u><i>Discussion on System Operator Responsibility</i></u></p> <ul style="list-style-type: none"> <li>• Mr. Rosales (NGCP-SO) clarified and emphasized again that even if the proposal was approved, the System Operator still has the final approval whether the request from hydropower plants to be dispatched through the imposition of non-security limit due to Dam Operations will be granted given that the System Operator's priority is the security of the grid. He also pointed out that if water elevation has already reached critical level and there is imminent weather disturbance, the standard protocol for all dams is to gradually conduct spilling operations prior the occurrence of the weather disturbance to prevent damage to the dam infrastructure. The requirement for hydropower plants in these situations is to operate the generating units for 24 hours to avoid water wastage. In real-time system operations, hydropower plants usually request for maximum dispatch.</li> </ul> <p>However when there are typhoons, other generating units are already shutting down their plants in advance or operating at minimum. If there are still requests for overriding constraints, like this proposal would allow, during the passage of typhoon, the System Operator will no longer permit this since dispatching the plants would threaten the security of the grid. During these times the System Operator, in coordination with the Market Operator, would have already declared market intervention in which case most of the generating units will be shut down due</p>

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	<p>to loss of load, instability in the power system, and the difficulty in maintaining the supply and demand balance.</p> <ul style="list-style-type: none"> <li>Mr. Villafuerte stated that while NPC do monitor weather forecasts and use those of PAGASA's for managing reservoir elevation, these forecasts are not 100% accurate in reality. By experience, there have been deviations from the forecasts but NPC could only rely on the available information.</li> <li>As additional information, the Secretariat pointed out that during market intervention or suspension ("MI/MS"), it is the System Operator who shall determine the dispatch schedules in the absence of a market. In these situations, Mr. Rosales explained that during MI/MS, overriding constraints are not applicable and RTD schedules are no longer considered. During MI/MS, the System Operator and generating units may still coordinate with each other but any such discussion is likely about shutting down plants since the utmost priority at that point is the security of the grid.</li> <li>Mr. Rosales stated that what is currently missing in the rules and manuals is a documented provision to serve as the System Operator's basis to consider granting imposition of non-security overriding constraints for the specific scenarios being addressed by the proponent (i.e., dam operations during calamities).</li> </ul> <p><u>RCC Voting</u></p> <p>Having heard the discussions, the RCC voted to pursue the subject proposal for approval of the PEM Board, without modification:</p> <ul style="list-style-type: none"> <li>○ YES – 10 votes</li> <li>○ NO – 2 votes</li> </ul> <p><u>Agreements:</u></p> <ul style="list-style-type: none"> <li>The RCC agreed to pursue endorsing the proposal to the PEM Board, without modifications, with supplemental justifications mentioned based on the discussions.</li> </ul>

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	<ul style="list-style-type: none"> <li>Messrs. Fortich, Rosales, and Claudio will provide assistance to the drafting of supplemental justifications for the proposed amendments.</li> </ul>
<p>5.3. RCC Review of Internal Rules</p> <ul style="list-style-type: none"> <li>Draft RCC Resolution No. 2022-10</li> </ul>	<p><u>Presenter:</u> Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For discussion and approval</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>The salient changes to the draft RCC Internal Rules incorporated by the Secretariat were related to:             <ul style="list-style-type: none"> <li>RCC Form/Template for submission of new proposals – to ensure completeness of material information for new proposals</li> <li>Facilitation of caucus discussions using the RCC Channel in the MS Teams as pre-work prior regular meetings. The caucus discussion intends to unburden or minimize lengthy deliberation of proposals during regular meetings, focused only on the most contentious or important issues since pre-work has already been done.</li> </ul> </li> </ul> <p>Depending on the complexity and nature of a proposal, a caucus meeting(s) involving a core group of RCC members as appointed by the RCC Chairperson based on their specialization or interest (as volunteer) on the subject matter may also be conducted if deemed necessary.</p> <p><u>Agreement:</u></p> <p>The RCC approved the RCC Resolution No. 22-10 and the changes to the RCC Internal Rules, as amended.</p>
VI. New Business	
<p>6.1. RCC Semestral Report (Jan to Jun 2022)</p>	<p><u>Presenter:</u> Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For approval to submit to the PEM Board</p> <p><u>Proceedings:</u></p>



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	<ul style="list-style-type: none"> <li>The Secretariat presented the revised draft Semestral Report, which was emailed to the RCC on 06 July 2022, providing the accomplishments of the RCC from January to June 2022, summarized as follows (as of reporting time):               <ul style="list-style-type: none"> <li>6 new proposals submitted to RCC</li> <li>4 proposals approved</li> <li>16 documents (rules or manuals) amended</li> <li>4 proposals carried-over from previous reporting time approved</li> </ul> </li> <li>The Report likewise provides an update on the proposals promulgated by the DOE and the RCC 2022 Work Plan.</li> </ul> <p><u>Agreement:</u></p> <p>The draft Semestral Report was approved, as amended, for submission to the PEM Board.</p>
VII. Other Matters	
7.1. Updates on Rules Change Webpages	<p><u>Presenter:</u> Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For information / Comments</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>The Secretariat introduced the following enhancements to the RCC-related webpages:               <ul style="list-style-type: none"> <li>WESM Rules and Manuals Map – presents the relationship of the chapters of the WESM Rules with corresponding WESM Manuals</li> <li>New Rules Change Proposals – provides a more complete documentation of proposals, from submission of proposal up to the final approval of the DOE or ERC</li> <li>Submission of Proposals and Comments (through website) – facilitates easier submission of proposals and comments, and more organized receipt of the same by the Secretariat</li> </ul> </li> <li>The Secretariat likewise demonstrated the MS Teams RCC Channel that will facilitate the caucus discussions of the RCC regarding proposals.</li> </ul>

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<p>7.2. DOE Updates</p> <ul style="list-style-type: none"> <li>Schedules of Public Consultation</li> <li>Proposals for Promulgation</li> </ul>	<p><u>Presenter:</u> Ms. Melanie Papa (DOE Observer)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> <li>Public consultations are scheduled for the proposals regarding (1) Green Energy Option Program, and (2) System Security and Reliability regarding Reserve Market on the following dates:               <ul style="list-style-type: none"> <li>Luzon (Taguig City) – July 19</li> <li>Visayas (Bacolod City) – July 26</li> <li>Mindanao (General Santos City) – August 02</li> </ul> </li> <li>Five (5) newly signed DOE Circulars are soon to be published, which include the urgent proposals whose effectivity of implementation has expired. These proposals were based on the following RCC Resolutions:               <ol style="list-style-type: none"> <li>2021-07 (Dispute Resolution)</li> <li>2021-14 (Market Operator and System Operator Procedures)</li> <li>2021-18 (Application Process of New WESM Members)</li> <li>2021-19 (ERC Directives on Additional Compensation Process)</li> <li>2021-22 (ERC Directives on Automatic Pricing Re-runs for Under-generation and Over-generation)</li> </ol> </li> </ul>
<p>7.3. NGCP's Letter on Request for Derogation on its Reference for Issuing Grid Alert Notices (Matter arising from the RCC's deliberation on NGCP's proposed amendments to the WESM Manual on System Security and Reliability Guideline)</p>	<p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>NGCP is still coordinating internally on their submission to ERC.</p>
<p>7.4. Caucus Schedule and Members</p> <ul style="list-style-type: none"> <li>Additional Compensation Proposal by IEMOP</li> </ul>	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For discussion</p>

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	<p><u>Proceedings/Agreements:</u></p> <ul style="list-style-type: none"> <li>• Secretariat shall identify issues/concerns on the proposal after comments have been received</li> <li>• Caucus members will be designated through RCC Channel/chat board.</li> <li>• Caucus meeting (if necessary) – August 12</li> </ul>
VIII. Schedule of Next Meetings	<p><u>Presenter:</u> Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p>The RCC noted the following schedules:</p> <ul style="list-style-type: none"> <li>• RCC Meetings               <ul style="list-style-type: none"> <li>○ 19 Aug 2022</li> <li>○ 16 Sep 2022</li> <li>○ 21 Oct 2022</li> </ul> </li> <li>• BRC Meeting               <ul style="list-style-type: none"> <li>○ 18 Jul 2022</li> </ul> </li> <li>• PEM Board Meeting               <ul style="list-style-type: none"> <li>○ 27 Jul 2022</li> </ul> </li> <li>• EMX &amp; AGMM               <ul style="list-style-type: none"> <li>○ 20 Jul 2022</li> </ul> </li> </ul>
IX. Adjournment	The meeting was adjourned at 12:14 PM.

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Prepared by:



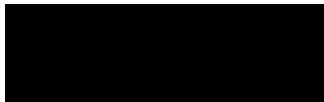
DIVINE GAYLE C. CRUZ  
Senior Specialist, Rules Review Division  
Market Assessment Group

Reviewed by:



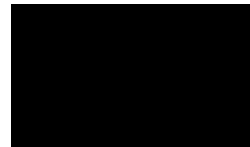
KAREN A. VARQUEZ  
Manager, Rules Review Division  
Market Assessment Group

Noted by:



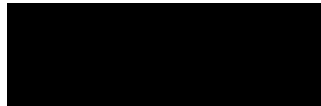
JOHN MARK S. CATRIZ  
Head, Market Assessment Group

Approved by:

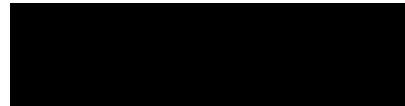


CONCEPCION I. TANGLAO  
Chairman, Independent

JESUSITO G. MORALLOS  
Member, Independent



FERNANDO MARTIN Y. ROXAS  
Member, Independent



JOSE RODERICK F. FERNANDO  
Member, Independent



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



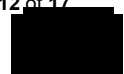
CERRY A. JAVIER  
Member, Generation Sector  
Aboitiz Power Corp. (APC)



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



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



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

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

[REDACTED]  
Member, Supply Sector  
TeaM (Philippines) Energy Corporation (TPEC)

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

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

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

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

**ANNEX – Way Forward on Proposal regarding Non-security Overriding Constraints**



## **WAY FORWARD ON PROPOSAL REGARDING NON-SECURITY OVERRIDING CONSTRAINTS**

### **BACKGROUND**

- RCC approved proposal per **RCC Resolution No. 202209** dated 17 June 2022

## ANNEX – Way Forward on Proposal regarding Non-security Overriding Constraints

## BACKGROUND

Title	Section	Original Provision	Proposed Amendment	Rationale
Over-riding Constraints	7.6.2	<p>7.6.2 The types of <i>over-riding constraints</i> that may be imposed in the MDOM include the following:</p> <p>a. <i>Security Limits</i> - The <i>System Operator</i> may impose <i>security</i> limits to override the <i>market offers</i> and address possible threats in <i>system security</i>.</p> <p>i. <i>Generation Limits</i> – involves the minimum and maximum operating limits for <i>generation</i>. <i>Security</i> limits for <i>generating units</i> shall also include scheduled <i>must-run units</i> in accordance with the selection criteria in section 17.2 of this Dispatch Protocol.</p> <p>ii. <i>Branch Group Limits</i> – involves the maximum flow that may pass through a certain group of <i>transmission lines</i></p> <p>iii. <i>Transmission Limits</i> – involves the maximum flow that may pass through a specific line or transformer or <i>HVDC</i></p> <p>iv. Other types as may be recommended by the <i>System Operator</i></p>	<p>7.6.2 The types of over-riding constraints that may be imposed in the MDOM include the following:</p> <p>xxx</p> <p>b. Non-Security Limits: <del>Testing and commissioning</del></p> <p>i. Generating Unit Limitations</p> <p>ii. Regulatory and Commercial Testing</p> <p>iii. <u><b>Dam Operations during Local Calamities – refers to instances where there is a need to lower reservoir elevation due to incidents (i.e., flooding, damage to dam infrastructure, etc.) that would allow hydro-electric plants to run under Non-Security Over-riding Constraints to avert or minimize damage to infrastructures and ensure safety of people living in affected localities.</b></u></p>	<ul style="list-style-type: none"> <li>To facilitate requests to the System Operator for priority dispatch of hydropower plants through the imposition of overriding constraints in times when immediate pre-emptive lowering of reservoir elevation is necessary in anticipation of calamities.</li> <li>To minimize, if not prevent, the probability of spilling operations through the dam spillway that may cause flood in the downstream communities.</li> <li>To optimize the utilization of reservoir stored water through power generating turbines instead of spilling the excess water through the spillway which will be a waste of water resources.</li> </ul>

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## BACKGROUND

- Presented to PEM Board during 49<sup>th</sup> Meeting on 29 June 2022

RCC Proposed Amendment	PEM Board Action/Directive
RCC Resolution No. 2022 -09 entitled Proposed Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints	<p>Deferred for further review/study.</p> <p>The PEM Board concurred with Dir. Daniel Aboitiz, that the hydroelectric power plants can simply adjust their trading strategy and that the current manual on dispatch protocol is still working and need not be amended.</p> <p>The Board then approved to defer the said proposal for further review/study of the Committee.</p>

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## ANNEX – Way Forward on Proposal regarding Non-security Overriding Constraints

### BACKGROUND

- Excerpt from RCC Resolution No. 202209:

**WHEREAS**, notwithstanding the proposed amendments and the RCC's revisions thereto, the RCC noted that the NPC as the dam operator is cognizant that: (i) strategizing offers is the primary manner by which its Trading Participant could increase the likelihood of being dispatched, and by extension facilitate the pre-emptive release of stored water from the dams, and (ii) NPC may need to change its coordination protocols with the plant operator;

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### FOR DISCUSSION

- When there is market = dispatch based on offers (default)
- When market suspension/intervention is declared = dispatch based on SO instructions
- ❖ SO may need basis to dispatch hydropower plants during market suspension/intervention

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## ANNEX – Way Forward on Proposal regarding Non-security Overriding Constraints

### FOR DISCUSSION

- WESM Manual on Dispatch Protocol

#### SECTION 16 PROCEDURES DURING MARKET INTERVENTION OR SUSPENSION

16.3.2 The *System Operator* is responsible for the following functions and shall carry them out in accordance with the *WESM Rules* and the procedures set out in this Dispatch Protocol:

- a. Notifying the *DOE*, the *ERC* and the *Market Operator* of the occurrence of an event or situation that gives rise to *market intervention* and the declaration of *market intervention*.
- b. Restoring and maintaining reliable operation of the *power system* as quickly as practicable, with due consideration to the safety of persons and facilities.
- c. Scheduling of available *generation* and *load* in the *dispatch intervals* when the *market intervention* or *market suspension* is in effect until market resumption.
- d. Provide full account of *dispatch* implementation to the *Market Operator* during *market intervention* or *market suspension*.
- e. Preparing a report detailing the situation that gave rise to *market intervention*, the steps taken to ensure reliable operations and remedy the causes of the intervention and any recommendations for avoiding a similar occurrence in the future.

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