



Philippine Electricity
Market Corporation

MINUTES OF MEETING

Rules Change Committee

161st Regular Meeting (No. 2020-02)

21 February 2020, 9:00 AM – 2:00 PM

18/F PEMC Board Room, Robinsons Equitable Tower

Ortigas Center, Pasig City

Agenda	Action Required
I. Call to Order	<p>There being a quorum, Mr. Francisco L.R. Castro (Independent) called the meeting to order at 9:10 AM.</p> <p>The RCC acknowledged the new members from the Generation and Distribution Sectors, namely:</p>
II. Determination of Quorum	<ol style="list-style-type: none"> 1) Mr. Mark D. Habana – Generation (Vivant Corp.); 2) Mr. Carlito C. Claudio – Generation (Millennium Energy, Inc./ Panasia Energy, Inc.); and 3) Mr. Nelson M. dela Cruz – Distribution (Nueva Ecija II Electric Cooperative, Inc. – Area 1) <p>The RCC were informed of the outgoing members/alternates from the said Sectors, namely:</p> <ol style="list-style-type: none"> 1) Mr. Abner B. Tolentino and Ms. Ma. Erliza C. Casas (alternate) – Generation (Power Sector Assets and Liabilities Management Corporation); and 2) Jose P. Santos and Mr. Roy Rosario F. Alimbuyuguen (alternate) – Distribution (Ilocos Norte Electric Cooperative, Inc.)

Attendance List	
In-attendance	Not In-attendance
<p><u>Rules Change Committee</u></p> <p><i>Principal Members:</i></p> <p>Maila Lourdes G. de Castro, Chairperson – Independent</p> <p>Francisco Leodegario R. Castro, Jr. – Independent</p> <p>Allan C. Nerves – Independent</p> <p>Concepcion I. Tanglao – Independent</p> <p>Dixie Anthony R. Banzon – Generation (MPPCL)</p> <p>Mark D. Habana – Generation (Vivant)</p> <p>Carlito C. Claudio – Generation (MEI/Panasia)</p> <p>Virgilio C. Fortich, Jr. – Distribution (CEBECO III)</p> <p>Ricardo G. Gumalal – Distribution (ILPI)</p> <p>Nelson M. dela Cruz – Distribution (NEECO II Area 1)</p> <p>Lorreto H. Rivera – Supply (TPEC)</p> <p>Ambrocio R. Rosales – System Operator (NGCP)</p> <p>Isidro E. Cacho – Market Operator (IEMOP)</p> <p><i>Alternate Members:</i></p> <p>Angeli Abad Parcia – Generation (APC)</p> <p>Manuel Luis Zagala – Distribution (MERALCO)</p>	<p>Cherry A. Javier – Generation (APC)</p> <p>Ryan S. Morales – Distribution (MERALCO)</p>

DOE Observers

Ryan Jaspher Villadiego
 Mari Josephine C. Enriquez
 Lex Magtalas

PEMC – Market Assessment Group

Karen A. Varquez
 Divine Gayle C. Cruz
 Dianne L. De Guzman

PEMC – Corporate Planning and Communications

Clares Loren C. Jalocon
 Romellen C. Salazar

IEMOP

Raymond A. Marqueses
 Valfia U. Gregorio

MERALCO

Marvin Gonsalves
 Melchor Luber
 Allan Garcia
 Justin Mendiola
 Katherine Ann Perez

Agenda	Agreements/Action Plans
III. Adoption of the Agenda	The proposed agenda was approved as submitted.
Agenda	Agreements/Action Plans
IV. Review of the Minutes of the Previous Meeting (160 th Meeting, 24 January 2020)	The draft minutes was approved as amended.

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 2 The following were the significant revisions the RCC adopted in the minutes of the
 3 previous meeting:
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- Agenda item 5.1 – Draft RCC Semestral Report (July to December 2019)
 - *Atty. de Castro advised to reflect **percentage of comparison between** the number of submitted proposals per proponent; **and** number of approved submitted proposals; ~~and the percentage of the approved proposals comparatively with submitted proposals~~ **per proponent.***
 - *Ms Cruz also updated the body on the status of each proposals, in which are reflected on the Semestral Report **in Table 4 of the report.***
- Agenda item 6.2 – Draft RCC Resolution No. 2020-02 - Proposed Amendments to the WESM Rules and WESM Manual on Market Operator Information Disclosure and Confidentiality to Provide Exceptions for Confidentiality Undertaking for Oversight Bodies
 - *~~Mr. Cacho informed the body that some data and information are automatically transferred through an infrastructure except for the settlement data.~~ **Mr. Cacho informed the body that all data and information are automatically transferred through an FTP infrastructure on a daily basis except for the settlement data which is provided on monthly basis.***
- Agenda item 7.1 - Review of RCC Internal Rules
 - *Ms. Varquez, as the presenter, informed the RCC to ~~expand the agenda~~ **that the discussion will not only focus on the internal rules but to cover all also** the rules change process. **She also** ~~and~~ reminded the sectoral representatives on **the submission of their certification that they have been informing their respective sectors/organizations on matters taken up by the RCC.***
 - *As specified in the RCM, the Secretariat's timeline to give ~~preview on~~ **assessment on** the amendment is 5 business days but the IR-RCC states ~~5~~ 5 working days. Business Days as defined in the manual is ~~everyday~~ **calendar days** but working days mean Monday-Friday excluding holidays.*
 - *As agreed, the **RCC will review the completeness** details of ERC-issued guidelines. **The results of the review** ~~will be reviewed but it must be in line with the directives and decision~~ **of the regulator.** ~~either it will be for information if it is complete or for further review if not,~~ **This is** to be reflected in the IR-RCC.*

V. New Business	
Agenda	Agreements/Action Plans
5.1. Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees, Issue 3	Approved for publication as submitted.

Ms. Karen A. Varquez (PEMC) presented an overview of PEMC's proposed changes to the WESM Manual on Guidelines for the Constitution of PEM Committees (Issue 3.0) submitted to the RCC on 11 February 2020. The proposal seeks to harmonize the Manual with relevant DOE circulars regarding WESM governance.

The following are the salient points of the proposal (see Annex A for presentation material):

- 1) Replace term "PEM Board Committees" with "WESM Governance Committees" and deleted any references to other PEM Board Committees for PEMC corporate matters (DOE DC No. 2010-007-0008);
- 2) Revise definition of PEMC as the Autonomous Group Market Operator or AGMO (DOE DC No. 2018-01-0002):
 - PEMC as the governance arm of the WESM, while the
 - Market Operator as the entity responsible for the operation of the WESM;
- 3) Update Criteria for independence (DOE DC No. 2018-01-0002);
- 4) Replace "Dispute Resolution Group (DRG)" with the "Dispute Resolution Administrator (DRA)" (PEM Board Resolution 2012-56 & DOE DC No. 2018-05-0016);
- 5) Indicate that Market Manuals are approved by the PEM Board and promulgated by the DOE (DOE DC No. 2015-07-0013);
- 6) Delete references to Grid Management Committee (GMC) and Distribution Management Committee (DMC);
- 7) Include the Philippine Competition Commission (PCC) among agencies to which PEMC/MSO may also provide assistance;
- 8) Revise the number of PEM Audit Committee (PAC) members to at least 3 members;
- 9) Revise the composition of Technical Committee (TC) members to 6 independent members and 1 member from the System Operator (SO) – currently 5 members: 1 GMC, 1 DMC, 1 SO, 2 independents; and
- 10) Enhancement to format and re-numbering.

The RCC approved the publication of the proposal, as submitted, to solicit comments of Market Participants and interested parties.

Agenda	Agreements/Action Plans
5.2. Proposed Amendments to WESM and Retail Rules for the Operation of Renewable Energy Market (REM)	<ul style="list-style-type: none"> PEMC to submit the discussion paper and matrix of the proposal via e-mail once the proposal is approved by the REM Governance Committee.

Agenda	Agreements/Action Plans
	<ul style="list-style-type: none"> • PEMC to request by email for the RCC's approval to publish the proposal for comments.

Ms. Romellen C. Salazar (PEMC) presented an overview of the proposed amendments which primarily seek to enable the Renewable Energy (RE) Registrar to carry out its functions in issuing RE Certificates by gaining rights of access to registration, metering and settlements data and other confidential information vital to the REM operations and the corresponding reporting mechanism pursuant to the Renewable Portfolio Standards (RPS) Rules (see Annex B for the presentation material).

PEMC, as the proponent, requested the RCC to allow the submission of the discussion paper and matrices of the subject proposal via e-mail after the REM Governance Committee (RGC) approves the proposal. PEMC also requested the RCC to approve via e-mail the publication of the proposal to solicit comments. The requested fast-tracked process is in consideration of the target commercial operations of the RE Market (REM) in June 2020.

Ms. Salazar clarified that the documents proposed to be amended are the WESM Rules and Retail Rules, not the RE Market Rules (REM Rules) which is an entirely separate document. The rules change process for the REM Rules and Manuals will be under the purview of the RGC.

Ms. Salazar likewise gave the RCC an overview of the REM (see Annex C for the presentation material). Related discussions are the following:

- Asked by Ms. Lorreto H. Rivera (TeaM) to clarify the reason why the Generation and Supply sectors have joint representation in the RGC when the two sectors have different intentions as REM participants, Ms. Salazar explained that previous discussions in the DOE considered their interests similar. Moreover, most generators nonetheless have their corresponding suppliers, hence the joint representation. Ms. Salazar stated that the basis of the RGC composition is the REM Rules promulgated by the DOE in 2019. Therefore, proposed changes to the RGC composition should go through the RGC's rules change process for the DOE's final approval.
- On the matter of addressing non-compliance with the RPS, Mr. Mark D. Habana (Vivant) inquired if the WESM will be involved in meting out penalties. Ms. Salazar responded that such issues are within the scope of the REM since the WESM and the REM are separate entities. Mr. Clares Loren C. Jalocon (PEMC)

further clarified that the DOE shall penalize non-compliance with the RPS while the RGC shall penalize breaches of the REM Rules.

The RCC agreed with the proponent's requests.

Agenda	Agreements/Action Plans
5.3. Proposed Amendments to the WESM Ruled and WESM Manual on Management of Must-Run and Must-Stop Units, Issue 8	Approved for publication as submitted

Ms. Divine Gayle C. Cruz (PEMC) presented the summary of the subject proposal which was submitted to the RCC on 18 February 2020. The proposed changes seek to make the relevant WESM documents consistent with the ERC Order issued on 17 April 2018 dismissing ERC Case No. 2016-159RC (i.e., PEMC's 2016 application for the settlement of Displaced Generators).

The following changes were proposed (see Annex D for presentation material):

1) *WESM Manual on Management of Must-Run and Must-Stop Units, Issue 8.0 (current market design);*

Add transitory provision in Section 10 stipulating that the settlement for Displaced Generators and the corresponding methodology shall be effective only until the commencement of the enhanced market design

2) *WESM Rules (per DOE DC2019-12-0017; for enhanced market design)*

Deletion of terms "Must-Stop Unit" and "Displaced Generator" in Clause 3.8.5.6 and the Glossary.

The enhanced market design is expected to significantly minimize the occurrence of intra-hour excess (due to must-stop units) and displaced generators. The identification of must-stop units and displaced generators will also be operationally difficult with the 5-minute dispatch interval.

Related discussions are as follows:

- Mr. Isidro E. Cacho, Jr. (IEMOP) informed the RCC that there is still no official date when the enhanced market design will be commercially operational but internally, the Market Operator is looking at a target of June 2020 for Luzon and

Visayas, and December 2020 for Mindanao to coincide with the Visayas-Mindanao interconnection which is a condition based on the feedback of Mindanao participants.

Mr. Cacho likewise informed the RCC that PEMC/IEMOP will soon be submitting the results of the additional audit on the Load Forecasting for Luzon and Visayas (i.e. day-ahead projection or DAP; and week-ahead projection or WAP) and Mindanao (DAP, WAP, real-time dispatch or RTD, and hour-ahead projection or HAP) using the new Market Management System as directed by the ERC for the Price Determination Methodology (PDM) application.

- Mr. Ambrocio R. Rosales (NGCP-SO) informed that the System Operator is already ready for WESM Mindanao. He clarified that the operation of WESM Mindanao is independent of the completion of the interconnection. Mr. Rosales opined that WESM Mindanao should be launched soon because NGCP is implementing manual load dropping in the region even with excess generation because there are customers that do not have contracts with generators. He reiterated that operations of the WESM do not depend on the interconnection.
- Mr. Carlito C. Claudio (MEI/PEI) inquired if the Reserve Market will depend on the ERC's approval of the Price Determination Methodology for the enhanced market design. Mr. Cacho responded that a Technical Working Group (TWG) was formed to sort out the issues and inconsistencies with the Philippine Grid Code, Market Rules and the Ancillary Services Procurement Plan to implement the Reserve Market. With Mr. Claudio's confirmation that the TWG's output will only be recommendatory and will be completed within July or August 2020, Mr. Cacho stated that the enhanced market design will likely be launched without the Reserve Market.

The RCC approved the publication of the proposal, as submitted, to solicit comments from Market Participants and interested parties.

Agenda	Agreements/Action Plans
5.4. Harmonization of WESM Manual on Management of Net Settlement Surplus Issue No. 3 with ERC Resolution No. 07 Series of 2019	<ul style="list-style-type: none"> • Approved for publication of the two proposals from PEMC and IEMOP, as submitted. • IEMOP to provide comparison of sample NSS calculation between the current manual and proposed amendment, to be included in the proposal before publication.

IEMOP and PEMC submitted two separate proposals regarding Net Settlement Surplus (NSS) on 12 February and 20 February 2020, respectively, to harmonize with the ERC Resolution No. 07, Series of 2019 entitled “*A Resolution Adopting Amendments to the Rules for the Distribution of Net Settlement Surplus (NSS)*”.

PEMC’s proposal intends to clarify the ERC’s authority to issue, *motu proprio*, rules for the distribution of net settlement surplus, while the IEMOP’s proposal primarily aims to revise the methodology for the calculation of NSS and Net Settlement Deficit (NSD) pursuant to the ERC Resolution (see Annexes E and F for the presentation materials).

The RCC requested the proponent to include in the materials to be published a sample or illustration of the current and the proposed calculations.

The RCC approved the publication of the proposal, as submitted, to solicit comments from Market Participants and interested parties, subject to the submission of the abovementioned sample or illustration.

Agenda	Agreements/Action Plans
5.5. Proposed Abolishment of Relevant WESM Manuals in View of the Implementation of Enhanced WESM Design and Operations	Approved for publication, as submitted.

In view of the DOE-promulgated Market Manuals for the implementation of the enhanced WESM design, the IEMOP submitted to the RCC on 12 February 2020 the proposal to abolish existing Market Manuals (for current market design) that will either be obsolete or be consolidated into other Market Manuals once the enhanced market design is commercially operational. Mr. Raymond A. Marqueses (IEMOP) clarified that the other existing Market Manuals not mentioned would still be applicable under the new market design. Per IEMOP’s presentation, the number of Market Manuals will therefore be reduced to fifteen (15) from the current twenty-five (25). The termination of these Manuals shall be effective upon implementation of the new market design.

The summary of the proposal is as follows (see Annex F for the presentation materials):

No.	Manual for Abolishment	Issue	Reason
1	Methodology for Determining Pricing Errors and Price Substitution Due to Congestion for Energy Transactions in the WESM	4.0	Consolidated in Price Determination Methodology Manual

No.	Manual for Abolishment	Issue	Reason
2	Segregation of Line Rental Trading Amounts	1.0	
3	Administered Price Determination Methodology Manual	6.0	
4	Management of Net Settlement Surplus	3.0	
5	Procedures for Start Up and Shutdown of Generators	8.0	Consolidated in Dispatch Protocol Manual*
6	Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-Run	1.0	Consolidated in CVC and Pricing Re-Run Manual
7	Procedure for Determining Ex-Post Nodal Energy Prices	2.0	No ex-post pricing in the enhanced design

*Other manuals consolidated in the Dispatch Protocol Manual (i.e., Management Procedure on Excess Generation, Management Procedure for Load Shedding, Management of Must-Run and Must-Stop Units, Emergency Procedures) have been abolished under DC 2018-04-0007

For clarification, Mr. Marqueses stated that the Dispatch Protocol Manual Issue 12.0 is applicable under the current market design, while the Dispatch Protocol Manual Issue 13.0 will only be implemented under the enhanced market design.

The RCC approved the publication of the proposal, as submitted, to solicit comments from Market Participants and interested parties.

Agenda	Agreements/Action Plans
5.6. Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures to Clarify Bilateral Contracts Accounted for In Settlements	Approved for publication, as submitted.

Mr. Marqueses presented IEMOP's proposal to clarify the types of bilateral contract transactions that will be accounted for in WESM settlements. Currently, only Generation Companies are allowed to declare bilateral contracts in the market and their buyers can only be those classified as Customers. Bilateral contract arrangements other than between Generation Companies and Customers (e.g., RES and Contestable Customer, GenCo and GenCo) cannot be accounted in the WESM.

Highlights of the proposed amendments are summarized below (see Annex F for presentation material):

- clarify that only Generation Companies and Retail Electricity Suppliers may enroll bilateral contracts in the WESM;

- specify that Generation Companies may register other Generation Companies or Customer trading participants, except for Contestable Customers, as supply Customers; and
- clarify that RESs may only register Contestable Customers as supply customers.

Mr. Marqueses clarified that affiliates of Generation Companies who also serve as RES have separate registrations in the WESM.

The RCC approved the publication of the proposal, as submitted, to solicit comments from Market Participants and interested parties.

Agenda	Agreements/Action Plans
5.7. Proposed Amendments to the WESM Manual on Load Forecasting Methodology for the Inclusion of the Procedures for Preparation and Updating of Nodal Load Distribution Factors	<ul style="list-style-type: none"> • Proponent to review and revise, as needed, the formula for LDF before publication • Approved for publication as amended.

Mr. Marqueses presented IEMOP's proposal to include as Appendix F in the relevant WESM Manual the Market Operator's procedures on the preparation and updating of nodal Load Distribution Factors (LDF). LDF is used in allocating the total projected load to individual loads in the market network model. The proposed inclusion of said procedures is pursuant to DOE DC 2018-04-0008, which amended the WESM Manual on Load Forecasting Methodology for the enhanced market design.

In general, the procedure uses historical and real-time data of each customer scheduling point to prepare and update its LDF. LDFs will be updated every five (5) minutes based on most recent actual loadings. Additionally, there will be different procedures for nodes with no real-time data or those without updating RTUs (see Annex F for presentation material).

Initial comments and discussions are as follows:

- Mr. Claudio observed that, per the advance materials sent to the RCC, there might be an error in the formula for LDF_{new}, where a "+" should be placed between the two terms, such that:

$$\text{LDF}_{\text{new}_{b,D,H,FA}} = \left[\left(\frac{\text{Base_MW}_{b,D,H,FA}}{\sum_{k=1}^n \text{Base_MW}_{k,D,H,FA}} \right) \times \alpha \right] + \left[\left(\text{LDF}_{\text{old}_{b,D,H,FA}} \right) \times (1 - \alpha) \right]$$

The materials to be published shall be reviewed and corrected by IEMOP accordingly.

- Mr. Rosales requested further clarification on the procedures for determining LDF for nodes without real-time data due to absence of RTU. Mr. Marqueses explained that an estimated actual net load and a pre-defined LDF will be applied to those customer nodes.
- Mr. Marqueses informed that around 20% of customer nodes does not have updating RTUs, to which estimation procedures will be applied.

The RCC approved the publication of the proposal, as amended, to solicit comments from Market Participants and interested parties.

VI. Matters Arising from Previous Meeting

Agenda	Agreements/Action Plans
6.1. Deliberation of Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures for General Enhancements to the Application Process of New WESM Members	<ul style="list-style-type: none"> • Seek recommendations from MSC and ECO regarding the implementation of the corresponding compliance and, if applicable, penalty provisions. • Deferred for submission to the PEM Board to further discuss the items with penalty implications.

Ms. Valfia Gregorio (IEMOP) assisted the RCC in the deliberation of the subject proposal. The body considered the comments received from PEMC, the Market Surveillance Committee (MSC), NGCP, AC Energy Corp. and SPC Island Power Corp. and IEMOP's responses as the proponent. Refer to Annex G for the matrix of the RCC's agreements and brief discussions per provision.

The RCC adopted, among others, the recommendation of PEMC and MSC to consider as a breach of registration rules the non-compliance of the Test and Commissioning Registration phase requirements and such non-compliance should trigger the processes for suspension and deregistration. In this regard, the RCC agreed to request recommendations from the PEMC-ECO and MSC on the imposition of penalty to generation facilities who continue to inject to the grid beyond their authorized testing and commissioning phase. Pending said inputs, the RCC agreed to defer the submission of the proposal to the PEM Board.

Agenda	Agreements/Action Plans
6.2. Deliberation of Proposed Amendments to Market Rules - WESM Manual on Metering Standards and Procedures Issues 11.0 and 12.0	Approved for endorsement to the PEM Board, as amended.

Mr. Justin Mendiola from MERALCO, the proponent, assisted the RCC in the deliberation of the proposal. Comments were received from PEMC, Technical Committee, NGCP, Tarlac Electric, Inc., CEBECO III and Clark Electric Distribution Corporation. Refer to Annex H for the matrix of proposed changes and the RCC's agreements. Below is the summary of discussions:

- The primary contention was whether current transformer (CT) burden beyond 5VA (e.g., 25VA, 12.5VA) is considered as non-compliant with the Philippine Grid Code and the WESM Metering Manual. Mr. Mendiola mentioned that some CTs of Mactan Electric Cooperative and MERALCO were tagged as non-compliant by the NGCP-MSP since the rated burden of their CTs are higher than 5VA. MERALCO reiterated that higher-rated burdens cover the standard accuracy requirements of 5VA burdens.

Mr. Mendiola added that the benefit of having higher-rated burden for CTs is on the procurement of spare parts. It is better to secure parts that could cover a broader range of CT set-up.

- Mr. Habana inquired if there is any downside of having higher-rated burden. Mr. Mendiola responded that the cost would be higher, however the cost increase is only minimal.
- Mr. Claudio commented that, as someone who was involved in the drafting of the latest Philippine Grid Code (PGC), the PGC only sets the minimum requirements that grid users like generators, distribution utilities and metering service providers need to comply. This means that the 5VA burden for CTs is only the minimum requirement. Higher burden ratings are acceptable as long as the accuracy class is maintained.
- Mr. Claudio pointed out provisions in the WESM Metering Manual that contains incorrect references to the provisions of the 2016 PGC. He requested the Secretariat to revise Sections 2.4.1, 2.5.7 and 2.5.8 of the Manual.

Noting the discussions, the RCC agreed to endorse the proposal to the PEM Board.

Agenda	Agreements/Action Plans
6.3. Draft Proposed Amendments to the RCC Internal Rules and Manual	Secretariat to send the discussion paper and matrix to the RCC for their review and comments within five (5) working days.

Ms. Varquez (PEMC) presented the Secretariat's recommended changes to the RCC's internal procedures, as provided below:

Amendments	Rationale	RCC Agreement
<p>1. New rules change classification:</p> <p>(a) Urgent Proposals (b) Minor Proposals (c) General Proposals <u>(d) Match Proposals - proposed amendments to the WESM Rules or Market Manuals, which reflect specific directives issued by the DOE or ERC</u></p>	<p>To cover the updating of Market Rules and Manuals to ensure consistency with specific guidelines or procedures issued by the DOE or ERC.</p> <p>An example is the updating of the NSS Manual to reflect the 2018 NSS Rules issued by the ERC.</p>	Agree
<p>2. Commenting period reduced from 30 to <u>20</u> working days</p>	<p>To ensure that the RCC will be able to comply with the requirement under Section 6.1.5 of the Manual to make its decision and 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. This will enable the RCC to have more time to deliberate on proposals.</p>	<ul style="list-style-type: none"> Reckon the 60-working day timeline for the RCC endorse proposals to the PEM Board from the end of the commenting period. This affords the RCC to deliberate on proposals within two (2) meetings. The RCC prefers to thoroughly review proposals before submitting them to the PEM Board. The RCC noted that the 60-day timeline will serve as one of the basis for the forthcoming performance metrics for the RCC.

Amendments	Rationale	RCC Agreement
		<ul style="list-style-type: none"> Going forward, the RCC will regularly inform the PEM Board on status updates of proposals received by the RCC.
<p>3. Submission of comments may be through electronic format. Validity of submission is made through a letter to the RCC.</p> <ul style="list-style-type: none"> Revised template for submission of comments New template for letter to RCC 	To minimize paper use	Agree
<p>4. Added provision that the PEM Board may remand proposals to the RCC for further study. In such instances, the RCC may publish the proposal for comments.</p>	Reflect actual practice	Agree
<p>5. DOE's information to the RCC Secretariat on the publication of approved proposals</p>	To ensure the efficient updating of Market Rules and Manuals by the RCC Secretariat and publication of the revised Market Rules and Manuals for information of WESM Members.	Agree

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The Secretariat shall reflect the agreements of the RCC in the draft proposed amendments to the (1) WESM Manual of Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals and the (2) RCC Internal Rules.

Agenda	Agreements/Action Plans
6.4. Draft 2020 RCC Work Plan	<ul style="list-style-type: none"> The RCC noted that the Work Plan of all WESM Governance Committees are integrated in PEMC's Corporate Plan.

Agenda	Agreements/Action Plans
	<ul style="list-style-type: none"> • A draft 2020 Work Plan was presented which mainly shows all proposals expected to be received from PEMC. • RCC sector representatives were encouraged to send any proposed amendments it intends to submit within the year to be included in the Work Plan. • The RCC requested the Secretariat to maintain an internal file of proposals expected to be received within the year. This internal file is a separate one from the RCC Work Plan. • The Secretariat shall email the RCC the draft Work Plan.

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VII. Other Matters	
Agenda	Agreements/Action Plans
7.1. Briefing on Microsoft Teams (c/o PEMC-ITCSD)	Rescheduled on 20 March 2020 due to the unavailability of the presenters.
7.2. DOE Public Consultation Updates	<p>Mr. Ryan Jaspher Villadiego (DOE) updated the body that starting March, DOE will conduct series of Public Consultations for the following proposals:</p> <ol style="list-style-type: none"> 1. Audit and Performance Monitoring 2. Constraint Violation Coefficients (CVCs) 3. Switching & Billing Process and Disconnection Policy 4. New Load Facility 5. Optimal Timing of Market Runs
7.3. PEM Board Meeting schedules: <ul style="list-style-type: none"> ▪ BRC – 16 Mar 2020 (Mon), tentative 	<ul style="list-style-type: none"> • Presenter for BRC: Mr. Francisco R. Castro, Jr. • Presenter for PEM Board: TBD

VII. Other Matters	
Agenda	Agreements/Action Plans
<ul style="list-style-type: none"> ▪ PEMB – 25 Mar 2020 (Wed), tentative 	
VIII. Schedules of Next Meetings	<ul style="list-style-type: none"> • March 20th • April 17th • May 22nd • June 19th
IX. Adjournment	There being no other matters left for discussion, the RCC adjourned the meeting at 2:10 PM.

Prepared by:**Divine Gayle C. Cruz**

Specialist

Market Assessment Group – Rules Review Division

Reviewed by:**Karen A. Varquez**

Manager

Market Assessment Group – Rules Review Division

Noted by:**John Mark S. Catriz**

Officer-in-Charge

Market Assessment Group

Approved by:
THE RULES CHANGE COMMITTEE

Independent Members:

Maila Lourdes G. de Castro
Chairperson

Francisco L.R. Castro, Jr.

Allan C. Nerves

Concepcion I. Tanglao

Generation Sector Members:

Dixie Anthony R. Banzon
Masinloc Power Partners Co. Ltd.
(MPPCL)

Cherry A. Javier
Aboitiz Power Corp.
(APC)

Carlito C. Claudio
Millennium Energy, Inc./ Panasia Energy, Inc.
(MEI/PEI)

Mark D. Habana
Vivant Corporation - Philippines
(Vivant)

Distribution Sector Members:

Virgilio C. Fortich, Jr.
Cebu III Electric Cooperative, Inc.
(CEBECO III)

Ryan S. Morales
Manila Electric Company
(MERALCO)

Ricardo G. Gumalal
Iligan Light and Power, Inc.
(ILPI)

Nelson M. Dela Cruz
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area 1)

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

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PROPOSED AMENDMENTS TO THE GUIDELINES GOVERNING THE CONSTITUTION OF PEM BOARD COMMITTEES

21 February 2020

PEMC Board Room

THE PROPONENT

- Philippine Electricity Market Corporation (PEMC)
- PEMC is the governance arm of the WESM



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OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF
THE PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



**OTHER RELEVANT
MATTERS**



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ACTION REQUESTED

- For approval to publish for comments the proposed amendments to the WESM Manual on the Guidelines Governing the Constitution of the PEM Board Committees (Guidelines), Issue 3.0



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RATIONALE OF THE PROPOSAL

- To incorporate:
 - Policies under the DOE Circulars issued on WESM Governance;
 - Changes to relevant parties involved in WESM Governance;
 - Targeted scope of the Guidelines, which is solely the WESM Governance Committees (WGCs); and
 - Updated document structure for Market Manuals



5

SUMMARY OF THE PROPOSAL

1. Replace term “PEM Board Committees” with “WESM Governance Committees” and deleted any references to other PEM Board Committees for PEMC corporate matters (DOE DC No. 2010-007-0008)
2. Revise definition of PEMC as the Autonomous Group Market Operator or AGMO (DOE DC No. 2018-01-0002)
 - PEMC as the governance arm of the WESM, while the
 - Market Operator as the entity responsible for the operation of the WESM



6

SUMMARY OF THE PROPOSAL (cont'd)

3. Update Criteria for independence (DOE DC No. 2018-01-0002)
4. Replace “Dispute Resolution Group (DRG)” with the “Dispute Resolution Administrator (DRA)” (PEM Board Resolution 2012-56 & DOE DC No. 2018-05-0016)
5. Indicate that Market Manuals are approved by the PEM Board and promulgated by the DOE (DOE DC No. 2015-07-0013)



7

SUMMARY OF THE PROPOSAL (cont'd)

6. Delete references to Grid Management Committee (GMC) and Distribution Management Committee (DMC)
7. Include the Philippine Competition Commission (PCC) among agencies to which PEMC/MSD may also provide assistance
8. Revise the number of PEM Audit Committee (PAC) members to at least 3 members



8

SUMMARY OF THE PROPOSAL (cont'd)

9. Revise the composition of Technical Committee (TC) members to 6 independent members and 1 member from the System Operator (SO) – currently 5 members: 1 GMC, 1 DMC, 1 SO, 2 independents
10. Enhancement to format and re-numbering



9



THANK YOU!



Proposed Amendments to WESM and Retail Rules for the Operation of RE Market

21 February 2020 | RCC



A Premier Electricity Market & Champion of Governance

ACTION REQUESTED

- For information



Proposed Amendment to the WESM and Retail Rules for the Operation of the RE Market | 2

RATIONALE OF THE PROPOSAL

- Realize PEMC's mandate under Section 8 of the RE Act of 2008 (RA 9513) to incorporate the rules specific to the operation of the RE market;
- Harmonize the WESM and Retail Rules with DOE Department Circular No. DC2019-12-0016 Promulgating the RE Market Rules;
- Enable the RE Registrar (RER) to carry out its functions in issuing Renewable Energy Certificates (RECs) by gaining rights of access to registration, metering, and settlement data and other confidential information that are vital to the REM operations and its corresponding reporting mechanism pursuant to the RPS Rules.



Proposed Amendment to the WESM and Retail Rules for the Operation of the RE Market | 3

SUMMARY OF THE PROPOSAL

- Inclusion of the RE Registrar in the parties entitled to have either direct or remote access to metering data on a read-only basis from the metering database or metering register;
- Addition in the exceptions to information disclosure the disclosure of registration and settlement information to the RE Registrar of WESM members participating in the REM and the directly-connected customers that have contracts with GenCos;
- Inclusion in the glossary of new terms introduced in the WESM Rules: RE Market, REM Rules, and RE Registrar



Proposed Amendment to the WESM and Retail Rules for the Operation of the RE Market | 4

ACTION REQUESTED

- For information



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Proposed Amendment to the WESM and Retail Rules for the Operation of the RE Market | 5



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

☎ (632) 631-8734

☎ (632) 636-0802

🌐 www.wesm.ph



Overview of the Renewable Energy Market (REM)

21 February 2020, PEM Board Room

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OUTLINE



Legal Basis



Introduction
to the
Renewable
Energy
Market




Compliance
Monitoring and
Reporting



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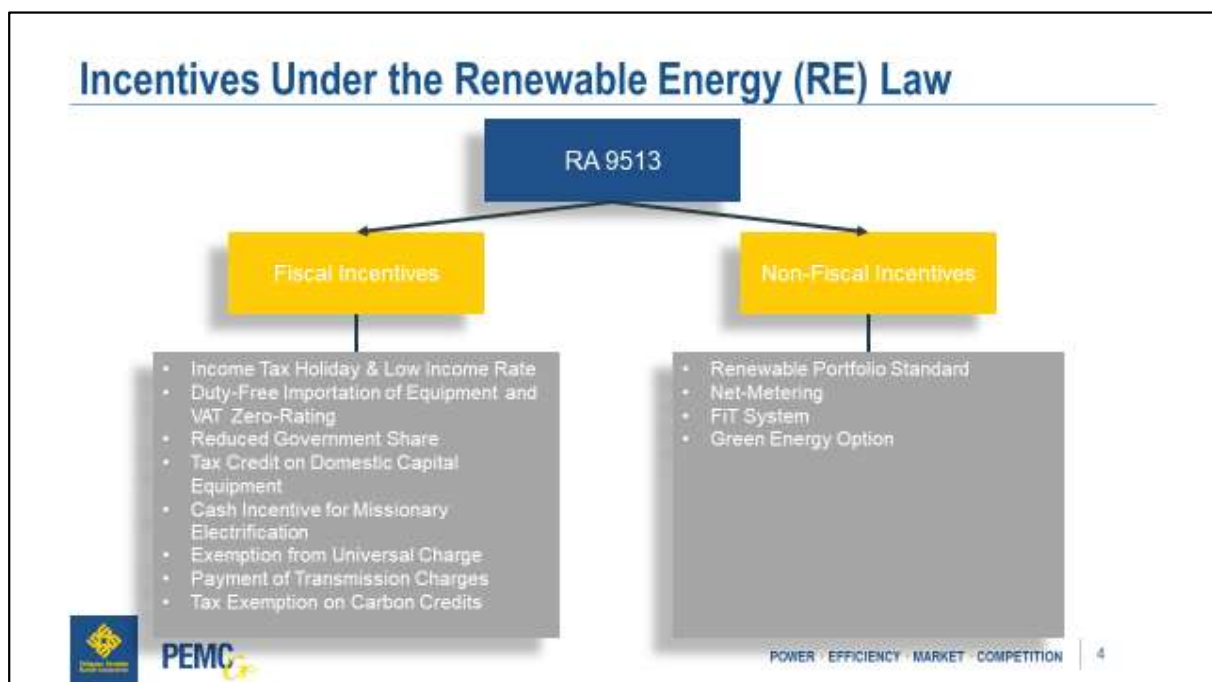
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LEGAL BASIS

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Key RE Mechanisms Under RA 9513



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What are Renewable Energy Certificates (REC)?

- Electronic Certificates that represent the environmental attributes of the energy generated from renewable energy resources



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Renewable Portfolio Standards (RPS)

On-grid

- Requires suppliers to source a certain portion of their generation from renewable energy resources [RE Act, Section 3 (bbb)]



Without RPS



With RPS

Suppliers/ mandated entities

1. Private DUs
2. Electric cooperatives
3. RES
4. SOLR
5. distributors of Economic Zones
6. Generator companies to the extent of their supply to the DCCs



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Legal Basis

Renewable Energy Act of 2008

Renewable Energy Market

- Section 8. Renewable Energy Market (REM)¹ - To facilitate compliance with Section 6 of this Act, the DOE shall establish the REM and shall direct PEMC¹ to implement changes to the WESM Rules in order to incorporate the rules specific to the operation of the REM under the WESM.

Renewable Energy Registrar (RER)

- "The PEMC shall, under the supervision of the DOE, establish a Renewable Energy Registrar² within one (1) year from the effectivity of this Act and shall issue, keep and verify RE Certificates corresponding to energy generated from eligible RE facilities. Such certificates will be used for compliance with the RPS. For this purpose, a transaction fee, equal to half of what PEMC currently charges regular WESM players, may be imposed by PEMC. "

¹ RE Market refers to the market where the trading of RE Certificates equivalent to an amount of power generated from RE resources is made. (Section 4 (qq), RE Act)

² The RE Registrar shall issue, keep and verify the RE Certificates corresponding to energy generated from eligible RE facilities.



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Update on the Establishment of the RE Market | 8

Relevant DOE Policies on REM

1. DOE DC2019-12-0016 *"Promulgating the Renewable Energy Market Rules"*
2. DOE DC2018-08-0024 *"Promulgating the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards for Off-Grid Areas"*
3. DOE DC2017-12-0015 *"Promulgating the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards for On-Grid Areas"*



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INTRODUCTION TO THE RENEWABLE ENERGY MARKET (REM)



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What is the Renewable Energy Market (REM)?

- A market for the trading of Renewable Energy Certificates (RECs)
- A venue for Mandated Participants obligated by the Renewable Energy Portfolio Standards (RPS) to comply with their RPS requirements.



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Governance of the Renewable Energy Market (REM)

- **REM governance:** process by which decisions are made and implemented within the market to ensure attainment of REM Objectives
- **PEM Board:** responsible for ultimate governance of the REM
- **REM Governance Committee (RGC):** responsible for the majority of governance functions, under PEM Board supervision
 - Members: One (1) Independent member (Independent PEM Board Member, shall act as Chairperson of RGC); One (1) member representing the RE Registrar, One (1) member representative from the PDUs; One (1) member representative from the ECs; and One (1) member representative from the Generation and Supply Sector (jointly endorsed by these sectors)
- **Basis:** REM Rules promulgated through DOE DC2019-12-0016



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The REM Rules

- A set of rules promulgated by the DOE*, which provides for:
 - Governance structure and processes for the RE Market;
 - Membership categories and procedures for the registration of the REM Participants;
 - Processes and timelines in the issuance, transfer and retirement of the RE Certificates; and
 - Monitoring and reporting to the DOE of the RPS compliance of both the On-Grid and Off-grid Mandated Participants pursuant to the RPS Rules.

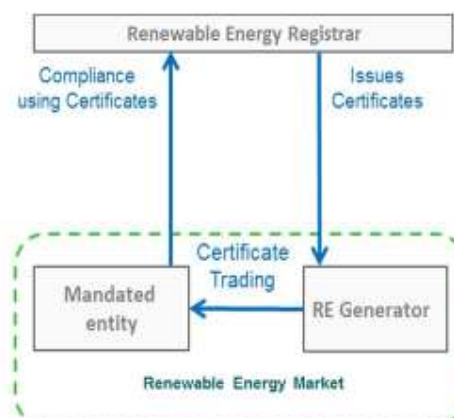


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Mandates of the Renewable Energy Registrar (RER)

- The REM will be administered and operated by the RER [under the PEMC initially].
- The RER will issue, keep, and verify RECs corresponding to the energy generated from eligible RE generators.
- The RER shall monitor the compliance levels of all RPS-mandated entities.



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Who Can Participate in the Renewable Energy Market?

REM Trading Participants



Mandated Participants

- On-Grid Mandated Participants:
 - On-Grid DUs serving Captive Customers: (Private DUs, ECs, LGU-owned and controlled DUs, Ecozone Utilities)
 - All Suppliers of Electricity for the Contestable Market: (RES, LRES, SOLR)
 - GenCos serving DCCs
- Off-Grid Mandated Participants: Suppliers of electricity to end-users in Off-Grid Systems



Generating Participants

- RE Generation Companies that own eligible RE generation facilities that are (1) registered in the WESM and generate energy into the WESM pool, (2) operates in the off-grid area, (3) operates as a net-metered, embedded facility or facility for own-use



GEOP Participants

- RE Generation Facilities under the Green Energy Option Program can be registered by the host DU.
- RECs issued for RE generation committed for the GEOP will be centrally cleared by the RE Registrar.



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Who are the RE Market Data Providers?

REM Data Providers



Market Operator

Entity tasked to operate the WESM and responsible for providing settlement-ready data to the RER for the calculation of RECs



FiT-All Administrator

(i.e. TransCo) will provide Registrar with data on FiT-All tariff remitted by Mandated Participants and NGCP (for DCCs)



Metering Services Provider

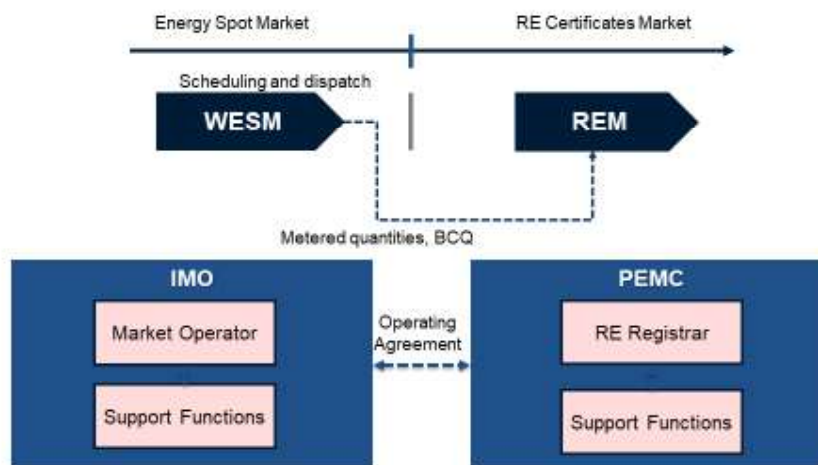
Entities designated as being the metering services provider (MSP) for embedded FiT-Eligible Facilities shall provide the RER with Metered data of FiT-Eligible Facilities



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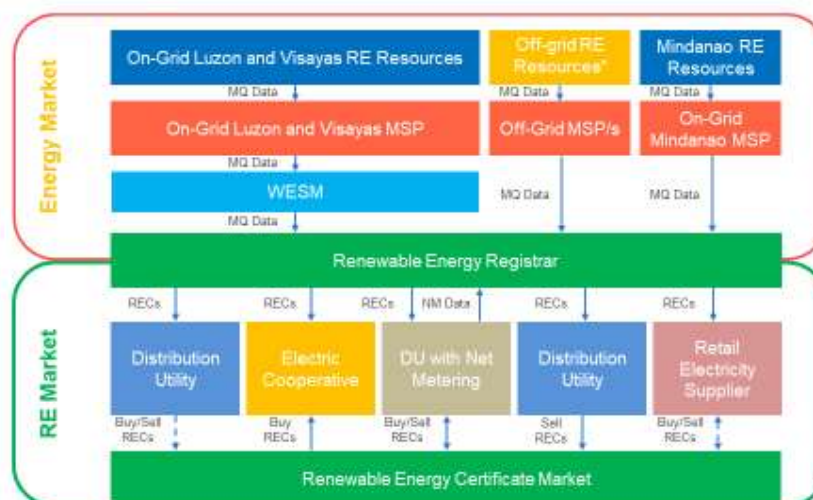
How are the Operations of WESM and REM Related?



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RE Market Design



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Summary of RE Market Processes

Data Provision

REC
IssuanceREC
TradingREC
RetirementMonitoring
and
Reporting

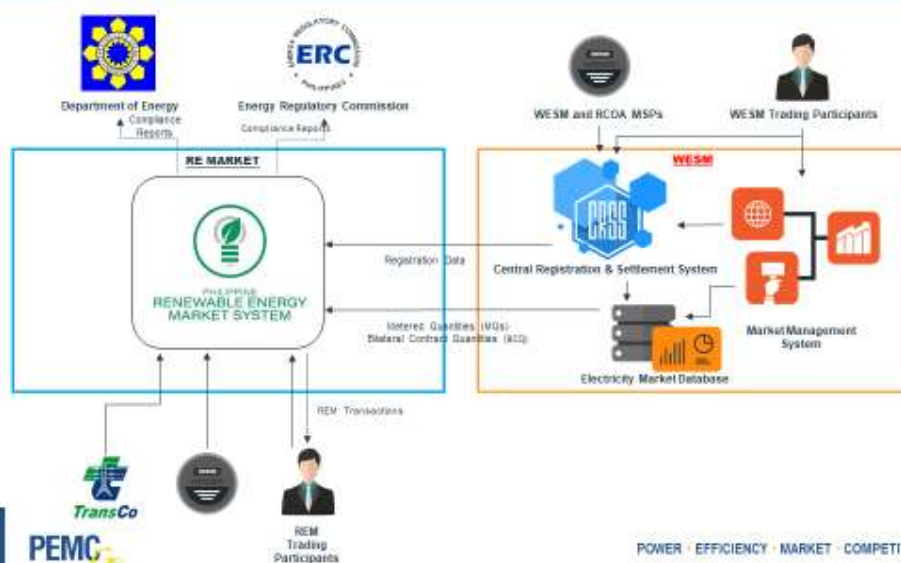
- **Data Provision.** Market Operator/ Metering Services Providers to provide settlement-ready Metered Quantities and Bilateral Contract Quantities data
- **REC Issuance:** RE Certificates are issued only to actual (metered) RE generation from eligible RE facilities
- **REC Trading:** Centrally record the transfer (i. e. buy or sell) of RE Certificates mainly to facilitate the compliance of the Mandated Participants with their RPS obligations
- **Retirement:** RPS Certificates are retired once used for RPS compliance by the Mandated Participants
- **Monitoring and Reporting:** Issuance of the REC Statements to the Trading Participants and submission to DOE of Annual REC Reports



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Data Provision: IT Infrastructure and Data Flow



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The Philippine Renewable Energy Market Systems (PREMS)



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REC Issuance

Default Ownership based on the RPS Rules

RE Transaction Method	RE Certificate (REC) Owner
FIT	Allocated among the Mandated Entities
Power Supply Agreement (PSA) with non-DCC(DU, EC, RES, etc.)	Non-DCC counterparty
Power Supply Agreement (PSA) with DCC	Generator counterparty
WESM (Non-FIT)	Generator
Net-metering	Host Mandated Entities
Self-generation/ Non-WESM embedded	Host Mandated Entities

1. One (1) REC issued for every one (1) MWh of RE generation
2. Only REM-registered entities can receive the REC based on the assignment above.
3. No REC to be issued to generation of RE capacities prior the enactment of the RE Act in 2008



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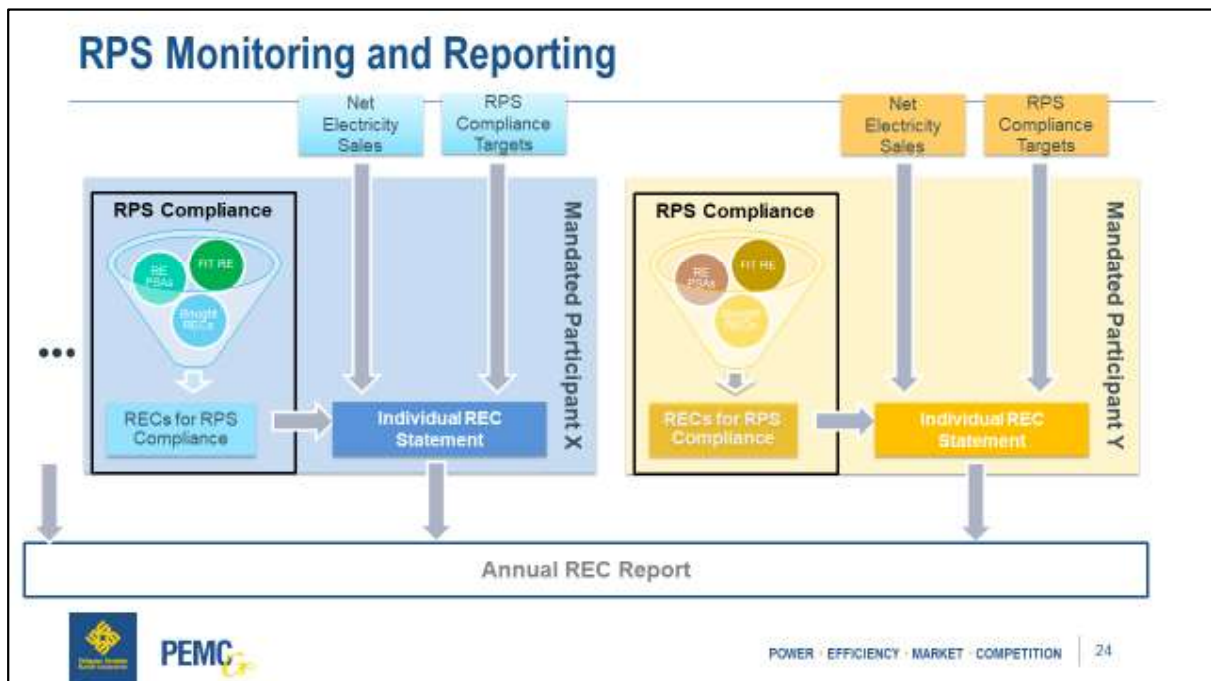
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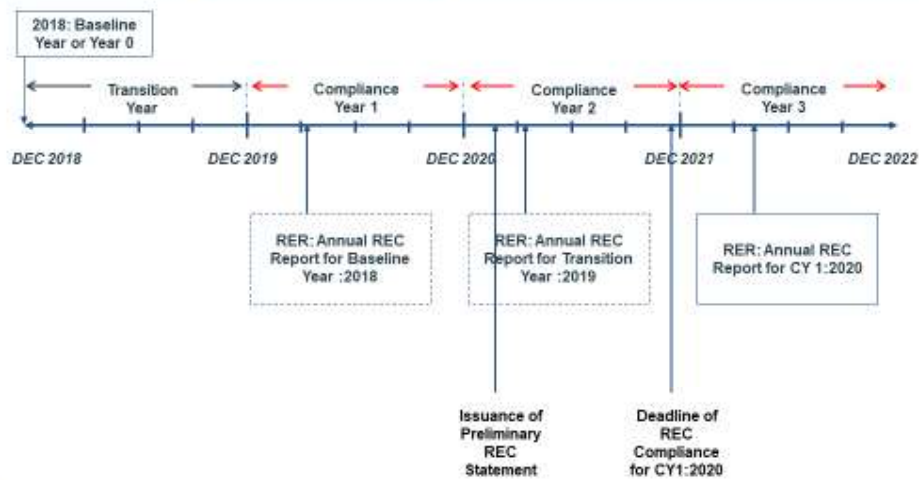
COMPLIANCE MONITORING AND REPORTING

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RPS Monitoring and Reporting



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

☎ +63 2 8631 8734

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PROPOSED AMENDMENTS TO THE WESM RULES AND WESM MANUAL ON THE EFFECTIVITY OF THE SETTLEMENT OF DISPLACED GENERATORS

21 February 2020
PEMC Board Room

THE PROPONENT

- Philippine Electricity Market Corporation (PEMC)
 - PEMC is the governance arm of the WESM



2

OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF THE
PROPOSAL**



**BACKGROUND OF
THE PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



3

ACTION REQUESTED

- For approval to publish for comments the proposed amendments to the following:
 - 1) WESM Manual on Management of Must-Run and Must-Stop Units Issue 8.0 (current market design); and
 - 2) WESM Rules as amended per DOE DC2019-12-0017 dated 04 Dec 2019 (enhanced market design)



4

RATIONALE OF THE PROPOSAL

To clarify the effectivity of the settlement of Displaced Generators



5

BACKGROUND OF THE PROPOSAL

24 Oct 2014 **DOE DC2014-10-0021**

- *WESM Rules* – non-compliant Trading Participants shall compensate Displaced Generators

12 Nov 2015 **DOE DC2015-11-0016**

- *WESM "MRU-MSU Manual"*– settlement formula for Displaced Generators

04 Aug 2016 **PEMC Application to ERC**

- *ERC Case No. 2016-159RC* – proposed settlement mechanism for Displaced Generators



6

BACKGROUND OF THE PROPOSAL

17 May 2017 Application to ERC of new PDM

- For enhanced market design

07 Mar 2018 PEMC withdrew ERC Application (2016-159RC)

- enhanced market design (i.e., shortened dispatch interval, proposed calculation based on ex-post price that will no longer be applicable), and
- implementation of reserve market

17 Apr 2018 ERC dismissed PEMC Application

- dismissed ERC Case No. 2016-159RC
- 22 Jun 2018 – ERC Order received by PEMC



7

BACKGROUND OF THE PROPOSAL

10 Dec 2018 DOE directive to PEMC

- Review and recommend appropriate changes to the WESM Rules and Manuals in view of ERC Order

18 Jul 2019 PEMC Response to DOE directive

- *Response based on SO-MO-PEMC Meeting* – PEMC, MO and SO to monitor possible occurrences of MSUs and DGs upon commercial operations of enhanced market design; assess whether amendments are necessary

29 Aug 2019 DOE Response to PEMC

- Propose amendments to WESM Rules and Manual for consistency with ERC Order



8

SUMMARY OF THE PROPOSAL

1) WESM Manual on Management of Must-Run and Must-Stop Units Issue 8.0 (current)

Summary of Changes	Rationale
Addition of transitory provision in Section 10	<ul style="list-style-type: none"> To be consistent with the ERC Order on 17 April 2018 dismissing ERC Case No. 2016-159RC To clarify that the settlement for Displaced Generators and the corresponding methodology shall be effective only until the commencement of the enhanced market design.



9

SUMMARY OF THE PROPOSAL

2) WESM Rules – per DOE DC2019-12-0017 (enhanced market design)

Summary of Changes	Rationale
Deletion of terms “Must-Stop Unit” and “Displaced Generator” in Clauses 3.8.5.6 and Glossary	<ul style="list-style-type: none"> To be consistent with the ERC Order on 17 April 2018 dismissing ERC Case No. 2016-159RC The shortened dispatch interval and implementation of the reserve market as provided for in the PDM, intra-hour excess and displaced generation will be significantly minimized since schedules are provided more frequently Operationally, the identification of must-stop and displaced generation will be tedious



10



THANK YOU!



PROPOSAL TO AMEND THE WESM RULES ON NET SETTLEMENT SURPLUS

21 February 2020

PEMC Board Room

THE PROPONENT

- Philippine Electricity Market Corporation (PEMC)
 - PEMC is the governance arm of the WESM



2

OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF THE
PROPOSAL**



**BACKGROUND OF
THE PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



3

ACTION REQUESTED

- For approval to publish for comments the proposed amendments to the WESM Rules.



4

RATIONALE OF THE PROPOSAL

To clarify the clarify the ERC's authority to issue, motu propio, rules on the distribution of net settlement surplus/deficit (NSS/NSD)



5

SUMMARY OF THE PROPOSAL

WESM Rules (Current and Enhanced Market Design)

Topic/ Sections	Current Provision	Proposed Amendments
A. Authority of ERC to approve NSS Rules / New Clause 3.13.16.4 (current market); New Clause 3.13.12.4 (enhanced market)	(new)	Reflect ERC's authority to approve NSS rules.
B. Authority of ERC to revise NSS Rules / New Clause 3.13.16.5 (current market); New Clause 3.13.12.5 (enhanced market)	(new)	Reflect ERC's authority to revise the NSS rules, motu propio. The MO shall then revise the NSS Manual, accordingly.



6



THANK YOU!



PROPOSED AMENDMENTS TO THE WESM RULES AND VARIOUS MANUALS

21 FEBRUARY 2020

INDEPENDENT ELECTRICITY MARKET OPERATOR OF THE PHILIPPINES
18F PEMC BOARDROOM

THE PROPONENT



IEMOP

- The proponent is the Independent Electricity Market Operator of the Philippines, Inc.
- IEMOP acts as the market operator of the WESM.



2

OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF
THE PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



**OTHER RELEVANT
MATTERS**



3

ACTION REQUESTED

- For approval to publish

No.	Description	Document/s	Rationale
1	Termination of Market Manuals for Enhanced WESM Design and Operations	Affected Market Manuals	Consolidated under PDM or Dispatch Protocol under enhanced WESM Design and Operations
2	Clarification on Bilateral Contract Quantity Declaration	(1) Registration Manual	Process Clarification
3	Harmonization of NSS Manual with ERC Resolution No. 7 Series of 2019	(1) WESM Rules, (2) NSS Manual	Consistency with ERC regulations
4	Procedures in the Preparation of the Load Distribution Factors (LDFs)	(1) Load Forecasting Manual	DOE Directive, for consistency and transparency



4

1) TERMINATION OF MANUALS

Rationale of the Proposal

2015

- DOE DC on enhanced WESM design and operations

2016

- Revisions to WESM Rules

2017

- Revisions to Retail Rules, and WESM and Retail Manuals



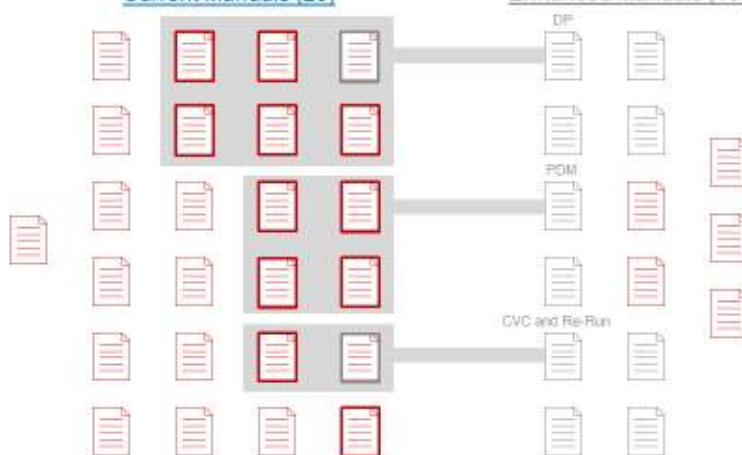
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1) TERMINATION OF MANUALS

Rationale of the Proposal

Current Manuals (25)

Enhanced Manuals (15)



Total of 11 manuals for termination



6

1) TERMINATION OF MANUALS

Summary of the Proposal

• Proposed Manuals for Termination

No.	Manual	Issue	Reason
1	Methodology For Determining Pricing Errors And Price Substitution Due To Congestion For Energy Transactions In The WESM	4.0	
2	Segregation Of Line Rental Trading Amounts	1.0	Consolidated in Price Determination Methodology Manual
3	Administered Price Determination Methodology Manual	6.0	
4	Management of Net Settlement Surplus	3.0	
5	Procedures For Start Up And Shutdown Of Generators	8.0	Consolidated in Dispatch Protocol Manual*
6	Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-Run	1.0	Consolidated in CVC and Pricing Re-Run Manual
7	Procedure For Determining Ex-Post Nodal Energy Prices	2.0	No ex-post pricing in the enhanced design



*Other manuals consolidated in the Dispatch Protocol Manual (i.e., Management Procedure On Excess Generation, Management Procedure For Load Shedding, Management of Must-Run And Must-Stop Units, Emergency Procedures) have been abolished under DG 2018-04-0007

7

2) BCQ DECLARATION CLARIFICATION

Rationale of the Proposal

• Contract Declaration

- Participants may submit contracted quantities (MWh) the day after (D+1)
- Currently, only GenCos are allowed to submit and their buyers can only be Customers (DU, RES, Bulk User, Contestable Customer)

• Issue

- Other arrangements (e.g., RES-Contestable Customer, GenCo-GenCo) can not be directly submitted
- Raised by RESA during the IEMOP Kapihan meetings last October 2019



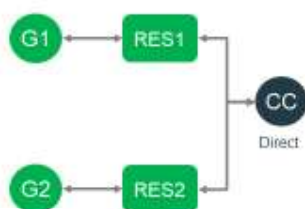
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2) BCQ DECLARATION CLARIFICATION

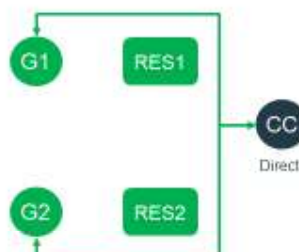
Rationale of the Proposal

1) Direct WESM Member Contestable Customer

Contract Relationships



WESM Declaration



Issue: Forced sharing of commercially sensitive information



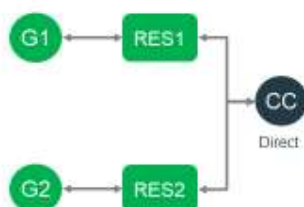
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2) BCQ DECLARATION CLARIFICATION

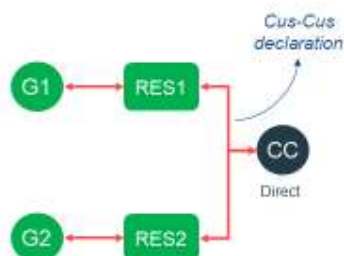
Rationale of the Proposal

1) Direct WESM Member Contestable Customer

Contract Relationships



WESM Declaration (Proposed*)



**Discussed with DGE last October 2019*



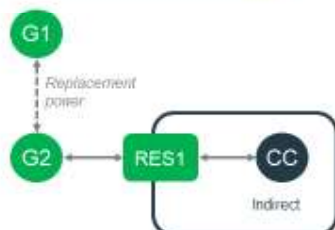
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2) BCQ DECLARATION CLARIFICATION

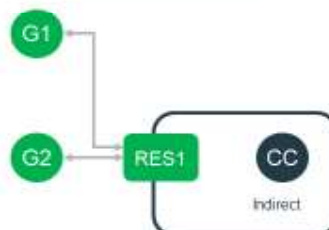
Rationale of the Proposal

2) Replacement Power

Contract Relationships



WESM Declaration



Issue: Forced sharing of commercially sensitive information



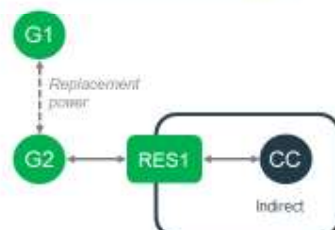
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2) BCQ DECLARATION CLARIFICATION

Rationale of the Proposal

2) Replacement Power

Contract Relationships



WESM Declaration (Proposed*)



**Discussed with DGE last October 2019*



12

2) BCQ DECLARATION CLARIFICATION

Summary of the Proposal

- Proposed Manual Change

WESM Declaration Feature	Current	Proposed
Allowed to submit contract declarations	GenCo only	GenCo <u>and RES</u> only
Possible contract buyers		
GenCo	DU, RES, Bulk User, Contestable Customer	DU, RES, Bulk User, Contestable Customer, <u>GenCo</u>
RES	Not allowed	<u>Contestable customers</u>



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3) AMENDED NSS RULES HARMONIZATION

Rationale of the Proposal

- Net Settlement Surplus or Deficit
 - Hourly market collectibles and payables inherently do not equate and result in excess or deficit
 - Excess or deficit is allocated in accordance with NSS Rules
- ERC Resolution No. 07 Series of 2019
 - Amended NSS Rules from ERC Resolution No. 01 Series of 2018
 - WESM Manual of NSS needs to be harmonized



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3) AMENDED NSS RULES HARMONIZATION

Summary of the Proposal

- Proposed Manual Change

Item	Change
Harmonize with ERC Resolution	<ul style="list-style-type: none"> Disaggregation of NSS to NSS_{Loss} and $NSS_{Congestion}$ Separate flowback allocation for each NSS Updated reportorial requirements
Additional Clarifications	<ul style="list-style-type: none"> Definition of grid withdrawal More specific formula notations

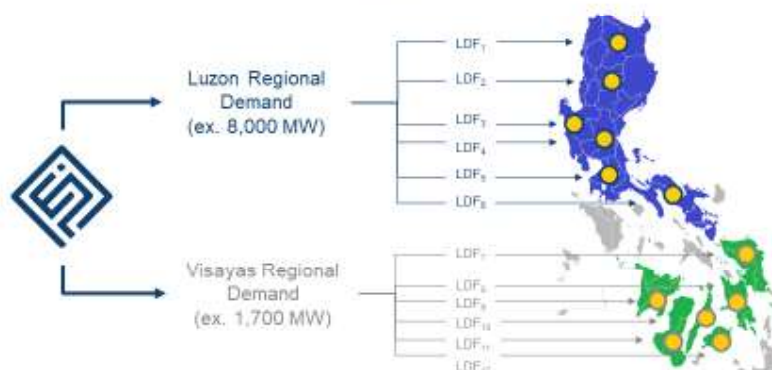


15

4) PREPARATION OF THE LDFs

Rationale of the Proposal

The Market Operator determines the default nodal load forecast used in scheduling and projections in accordance with the Load Forecasting Manual.



LDF – Load Distribution Factor

16

4) PREPARATION OF THE LDFs

Rationale of the Proposal

- Load Forecasting Manual
 - The MO shall develop procedures for preparing LDFs
- DOE DC 2018-04-0008
 - Approved amendments to the LFM
 - Required the MO to append the LDF procedures to the LFM



17

4) PREPARATION OF THE LDFs

Summary of the Proposal

Appendix F. Procedures for the Preparation and Updating of Nodal Load Distribution Factors (LDF)

LDFs are updated every five (5) minutes	Based on real-time and historical data	Different procedure for nodes with no real-time data
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OTHER RELEVANT MATTERS

- None



19

ACTION REQUESTED

- For approval to publish

No.	Description	Document/s	Rationale
1	Termination of Market Manuals for Enhanced WESM Design and Operations	Affected Market Manuals	Consolidated under PDM or Dispatch Protocol under enhanced WESM Design and Operations
2	Clarification on Bilateral Contract Quantity Declaration	(1) Registration Manual	Process Clarification
3	Harmonization of NSS Manual with ERC Resolution No. 7 Series of 2019	(1) WESM Rules, (2) NSS Manual	Consistency with ERC regulations
4	Procedures in the Preparation of the Load Distribution Factors (LDFs)	(1) Load Forecasting Manual	DOE Directive, for consistency and transparency



20



THANK YOU!



I. Proposed Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures (As revised under RCC Resolution No. 2019-05)

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
					<p>AC Energy:</p> <p>We suggest to align these with the procedures of NGCP since they also require WESM registration prior to energization and testing & commissioning activities.</p>		<p>AC Energy:</p> <p>The proposed amendments are aligned with current practices on the scheduling and dispatch of power plants under test and commissioning.</p>	
REGISTRATION OF DIRECT WESM MEMBERS AND TRADING PARTICIPANTS	2.5.5 (inserted)	(inserted)	Registration Phases	Generation companies at different stages of the development of their generating facilities (i.e., construction, test and commissioning, commercial operations) participate in the WESM in different ways and, hence, will need to submit different requirements. This section is proposed to introduce stages of registration corresponding to those development stages.	<p>SPC:</p> <ul style="list-style-type: none"> Any guidelines for submission of the said different requirements for generating companies that will undergo capacity expansion of their respective generating facilities? Are guidelines of registration stages (construction, test and commissioning, commercial operations) shall be uniform for all generating facilities regardless of its different installed capacities? 	<p>SPC:</p> <p>Requirements guideline for capacity expansion of duly registered generating facilities.</p>	<p>SPC:</p> <p>1.Capacity Expansion is handled by Section 3 (Post Registration Transactions and Changes) of the WESM Registration Manual as follows:</p> <p>a. Registered capacities change - requires the submission of updated COC</p> <p>b. Additional facility – proposed to comply with the technical and commercial requirements and procedures on the registration process. Thus,</p>	<p>Adopt IEMOP's proposal including the revisions to Sections 3.3.6.2 and 3.3.6.3 which are already submitted to the DOE and pending their approval (PEM Boar Resolution 2019-18-09 dated 11 December 2019)</p> <p>3.3.6.2 The registered generation company shall comply with the technical and commercial requirements under Section 2.5.3 and the procedures under Sections 2.5.4, 2.5.5, 2.5.6 and 2.5.7 for its additional facility.</p> <p>3.3.6.3 The Market Operator shall</p>

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							<p>with this new proposal, it is proposed to add an update on the provisions on the additional generating facility as follows:</p> <p>3.3.6.2 The registered <u>generation company</u> shall comply with the technical and commercial requirements under Section 2.5.3 and the procedures under Sections <u>2.5.4, 2.5.5, 2.5.6 and 2.5.7</u> for its additional facility.</p> <p>3.3.6.3 The Market Operator shall assess and approve the request for the registration, <u>on applicable phases</u>, of an additional facility in accordance with the procedures under Sections <u>2.5.5, 2.5.6, and 2.5.7.</u></p>	<p><u>assess and approve the request for the registration, <u>on applicable phases</u>, of an additional facility in accordance with the procedures under Sections 2.5.5, 2.5.6, and 2.5.7.</u></p>

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					<p><u>MSC:</u></p> <p>1. The MSC disagrees with the proposed inclusion of the construction stage in the WESM registration process.</p> <p>A power plant under construction requires temporary power only, and does not yet need to directly connect to the grid at medium or high voltage power. For practical reasons, since construction power requirement is only temporary as well as minimal, power plants should connect with the host DU instead.</p> <p>2. Also, test and commissioning (T&C) as contemplated under the WESM Registration Manual should be limited only to activities related to the</p>	<p><u>MSC:</u></p> <p>Generation companies during the following phases – 1) test and commissioning, and 2) commercial operations, participate in the WESM in different ways and, hence, will need to submit different requirements. This section is proposed to introduce stages of registration corresponding to those development stages.</p>	<p>2. Yes, but we want to clarify that applicable phase/s may apply.</p> <p><u>MSC:</u></p> <p>1. We want to note that there are actual generating facilities that initially register as load facility in the WESM during its construction phase. This requires some technical requirements for proper monitoring, scheduling and settlement of its energy withdrawal from the grid. The provision on backfeed phase registration does not require all generators to undergo the said phase, but it provides option and flexibility to those generating facility that need to withdraw energy from the transmission system. It was clarified in the provisions that a generating facility may start registration</p>	

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					generating unit's synchronization to the grid. This necessarily means that other tests that could be done by the generator without disrupting the grid are no longer within the scope of the T&C activities in the WESM environment.		from one of the three phases, as deem applicable. A generating facility that will connect through its distribution utility would not need to register under the backfeed phase registration. 2. The suggested clarification was reflected in the proposed provisions for Section 2.5.5.1	
<u>Registration Phases</u>	<u>2.5.5.1</u> (inserted)	(inserted)	<u>An Applicant wishing to register as a Generation Company or a generating system as an additional facility shall start its registration from one of the following phases:</u> <u>1. If the Applicant needs to withdraw power from the transmission system for the construction and development of its generating system and for station use, the Applicant shall undergo</u>	This proposed section provides the different phases and the criteria for each phase. In general, the difference of each phase are as follows: <ul style="list-style-type: none"> a GenCo under Backfeed Registration will be modelled as a load facility; a GenCo under Test and Commissioning Registration will be modelled as a generation resource but cannot submit offers to the market; and 	<u>SPC:</u> <u>a)</u> Are Backfeed, "Test and Commissioning" and Commercial Registration still be necessary for GenCO that undergo for capacity expansion of their duly registered generating facilities? Or what possible registrations, if any, should be required including remodeling issue preparations. <u>b)</u> Can the Backfeed power for Capacity		<u>SPC:</u> Yes, the applicable phase/s will be necessary for capacity expansion. The backfeed registration may be exempted from the capacity expansion if the additional facility will not withdraw from the grid through a different connection point. We want to clarify that only applicable phase/s will be considered for the registration of additional facility for the capacity expansion. Guidelines for capacity expansion	Adopt IEMOP's revised proposal based on the MSC's comments, to read: <u>a. If the Applicant needs to withdraw power from the transmission system for the construction and development of its generating system and for station use during such period, the Applicant shall undergo Backfeed Registration. The facility of the Applicant shall be included in the market network model as load</u>

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			<p><u>Backfeed Registration.</u></p> <p>2. <u>If the Applicant needs to conduct the necessary test and commissioning process as required by the PGC, the Applicant shall undergo Test and Commissioning Registration.</u></p> <p>3. <u>If the Applicant will commence commercial operations, the Applicant shall undergo Commercial Operation Registration.</u></p>	<ul style="list-style-type: none"> a GenCo under Commercial Operations Registration will be modelled as a generation resource and can submit offers to the market. 	<p>expansion be allowed from the existing facilities of the Power Plant whenever feasible? If so, then Backfeed registration for capacity expansion may be exempted.</p> <p>PEMC:</p> <p>c) The current Rules suggests that backfeed registration is already covered in the registration of Intending WESM member under WESM Rules Clause 2.10. We suggest to marry the proposal with the current Rules, and present a process flow for the proposed three phases of registration and the registration as Intending WESM Member.</p> <p>d) May we request details of the previously processed registration applications for</p>	<p>PEMC:</p> <ul style="list-style-type: none"> <u>If the Applicant needs to withdraw power from the transmission system for the construction and development of its generating system and for station use during such period, the Applicant shall undergo Backfeed Registration. The Applicant shall be modelled in the network as load resource at this phase.</u> <u>If the Applicant needs to conduct the</u> 	<p>as additional facility are covered under the proposed amendments on Sections 3.3.6.2 and 3.3.6.3</p> <p>PEMC:</p> <p>The rights and obligations of an Intending WESM Member under Section 2.9.5 are only for information access and referrals to the dispute resolution process of the WESM. Moreover, for the applicant that needs to withdraw power from the transmission network, technical requirements as load facility need to be established for proper monitoring, scheduling and settlement of such facility during such phase. There are no provisions on such technical requirements under</p>	<p><u>resource at this phase.</u></p> <p>b. <u>If the Applicant needs to conduct the necessary test and commissioning process as required by the PGC, the Applicant shall undergo Test and Commissioning Registration. For this purpose, Test and Commissioning shall refer to the generating unit's connection / synchronization to the grid.</u></p> <p>c. <u>If the Applicant commences actual commercial operations, the Applicant shall undergo Commercial Operation Registration.</u></p> <p>Proponent's clarifications:</p>

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					<p>backfeed operation.</p> <p>e) Suggest to further clarify the period covered by the Backfeed Registration phase</p> <p>f) Suggest to further clarify the registration as load of Generation Company undergoing Backfeed Registration, consistent with the proposed Section 2.5.6.1(f).</p>	<p><u>necessary test and commissioning process as required by the PGC, the Applicant shall undergo Test and Commissioning Registration.</u></p>	<p>the intending WESM member.</p> <p>The suggested provision may be adopted.</p> <p>Here is the list of the Generating Facilities which initially registered in the WESM as load facility in 2019:</p> <ul style="list-style-type: none"> - Solar Philippines Tarlac Corporation - North Negros Biopower, Inc. - South Negros Biopower, Inc. - Grassgold Renewable Energy Corp. - Cleangreen energy Corp. - Central Azucareraa de Bais, Inc. - VS Grial Power Corp. <p>The Backfeed Registration does not limit its registration period as a load facility. We want to clarify that it is a period when a generating facility needs to withdraw from the transmission network for proper</p>	<ul style="list-style-type: none"> • An Applicant shall only need to register for the phase applicable to its generating facility. • There will only be a one-time registration fee for any phase that a generating facility should register for. This fee is approved by the ERC. • A generating facility under backfeed registration is still classified as under a Generation Company but with load facility, not a Directly-connected Customer. • There is no restriction on the duration when a facility should end being under backfeed registration. This phase usually lasts between 1 to 6 months.

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					<p>MSC:</p> <p>Suggest to delete paragraph (a) on Backfeed Registration. As aforementioned, the construction stage should not be included in the scope of WESM registration. Power plants under construction should connect with their host DUs instead.</p> <p>Suggest to include additional wording, to clarify that T&C as contemplated in the WESM Registration Manual is limited only to activities related to the generating unit's synchronization to the grid. This effectively</p>	<p>MSC:</p> <p><u>An Applicant wishing to register as a Generation Company or a generating system as an additional facility shall start its registration from one of the following phases:</u></p> <p><u>1. If the Applicant needs to withdraw power from the transmission system for the construction and development of its generating system and for station use, the Applicant shall</u></p>	<p>monitoring, scheduling and settlement of energy withdrawal from the grid. The applicant may register for the Test and Commissioning phase upon its availability to undergo such activity.</p> <p>MSC:</p> <p>We want to clarify that the backfeed phase is not mainly for the construction of the generating facility but on its need to withdraw energy from the transmission network. There are actual cases wherein generating facilities initially registers in the WESM as a load facility. Power plants connecting to the DU do not need to undergo backfeed registration phase. Thus, we want to retain the proposed Backfeed Registration phase as option and</p>	<ul style="list-style-type: none"> Embedded generators do not need to undergo backfeed registration since they are under the distribution system.

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					excludes all other tests that could be done by the generator without disrupting the grid.	<p><u>undergo Backfeed Registration</u></p> <p>1. <u>If the Applicant needs to conduct the necessary test and commissioning process as required by the PGC, the Applicant shall undergo Test and Commissioning Registration. For this purpose, Test and Commissioning shall refer to the generating unit's connection / synchronization to the grid.</u></p> <p>2. <u>If the Applicant commences actual commercial operations, the Applicant shall undergo Commercial Operation Registration.</u></p>	<p>flexibility to those generating plants that need to withdraw energy from the transmission network.</p> <p>The suggested additional wording may be adopted, with the final provision as follows:</p> <p>a. <u>If the Applicant needs to withdraw power from the transmission system for the construction and development of its generating system and for station use during such period, the Applicant shall undergo Backfeed Registration. The facility of the Applicant shall be included in the market network model as load resource at this phase.</u></p> <p>b. <u>If the Applicant needs to conduct the necessary test and commissioning process as</u></p>	

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					<p>NGCP:</p> <p>NGCP suggests that the Testing and Commissioning Phase should have a validity period to limit the number of Generators still running at T&C although the T&C stage is already done.</p>		<p><u>required by the PGC, the Applicant shall undergo Test and Commissioning Registration. For this purpose, Test and Commissioning shall refer to the generating unit's connection / synchronization to the grid.</u></p> <p><u>c. If the Applicant commences actual commercial operations, the Applicant shall undergo Commercial Operation Registration.</u></p> <p>NGCP:</p> <p>Agree. The suggested clarification was reflected in the proposed provisions for Section 2.5.6.1 (f)</p>	

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<u>Registration Phases</u>	<u>2.5.5.2</u> (new)	(new)	<u>An Applicant wishing to register as a Customer or a load facility shall start its registration at the Commercial Operation Registration phase.</u>	Unlike generating facilities, load facilities participate in the market in only one manner (i.e., non-dispatchable load); hence, it is proposed that Customers register only under Commercial Registration phase.	<p><u>PEMC:</u></p> <p>How about Applicants that are MSPs and Ancillary service providers? Note that load facilities may soon be able to provide AS as interruptible loads (for contingency & dispatchable) per DOE DC 2019-12-0018.</p> <p><u>MSC:</u></p> <p>Suggest use “desiring to register instead of “wishing to register”</p>	<p><u>MSC:</u></p> <p><u>An Applicant wishing desiring to register as a Customer or a load facility shall start its registration at the Commercial Operation Registration phase</u></p>	<p><u>PEMC:</u></p> <p>There are separate provisions for the application for registration as MSPs and Ancillary service providers.</p> <p><u>MSC:</u></p> <p>The suggested wordings may be adopted, with the provision as follow:</p> <p><u>An Applicant wishing desiring to register as a Customer or a load facility shall start its registration at the Commercial Operation Registration phase</u></p>	<p>Agree with MSC's comment. The provision was revised as follows:</p> <p><u>An Applicant wishing desiring planning to register as a Customer or a load facility shall start its registration at the Commercial Operation Registration phase</u></p>
Assessment of Applications	2.5.5 6 2.5.5 6 .1	2.5.5 XXX 2.5.5.1 XXX	2.5.5 6 XXX 2.5.5 6 .1 XXX	Re-numbered with the proposed introduction of the registration phases.	<p><u>SPC:</u></p> <p>Guidelines for assessment of applications for capacity expansion of duly registered power generating facilities</p>		<p><u>SPC:</u></p> <p>Guidelines for capacity expansion as additional facility are covered under the proposed amendments on</p>	Adopt IEMOP

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
Assessment of Applications – Submission and Preliminary Assessment of Applications	2.5.56.1(a)	Applications for registration shall be submitted to the <i>Market Operator</i> together with documents and information required by the <i>Market Operator</i> to prove compliance with the membership criteria and requirements for registration.	Applications for registration shall be submitted to the <i>Market Operator</i> together with documents and information required by the <i>Market Operator</i> to prove compliance with the membership criteria and requirements for registration. <u>An Applicant shall submit a separate application for registration in each applicable phase. Documents and information submitted during its registration for a prior phase may be used in succeeding applications.</u>	To clarify that separate application for each registration phase will be required; however, their submitted documents and information from the previous phase will already be honored in the next phases.	<u>AC Energy:</u> Is the Notice of Approval for the previous phase/s required to submit the application for registration for the next phase/s? We suggest that even though there are separate applications for registration for each phase, all applications for one project should be treated as one and should have a numbering system to keep record of the relations of the separate applications. <u>SPC:</u>	<u>AC Energy:</u> Applications for registration shall be submitted to the <i>Market Operator</i> together with documents and information required by the <i>Market Operator</i> to prove compliance with the membership criteria and requirements for registration. <u>An Applicant shall submit a separate application for registration in each applicable phase but all of the applications for each phase shall be provided with one registration number and kept in one folder. Documents and information submitted during its registration for a prior phase may be used in succeeding applications.</u>	Sections 3.3.6.2 and 3.3.6.3 <u>AC Energy:</u> The Notice/s of Approval for the previous phase/s are not required for submission for the registration for the next phase/s as generating facility may start on any phase as applicable. The documents submitted on any phase are honored, treated as one and may be used for the succeeding applications. The suggested numbering system for record purposes may not need be included in the provisions of the manual. We suggest to retain the wording as initially proposed. <u>SPC:</u>	Adopt MSC's revised wording as agreed by IEMOP: xxx <u>An Applicant shall submit a separate application for registration in each applicable phase. Documents and information submitted during its registration for a prior phase may be used in succeeding applications, provided that the Applicant shall update the same as of the date of the filing of the separate application, if necessary.</u>

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					<p>Guidelines for assessment of applications for capacity expansion of duly registered power generating facilities.</p> <p><u>MSC:</u></p> <p><u>In the last sentence, following phrase “, provided that the Applicant shall update the same as of the date of the filing of the separate application, if necessary.”</u></p>	<p><u>MSC:</u></p> <p>Applications for registration shall be submitted to the <i>Market Operator</i> together with documents and information required by the <i>Market Operator</i> to prove compliance with the membership criteria and requirements for registration. <u>An Applicant shall submit a separate application for registration in each applicable phase. Documents and information submitted during its registration for a prior phase may be used in succeeding applications, provided that the Applicant shall</u></p>	<p>Guidelines for capacity expansion as additional facility are covered under the proposed amendments on Sections 3.3.6.2 and 3.3.6.3</p> <p><u>MSC:</u></p> <p>We agree that only documents that are still valid should be used for succeeding applications and that the Applicant should update the documents when necessary.</p> <p>We agree to adopt the revisions.</p>	

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					<p>NGCP:</p> <p>NGCP suggests that the documents needed for registration should be enumerated in the Manual.</p>	<p><u>update the same as of the date of the filing of the separate application, if necessary.”.</u></p>	<p>NGCP:</p> <p>The complete list of required documents for registration is published in the WESM website. Inclusion of the list in the Manual may require long and timely process for every change needed for every required document, which may cause delay on its implementation of the registration process.</p> <p>We suggest not to include the list of required documents in the WESM Manual.</p>	
Assessment of Applications – Submission and Preliminary Assessment of Applications	2.5.56.1(d)	If the facilities being registered are not yet represented in the prevailing WESM Market Network Model, the Market Operator shall, in consultation with the System	If the facilities being registered are not yet represented in the prevailing WESM Market Network Model, the Market Operator shall, in consultation with the System Operator and	<p>Re-numbered with the proposed introduction of the registration phases.</p> <p>To clarify that the applicant may be differently represented</p>	<p>SPC:</p> <p>Guidelines for assessment of applications for capacity expansion of duly registered power generating facilities.</p>		<p>SPC:</p> <p>Guidelines for capacity expansion as additional facility are covered under the proposed amendments on</p>	Adopt IEMOP

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		Operator and the Applicant, determine the appropriate representation for the said facility. It shall then update the WESM Market Network Model following the procedures set forth in relevant market manuals.	the Applicant, determine the appropriate representation for the said facility <u>based on the registration phase of the Applicant</u> . It shall then update the WESM Market Network Model following the procedures set forth in relevant market manuals.	in the Market Network Model (MNM) depending on the registration phase of the applicant (i.e., as a load during backfeed, and as generator during test and commissioning and commercial operations).			Sections 3.3.6.2 and 3.3.6.3	
Assessment of Applications – Submission and Preliminary Assessment of Applications	<u>2.5.6.1(e)</u> (new)	(new)	<u>The Applicant shall execute a market participation agreement in the form prescribed by the Market Operator.</u>	To reflect current practice that signed Market Participation Agreement is being submitted by applicants before the Notice of WESM Approval to ensure compliance of the applicant with the WESM Rules and Manuals	<p><u>AC Energy:</u></p> <p>Please clarify what will be the requirements for the execution of this agreement and the period for approval and execution.</p> <p><u>SPC:</u></p> <p>2. Guidelines for assessment of applications for capacity expansion of duly registered power generating facilities.</p>	<p><u>AC Energy:</u></p> <p>Execution refers to the signing and submission of the Market Participation Agreement to the Market Operator. The Market Participation Agreement should be submitted before the processing of the application.</p> <p><u>SPC:</u></p> <p>Guidelines for capacity expansion as additional facility are covered under the proposed amendments on Sections 3.3.6.2 and 3.3.6.3</p>	<p>Amend provision based on IEMOP and PEMC's comments:</p> <p><u>The Applicant shall execute a market participation agreement in the form prescribed by the Market Operator and PEMC.</u></p>	

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					<p>3. For capacity expansion of existing power plant, an addendum to the previously signed Market Participation Agreement (from the existing power plant) can be executed for its capacity expansion.</p> <p>PEMC:</p> <p>PEMC shall also agree on a market participation agreement noting that it is a signatory of the tripartite agreement.</p> <p>We agree with this proposal and note that Clause 2.2.2.1 (b) provides that Trading Participants are bound by the WESM Rules upon registration with the Market Operator.</p> <p>We suggest to require the Applicant to execute a Waiver, as proposed, to</p>	<p>PEMC:</p> <p><u>The Applicant shall execute a market participation agreement in the form prescribed by the Market Operator and PEMC.</u></p> <p><u>Pursuant to Section 2.5.7.3, the Applicant shall also execute a Waiver on its eligibility as a WESM member as a consequence of non-compliance with applicable rules and on its entitlement for payment for its generated output during test and</u></p>	<p>For capacity expansion, there is no need for a new Market Participation Agreement, the signed Market Participation Agreement for the existing WESM member will be honored.</p> <p>PEMC:</p> <p>We agree to adopt the addition of PEMC as signatory in the market participation agreement.</p> <p>We suggest that the waiver not be required since the MPA already subjects the applicant to the WESM Rules which includes the non-payment of generated output beyond the authorized test and commissioning period</p>	

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					ensure that the Applicant is aware and will endeavour to comply with the condition of the Test and Commissioning Registration Phase. This aim to deter the prolonged test and commissioning and encourage Applicant to secure the necessary certification from the ERC for any extensions.	<u>commissioning if such generation was done beyond the approved test and commissioning period.</u>		
Assessment of Applications – Submission and Preliminary Assessment of Applications	2.5.6.1(f) (new)	(new)	<u>An Applicant as a Generation Company shall comply with the authorization requirement under Section 2.5.3.1 based on its registration phase as follows:</u> <u>1.Backfeed Registration. Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped</u>	This section provides the proposed unique documentary requirement for each phase: a. a GenCo registering under Backfeed Registration will be required to submit proof that its registration as a load is towards operation of a generating facility; b. a GenCo registering under Test and	<u>AC Energy:</u> Other than the receiving copy of the ERC COC application, are there other changes to the requirements for Backfeed Registration? Please clarify if the submissions of the requirements for different phases shall also be sufficient for NGCP to honor. Please clarify as well NGCP's obligation to allow the registrant to connect based on the submissions made by		<u>AC Energy:</u> There are no other changes to the requirements for Backfeed Registration. Registration in any phase will constitute to WESM membership for the Applicant. Effect of the proposed amendments to NGCP's processes may be better addressed by NGCP.	<ul style="list-style-type: none"> Ms. Angeli Parcia (APC) informed that Generation Companies are allowed to file for COCs around 6 months prior to its testing and commissioning activities. A facility would require backfeed power way before testing and commissioning so a COC may still not be available during the backfeed registration phase. Hence, she suggested to not

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			<p><u>“received” by the ERC.</u></p> <p>2. Test and Commissioning Registration. <u>Applicant shall submit an ERC certification allowing the Applicant to conduct test and commissioning. The test and commissioning period of the Applicant shall be as indicated in the ERC certification or, if not indicated, two (2) months from the date of the certification. Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped “received” by the ERC if this was not yet submitted.</u></p> <p>3. Commercial Operations</p>	<p>Commissioning Registration will be required to submit proof that it is allowed by the ERC to inject power to the grid for test and commissioning; a default test and commissioning period of two (2) months is also proposed based on Section 2(iii) of ERC Resolution No. 16, Series of 2014 (“2014 Revised COC Rules”); and</p> <p>c. a GenCo registering under Commercial Operations Registration will be required to submit proof that it is allowed to sell power by the ERC.</p>	<p>the applicant on the different phases.</p> <p>SPC:</p> <p>a) Guidelines for assessment of applications for capacity expansion of duly registered generating facilities.</p> <p>b) Are guidelines of Backfeed Registration especially registration fees still uniform for all generating facilities regardless of its different installed capacities.</p> <p>c) The timeline for test and commissioning of power plants may vary depending on their technology and contracts made by the Generation Company from Third Party for its test and commissioning, thus the two (2) months period may not be enough. If this situation happens, the Market Operator should be well informed for the test and commissioning</p>		<p>SPC:</p> <p>4. Guidelines for capacity expansion as additional facility are covered under the proposed amendments on Sections 3.3.6.2 and 3.3.6.3</p> <p>5. The Registration fee is a one-time payment and is uniform for all generating facilities regardless of their different installed capacities.</p> <p>3. ERC Resolution No. 16, Series of 2014 provides the allowable timeline for the test and commissioning of power plants. For any discrepancy or extension for such activity, an ERC certification for authorized test period will be honored by the Market Operator.</p>	<p>require a copy of the COC during said registration phase.</p> <ul style="list-style-type: none"> The RCC and the proponent agreed to make COCs no longer mandatory. Ms. Gregorio clarified that the Market Operator shall notify the System Operator to remove a facility in overriding constraints once the prescribed 2-month period of testing and commissioning for that facility expires, unless there is a certification allowing extension of the facility's testing and commissioning. Ms. Parcia and Mr. Dixie Anthony Banzon (MPPCL) informed that the commenting period on the COC Rules is on-going. Among the recommendations

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			<u>Registration. Applicant shall submit either a Certificate of Compliance or Provisional Authority to Operate (PAO) or, in the absence thereof, a certification issued by the ERC allowing the Applicant to undergo commercial operations.</u>		<p>timelines of the power plant so that proper registration phases can be made.</p> <p>d) For Commercial Operation Registration, the Market Operator should only adopt and register the capacity as indicated in the Annex-B of the Certificate of Compliance or Provisional Authority to Operate as issued by the ERC. With this, partial registration capacity can be made to power plants that are modelled with aggregated Units.</p> <p>PEMC:</p> <p>d. Suggest to re-number for easier referencing of provisions.</p> <p>e. Suggest to also require Applicants to submit the DOE's Certificate of</p>	<p>PEMC:</p> <p><u>An Applicant as a Generation Company shall comply with the authorization requirement under Section 2.5.3.1 based on its registration phase as follows:</u></p> <p>1. Backfeed Registration.</p>	<p>4. For Commercial Operation Registration, the registered capacity indicated in the COC's Annex B will be adopted.</p> <p>PEMC:</p> <ul style="list-style-type: none"> We agree to adopt the re-numbering. DOE's Certificate of Endorsement is a requirement for ERC in the issuance of the COC. No person may engage in the generation of electricity unless such person has 	<p>is to make the 2-month period cumulative, or prescribe different testing and commissioning periods depending on a plant's technology. Mr. Banzon stated that the current 2-month period is not realistic.</p> <ul style="list-style-type: none"> Continuing to inject to the grid beyond the allowed period of testing and commissioning may be grounds for suspension or disconnection. Ms. Gregorio stated that 15 days prior to the expiration of a facility's testing and commissioning, the Market Operator shall notify that facility. After the expiration, the suspension and disconnection process will be triggered if there is

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					<p>Endorsement (COE), which is a requirement when applying for a COC.</p> <p>f. Does the ERC issue a separate certification authorizing the generators to conduct test and commissioning? May we request a sample of this to be presented to the RCC?</p> <p>Can the submission of a valid and unexpired Provisional Authority to Operate (PAO) be required instead for applications for Test and Commissioning phase?</p> <p>g. Suggest to reckon the alternate period for test and commissioning from the actual start date of the approved test and commissioning (instead of the date of the</p>	<p><u>Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped "received" by the ERC and Certificate of Endorsement issued by the DOE.</u></p> <p>2. Test and Commissioning Registration. <u>Applicant shall submit an ERC certification allowing the Applicant to conduct test and commissioning. The test and commissioning period of the Applicant shall be as indicated in the ERC certification or, if not indicated, two (2) months within such period from the actual start</u></p>	<p>received a COC from the ERC. Thus, submission of DOE's COE may not be necessary since having a COC already indicates that the generation company has secured a DOE COE.</p> <ul style="list-style-type: none"> • The ERC has issued certifications allowing the subject generating unit to conduct test and commissioning. The PAO is issued by the ERC for commercial operations already. • We agree to refer the timeline to the ERC's issuances and to indicate that the PAO should be valid. 	<p>no extension provided.</p> <ul style="list-style-type: none"> • A facility will not be entitled to receive NSS, if any, beyond the authorized period of testing and commissioning. • Mr. John Mark S. Catriz (PEMC), representing the MSC, stated that penalties should be imposed on facilities that continue to inject in the grid beyond the authorized period of testing and commissioning. This is because they continue to bump-off other generators who should have been dispatched if those facilities are no longer injecting. He added that this should be especially imposed on those not paid via the spot market, for instance, those paid through

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					<p>certification). This is consistent with Section 2(iii) of the ERC Resolution No. 16, Series of 2014. Also, since the issuance of COC may be changed and is under the jurisdiction of the ERC, we suggest to refer to the ERC such guidelines instead of specifying the period for test and commissioning in this Market Manual.</p> <p>h. Suggest to specify that the PAO submitted for the Commercial Phase be valid and unexpired noting that such also has an expiration.</p>	<p><u>date of the certification approved test and commissioning consistent with the prevailing ERC guidelines for the issuance of Certificate of Compliance.</u> <u>Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped "received" by the ERC if this was not yet submitted.</u></p> <p>3. Commercial Operations Registration. <u>Applicant shall submit either a Certificate of Compliance or a valid and unexpired Provisional Authority to Operate (PAO) or,</u></p>		<p>bilateral contracts, or RE plants paid through FIT allowance.</p> <ul style="list-style-type: none"> As suggested by Mr. Cacho, the RCC requested PEMC and the MSC to recommend proposed amendments to the Penalty Manual (currently pending DOE approval) to impose penalties on plants under prolonged testing and commissioning. <p>Pending the submission of further inputs as discussed above, the RCC preliminarily agreed to revise the provision, as follows:</p> <p><u>An Applicant as a Generation Company shall comply with the authorization requirement under Section 2.5.3.1 based on its registration phase as follows:</u></p>

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					<p>MSC:</p> <p>Suggest to delete paragraph on Backfeed Registration. As aforementioned, the construction stage should not be included in the scope of WESM registration.</p> <p>As regards the Test and Commissioning Registration, the MSC agrees with the proposal that plants exceeding the ERC-prescribed 60 days for T&C should no longer receive payment from the Market Operator. It is however suggested to replace two months with 60 days, to provide a more specific period. Also, it is suggested to cite the ERC Resolution which is the basis for the</p>	<p><u>in the absence thereof, a certification issued by the ERC allowing the Applicant to undergo commercial operations.</u></p> <p>MSC:</p> <p><u>An Applicant as a Generation Company shall comply with the authorization requirement under Section 2.5.3.1 based on its registration phase as follows:</u></p> <p>4. <u>Backfeed Registration. Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped</u></p>	<p>MSC:</p> <p>We propose to retain the paragraph on Backfeed Registration to provide option and flexibility to power plants that may need to withdraw energy from the transmission system.</p> <p>We propose to adopt PEMC's recommendation for a general reference to the ERC COC Rules.</p> <p>We agree to include the required documentation in case of extended test and commissioning.</p> <p>We suggest to retain the last paragraph in case the ERC issues</p>	<p>1. <u>Backfeed Registration. Applicant shall may submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped "received" by the ERC.</u></p> <p>2. <u>Test and Commissioning Registration. Applicant shall certification allowing the Applicant to conduct test and commissioning. The test and commissioning period of the Applicant shall be as indicated in the ERC certification or, if not indicated, two (2) months within such period from the actual start date</u></p>

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					<p>prescribed period, to provide flexibility in case of an amendment on the ERC Rules on T&C.</p> <p>Further, the MSC is suggesting to include the required documentation in case of extended T&C.</p> <p>On the proposed provision on Commercial Operations Registration, the MSC agrees in the mention of the ERC's PAO in this Phase, as this addresses the procedural gap in the current registration process by giving recognition to the current practice of allowing TPs to start commercial operations on the basis of a duly-issued PAO.</p> <p>It is suggested that the last phrase be removed, as it is already ERC's practice to issue a Provisional Authority. A PA is the term being issued even by other regulatory bodies such as the NTC.</p>	<p>"received" by the ERC.</p> <p>2. Test and Commissioning Registration. Applicant shall submit an ERC certification allowing the Applicant to conduct test and commissioning. The test and commissioning period of the Applicant shall be as indicated in the ERC certification or, if not indicated, shall be a period of 60 days two (2) months from the date of the certification, as prescribed under ERC Resolution No. 16, s.2014. Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance.</p>	a document with the same content but different title.	<p>of the certification approved test and commissioning consistent with the prevailing ERC guidelines for the issuance of Certificate of Compliance. Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped "received" by the ERC if this was not yet submitted. In case of extended period for Test and Commissioning, the Applicant shall submit the corresponding ERC certification indicating the approved period for the</p>

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						<p>together with Form 7 (General Plant Description) duly stamped "received" by the ERC if this was not yet submitted. In case of extended period for Test and Commissioning, the Applicant shall submit the corresponding ERC certification indicating the approved period for the extended conduct of Test and Commissioning.</p> <p>3. Commercial Operations Registration. Applicant shall submit either a Certificate of Compliance or Provisional Authority to Operate (PAO). or, in the absence thereof, a certification issued by the ERC allowing the Applicant to undergo commercial operations.</p>		<p>extended conduct of Test and Commissioning.</p> <p>3. Commercial Operations Registration. Applicant shall submit either a Certificate of Compliance or Provisional Authority to Operate (PAO). or, in the absence thereof, a certification issued by the ERC allowing the Applicant to undergo commercial operations.</p>

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					<p><u>NGCP:</u></p> <p>i. NGCP suggests the following:</p> <ul style="list-style-type: none"> The proposed amendment should be consistent with the existing ERC's COC Rules. There should be a joint meeting between ERC, PEMC, IEMOP and NGCP to discuss amendments on Testing & Commissioning both on WESM Manual and COC Rules <p>1. NGCP would like to seek clarification if there will be a penalty to the</p>	<p><u>issued by the ERC allowing the Applicant to undergo commercial operations.</u></p>	<p><u>NGCP:</u></p> <p>a. The proposed amendment is consistent with the existing ERC's COC Rules</p> <p>b. The proposed joint meeting between ERC, PEMC, IEMOP and NGCP for discussion on Test and Commissioning may be conducted.</p> <p>c. It is proposed that any energy injection to the grid beyond the authorized period will not be entitled to WESM payments.</p> <p>The proposal is recommended to be revised as follows:</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
					generator should the Testing and Commissioning go beyond the two (2) - month period.		<p>i. <u>Backfeed Registration. Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped "received" by the ERC.</u></p> <p>ii. <u>Test and Commissioning Registration. Applicant shall submit an ERC certification allowing the Applicant to conduct test and commissioning. The test and commissioning period of the Applicant shall be as indicated in the ERC certification or, if not indicated, two (2) months within such period from the</u></p>	

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							<p><u>actual start date of the certification approved test and commissioning consistent with the prevailing ERC guidelines for the issuance of Certificate of Compliance.</u></p> <p><u>Applicant shall submit a receiving copy of its application with the ERC for a Certificate of Compliance, together with Form 7 (General Plant Description) duly stamped "received" by the ERC if this was not yet submitted. In case of extended period for Test and Commissioning, the Applicant shall submit the corresponding ERC certification indicating the approved</u></p>	



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							<p><u>period for the extended conduct of Test and Commissioning.</u></p> <p>iii. <u>Commercial Operations Registration. Applicant shall submit either a Certificate of Compliance or a valid and unexpired Provisional Authority to Operate (PAO) or, in the absence thereof, a certification from ERC issued by the ERC allowing the Applicant to undergo commercial operations.</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
Assessment of Applications – Submission and Preliminary Assessment of Applications	2.5.6.1(g) (new)	(new)	<u>Registration Fees. During its Backfeed Registration, subject to approval by the ERC of the amount to be recovered, the Applicant shall pay to the Market Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. If the Market Operator incurs additional costs as a result of requesting and assessing additional information, it may require the applicant to pay the actual amount incurred to cover those additional costs.</u> ¹	It is proposed that the registration fee be settled by the applicant on the first stage of its application for WESM Membership to cover the cost incurred in the whole duration of the application process including registration assessment, training of the participants, and installation and maintenance of the digital certificates.	<p><u>SPC:</u></p> <ol style="list-style-type: none"> Guidelines for assessment of applications for capacity expansion of duly registered generating facilities. For Generation Company applying for capacity expansion, the registration fees may be exempted or less costly since the Backfeed registration can be excluded if the existing power generation facilities can accommodate the Backfeed power. <p><u>PEMC:</u></p> <ul style="list-style-type: none"> There may be Applicants that will not undergo Backfeed Registration. Suggest that Applicants pay the Registration Fee during its first stage of its 	<p><u>PEMC:</u></p> <p><u>Registration Fees. During its Backfeed Registration first registration phase, subject to approval by the ERC of the amount to be recovered, the Applicant shall pay to the Market</u></p>	<p><u>SPC:</u></p> <ol style="list-style-type: none"> Guidelines for capacity expansion as additional facility are covered under the proposed amendments on Sections 3.3.6.2 and 3.3.6.3 The Registration fee is a one-time payment for each WESM membership applicant. There is no required registration fee for the application on capacity expansion. <p><u>PEMC:</u></p> <p>We agree with the proposed revision to refer to the first registration phase:</p> <p><u>Registration Fees. During its Backfeed Registration first registration phase, subject to approval</u></p>	<p>Adopt PEMC's revision per IEMOP's agreement:</p> <p><u>Registration Fees. During its Backfeed Registration first registration phase, subject to approval by the ERC of the amount to be recovered, the Applicant shall pay to the Market Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. xxx</u></p>

¹ WESM Rules clause 2.5.3.3

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					<p>application (either Backfeed or Test and Commissioning Registration).</p> <ul style="list-style-type: none"> Requesting clarification whether Applicants will pay separate registration fees for multiple categories. Suggest to include a provision on this, for clarity. <p>MSC:</p> <p>Consistent with the comments above, suggest to delete any reference to Backfeed Registration.</p>	<p><u>Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. xxx</u></p> <p>MSC:</p> <p><u>Registration Fees. During its Backfeed Registration for Testing and Commissioning, subject to approval by the ERC of the amount to be</u></p>	<p><u>by the ERC of the amount to be recovered, the Applicant shall pay to the Market Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. xxx</u></p> <p>The Registration fee is a one-time payment for each WESM membership applicant, that covers the cost from their first registration phase up to their commercial operation.</p> <p>MSC:</p> <p>It is proposed that Backfeed Registration be retained.</p>	

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						<u>recovered, the Applicant shall pay to the Market Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. If the Market Operator incurs additional costs as a result of requesting and assessing additional information, it may require the applicant to pay the actual amount incurred to cover those additional costs.²</u>		
Assessment of Applications – Submission and Preliminary Assessment of Applications	2.5.6.1(h) (new)	(new)	<u>Participant Interface Access. During the Test and Commissioning registration phase, the Applicant shall subscribe to and allow the Market Operator to apply or install a method employing encryption in its</u>	To clarify that the Participant Interface Access may be installed as early as the test and commissioning registration phase of the applicant, however, the system access will only be enabled on the start of the applicant's commercial operations.	<u>AC Energy:</u> What happens if Participant Interface cannot be established by the MO during the period allotted for Testing and Commissioning? Will this be grounds for extension of the two-month period?		<u>AC Energy:</u> The option to install the digital certificate during the test and commissioning phase is to allow for faster transition to commercial operations registration. It is	Adopt IEMOP's revised wording: <u>Participant Interface Access. During the Test and Commissioning registration phase, the Applicant may subscribe to and allow the Market</u>

² WESM Rules clause 2.5.3.3

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			<u>computers to provide secure access to the WESM Market Management System. The system access will only be enabled during the start of the Applicant's Commercial Operations.</u>		<p>Please provide a certain number of days to implement this in order for the applicant to factor it in the schedule.</p> <p>SPC:</p> <p>1. Guidelines for assessment of applications for capacity expansion of duly registered</p>		<p>proposed that the provision be revised as follows (also reflected in the proposed revision at the end of this response):</p> <p>Participant Interface Access. During the Test and Commissioning registration phase, the Applicant may subscribe to and allow the Market Operator to apply or install a method employing encryption in its computers to provide secure access to the WESM Market Management System. The system access will only be enabled during the start of the Applicant's Commercial Operations.</p> <p>SPC:</p> <p>1. Guidelines for capacity expansion as additional facility are covered under</p>	<p><u>Operator to apply or install a method employing encryption in its computers to provide secure access to the WESM Market Management System. The Applicant shall have read-only access to its facility during the Test and Commissioning phase to enable the Trading Participant to view its generating unit's schedules. Meanwhile, full access to its facility will only be enabled during the start of the Applicant's Commercial Operations.</u></p>

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					<p>power generating facilities.</p> <p>2. For Commercial Operation Registration, the Market Operator should only adopt and register the capacity as indicated in the Annex-B of the Certificate of Compliance or Provisional Authority to Operate as issued by the ERC. With this, partial registration capacity can be made to power plants that are modelled with aggregated Units.</p> <p>PEMC:</p> <ul style="list-style-type: none"> Viewing access in the MPI is being proposed to be provided during the Test and Commissioning phase. This will ensure that Generation Companies are able to view their RTD based on the security limits provided 	<p>PEMC:</p> <p><u>Participant Interface Access. During the Test and Commissioning registration phase, the Applicant shall subscribe to and allow the Market Operator to apply or install a method employing encryption in its computers to provide secure</u></p>	<p>the proposed amendments on Sections 3.3.6.2 and 3.3.6.3</p> <p>2. As mentioned, the registered capacity indicated in Annex B of the COC is used for Commercial Operation Registration.</p> <p>PEMC and MSC:</p> <p>We agree with providing viewing access to trading participants to allow them to view their dispatch schedules in the MMS. We note that this feature is not available in the current MMS but is an available feature for the NMMS.</p> <p>Start of applicant's commercial</p>	



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					<p>by the SO. They will be allowed to trade during the Commercial Operations phase.</p> <ul style="list-style-type: none"> Start of Applicant's Commercial Operations is identified by the Applicant. Suggest to add a phrase indicating this. <p>MSC:</p> <p>It is suggested to allow the Applicant viewing access to the system during the T&C phase. The MSC observed that Trading Participants undergoing T&C are not informed on the dispatch level of the SO, due to lack of access to the Market Participant Interface. To provide the Applicants with viewing access to the MPI would address the issue in terms of ensuring compliance with the SO instruction on RTD</p>	<p><u>access to the WESM Market Management System. The system viewing access will be allowed during Test and Commissioning phase to enable viewing of RTD schedule. Meanwhile, trading access will only be enabled during the start of the Applicant's Commercial Operations as indicated in its application.</u></p> <p>MSC:</p> <p><u>Participant Interface Access. During the Test and Commissioning registration phase, the Applicant shall subscribe to and allow the Market Operator to apply or install a method employing encryption in its computers to provide secure access to the WESM Market Management System.—Full The</u></p>	<p>operations is subject to its application for the Commercial Operations Phase registration.</p> <p>We suggest to adopt PEMC's proposal with revision as follows:</p> <p>Participant Interface Access. During the Test and Commissioning registration phase, the Applicant may subscribe to and allow the Market Operator to apply or install a method employing encryption in its computers to provide secure access to the WESM Market Management System. The Applicant shall have read-only access to its facility during the Test and Commissioning phase to enable the Trading Participant to view its generating unit's schedules. Meanwhile, full</p>	

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					<p>Instruction during the T&C registration phase.</p> <p>It is suggested that the term WESM Market Management System be replaced by the term Market Management System, not only in this section but all throughout. Is it not redundant as M in WESM is already known as "Market"?</p>	<p>system access will only be enabled during upon the start of the Applicant's Commercial Operations.</p> <p><u>However, the Applicant will have viewing access to the Market Management System to ensure compliance with the SO's dispatch instructions during the period for Test and Commissioning.</u></p>	<p><u>access to its facility will only be enabled during the start of the Applicant's Commercial Operations.</u></p>	
Approval of Applications – Basis	2.5.6Z.1(b)	Determines that the applicant is eligible to be registered in the category or categories in which it is applying for registration.	Determines that the applicant is eligible to be registered in the category or categories <u>and phase</u> in which it is applying for registration.	To clarify that determination of eligibility of the applicant for the approval of application will be based on the category and phase that the applicant is applying for. This will guarantee that eligibility will be determined based on the requirements per registration phase and that the applicant will be assessed and approved per phase.	<p>AC Energy:</p> <p>Please indicate if this approval covers the System Operator's approval as well and no separate approval is needed.</p> <p>SPC:</p> <p>Guidelines for approval of applications for capacity expansion of duly registered generating facilities.</p>		<p>AC Energy:</p> <p>The approval of application refers to the WESM membership application only.</p> <p>SPC:</p> <p>Guidelines for capacity expansion as additional facility are covered under the proposed amendments on Sections 3.3.6.2 and 3.3.6.3</p>	Adopt IEMOP

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Approval of Applications - Notice of Approval	2.5.67.2	<p>2.5.6.2. Notice of Approval</p> <p>a) For approved applications, the Market Operator shall send a notice of approval to the Applicant within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.</p> <p>b) The registration of the Applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) days after the Market Operator sends the notice of approval or on the date when the Applicant complies with all the</p>	<p>2.5.67.2 Notice of Approval</p> <p>a) For approved applications, the Market Operator shall send a notice of approval <u>as a WESM Member at the applied registration phase</u> to the Applicant within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.</p> <p><u>b) The registration of an Applicant for backfeed shall take effect on the date specified in the Backfeed Registration notice of approval which shall be a date not more than three (3) days after the Market Operator sends the notice of approval.</u></p>	<p>The proposal was proposed to introduce the issuance of the notice of approval per registration phase with the corresponding timeline to be followed per phase. Since each registration phase has different requirements and impact in the WESM, the issuance of notice of approval is proposed to have different timelines per phase.</p> <p>Re-numbered with the proposed introduction of the registration phases</p>	<p><u>AC Energy:</u></p> <p>Given the fast T&C activities of VRE plants, it may take less than 15 days from backfeed energization until the plant is ready to inject power to the grid. Can the processing period be shortened? We suggest a period of 7 working days for the release of Notice of Approval. Since most documents have already been submitted for Backfeed Registration, processing time of succeeding applications may be shortened</p> <p>While the proposed amendment provide for the effectivity of the approval from notice, it does not provide for a timeline in terms of processing the approval. Suggest to provide such timeline.</p>		<p><u>AC Energy:</u></p> <p>The given period of fifteen (15) days for the Market Operator to send the notice of approval as a WESM Member is the maximum allowable period for the process, but it does not necessarily mean that the fifteen (15) days will be consumed. The Market Operator can send the Notice of Approval, through an email, a day after the complete submission by the applicant of required application forms and supporting documents and information. The notice of membership sent through email is considered valid and honored while the official letter of the notice will be sent afterwards for efficiency purposes.</p> <p>The processing of the approval is within the fifteen (15) days upon the complete submission by the applicant of required</p>	<p>Adopt IEMOP's revised wording based on MSC's comment:</p> <p>2.5.67.2 Notice of Approval</p> <p>a) For approved applications, the Market Operator shall send a notice of approval <u>as a WESM Member at the applied registration phase</u> to the Applicant within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.</p>

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		requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the Market Operator, the effective date may be set on another date requested by the Applicant.	<p>c) The registration of an Applicant for test and commissioning shall take effect on the date specified in the notice of Test and Commissioning Registration approval which shall be a date not more than three (3) days after the Market Operator sends the notice of approval.</p> <p>d) b)- The registration of an Applicant for commercial operations shall take effect on the date specified in the notice of Commercial Operation Registration approval which shall be a date not more than seven (7) days after the Market Operator sends the notice of approval. or on the date when the Applicant complies with all the requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the</p>		<p>SPC:</p> <p>For approved applications, whenever the Market Operator cannot meet the deadline to send a Notice of Approval, it is somehow deemed approved unless the Market Operator have justifiable reason(s) of not approving the submitted application.</p> <p>MSC:</p> <p>The word complete is suggested to replace the word completed in paragraph (a) for clarity on the requirement for the submission of complete documents prior to approval of application.</p> <p>As mentioned, suggest to delete provision on Backfeed Registration.</p>	<p>MSC:</p> <p>2.5.67.2 Notice of Approval</p> <p>a) For approved applications, the Market Operator shall send a notice of approval as a WESM Member at the applied registration phase to the Applicant within fifteen (15) days from completion of submission by the applicant of the</p>	<p>forms, documents and information</p> <p>SPC:</p> <p>For approved application with complete submitted application form, required documents and information, when the Market Operator failed to send the notice of approval of WESM member within the prescribed period, the WESM membership is deemed approved.</p> <p>MSC:</p> <p>The suggested revision to replace completed with complete may be adopted. The provision may be as follow:</p> <p>2.5.67.2 Notice of Approval</p> <p>a) For approved applications, the Market Operator shall send a notice of approval as a WESM Member at the</p>	

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			Market Operator, the effective date may be set on another date requested by the Applicant.			<p>required application forms and supporting documents and information. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.</p> <p><u>b) The registration of an Applicant for backfeed shall take effect on the date specified in the Backfeed Registration notice of approval which shall be a date not more than three (3) days after the Market Operator sends the notice of approval.</u></p> <p><u>b) The registration of an Applicant for test and commissioning shall take effect on the date specified in the notice of Test and Commissioning Registration</u></p>	<p><u>applied registration phase</u> to the Applicant within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.</p> <p>We propose to retain the provision on Backfeed Phase Registration to give option and flexibility to power plants that may need to withdraw energy from the transmission line during its construction period.</p>	

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						<p><u>approval which shall be a date not more than three (3) days after the Market Operator sends the notice of approval.</u></p> <p>c) b)- The registration of an Applicant <u>for commercial operations</u> shall take effect on the date specified in the notice of <u>Commercial Operation Registration</u> approval which shall be a date not more than seven (7) days after the Market Operator sends the notice of approval. or on the date when the Applicant complies with all the requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the Market Operator, the effective date may be set on another date requested by the Applicant.</p>		



Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
Other Requirements for Approved Applications	2.5.67.3	<p>2.5.6.3 Other Requirements for Approved Application</p> <p>The Applicant whose application has been approved shall also comply with the following as conditions to and before the effectivity of its membership in the WESM –</p> <p>a) Market Participation Agreement. The Applicant shall execute a market participation agreement in the form prescribed by the Market Operator.</p> <p>b) Participant Interface Access. The Applicant shall subscribe to and allow relevant digital certificates issued by the Market Operator to be installed in its computers in order for it to be permitted access to the WESM Market Management System.</p>	<p>2.5.67.3 Other Requirements for Approved Application <u>Guidelines for WESM Members under Test and Commissioning</u></p> <p>The Applicant whose application for <u>test and commissioning</u> has been approved shall <u>be guided by the following:</u> also comply with the following guidelines as conditions to and before the effectivity of its membership in the WESM</p> <p><u>1. The generating unit of the WESM Member shall be entitled to WESM payments only within the test and commissioning period initially determined in accordance with Section 2.5.6.1(f). Generation beyond the test and commissioning period shall not be entitled to WESM payments but the WESM Member shall</u></p>	<p>The proposal seeks to set guidelines on the conduct of the test and commissioning. The following guidelines will clarify the requirements, timelines and corresponding effects for non-compliance to the requirement. This aims to eliminate the existence of unauthorized prolonged test and commissioning activity of a generating unit.</p> <p>This also clarifies that any amount resulting from non-payment of unauthorized test and commissioning activity will be treated in accordance with the provisions of the WESM Rules.</p> <p>Re-numbered with the proposed introduction of the registration phases</p>	<p><u>AC Energy:</u></p> <p>What qualifies as a valid reason for extending the Testing & Commissioning period?</p> <p>A generating unit may fail to secure the COC or PAO due to delays from regulatory bodies (e.g. ERC cannot release the COC on time despite early submission of requirements; or NGCP is unavailable to conduct required PGC tests). The generating unit should not be penalized for failure to secure COC/PAO for reasons beyond its control.</p> <p><u>SPC:</u></p> <p>a. The timeline for test and commissioning of power plants may vary depending on their technology and contracts made by the Generation Company from Third Party for its test and commissioning, thus the two (2) months period may</p>	<p><u>SPC:</u></p> <p><u>For letter d) The WESM Member of a generating unit shall submit to the Market Operator an application for Commercial Operations Registration within five (5) working days from receipt of its Certificate of Compliance or Provisional</u></p>	<p><u>AC Energy:</u></p> <p>Failure on some tests that may have caused delay to the succeeding test and commissioning activities, or unavailability of NGCP to conduct required PGC tests may be some of examples of valid reasons for extending the Test and Commissioning period but it may require proof and approval from ERC, as the certifying body to grant certification for such extension.</p> <p><u>SPC:</u></p> <p>1. ERC Resolution No. 16, Series of 2014 provides the allowable timeline for the test and commissioning of power plants. For any discrepancy or extension for such activity, an ERC certification for authorized test period will be</p>	<p>Ms. Rivera stated that there should be further deliberations on how to treat instances when the inability to secure COC/PAO is due to regulatory delay which is beyond the generator's control (i.e., whether penalty imposition is appropriate). The RCC noted the suggestion.</p> <p>Adopt IEMOP's revisions based on PEMC and MSC's comments:</p> <p><u>2.5.7.3 Other Requirements for Approved Application <u>Guidelines for WESM Members under Test and Commissioning Registration</u></u></p> <p><u>a) The generating unit of the WESM Member shall be entitled to WESM payments for its generated output only within the test and commissioning period initially determined in accordance with</u></p>

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		c) Registration Fees. Subject to approval by the ERC of the amount to be recovered, the Applicant shall pay to the Market Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. If the Market Operator incurs additional costs as a result of requesting and assessing additional information, it may require the applicant to pay the actual amount incurred to cover those additional costs.	<p><u>be charged for all withdrawals from the grid. Any amount that resulted from the non-payment of injected energy from unauthorized test and commissioning activity will be treated in accordance to WESM Rules Clause 3.13.16.</u></p> <p>2. The Market Operator shall notify the WESM Member and the System Operator seven working (7) days before the end of the test and commissioning period of the generating unit of the WESM Member.</p> <p>3. The WESM Member may submit additional ERC certifications for the extension of its test and commissioning period. The Market Operator shall inform the System Operator of the extension not later than one (1) working day from the receipt of the new ERC</p>		<p>not be enough. If this situation happens, the Market Operator should be well informed for the test and commissioning timelines of the power plant so that proper registration phases can be made.</p> <p>b. The Generating Unit(s) undergoing Test and Commissioning should also be entitled to recover their cost (i.e. Fuel and VOM) whenever an Administered Prices (AP) / Secondary Price Cap (SEC) are applied to their dispatch intervals. Thus, proper filing timeline for Additional Compensation Claims should be observed and made by affected the Trading Participant.</p> <p>PEMC:</p>	<p><u>Authority to Operate (PAO) or, in the absence thereof, a certification issued by the ERC allowing the WESM Member to undergo commercial operations. The application for Commercial Operations Registration should indicate the Trading Participant's exact date for WESM Participation so that the Market Operator can properly adopt and register their start of WESM Participation.</u></p> <p>PEMC:</p>	<p>honored by the Market Operator.</p> <p>2. Generation Facilities undergoing test and commissioning may file their claim for additional compensation in accordance with applicable rules during AP and SEC</p> <p>We suggest not to adopt the proposed provision. The proposal aims to ensure that the generators that have received their COC start their WESM participation as soon as possible.</p> <p>PEMC:</p>	<p><u>Section 2.5.6.1(f). Generation beyond the authorized test and commissioning period shall not be entitled to WESM payments. Any net surplus as a result of injected energy from unauthorized test and commissioning activity will be treated in accordance to WESM Rules Clause 3.13.16. However, but the WESM Member shall still be charged for all withdrawals from the grid for the conduct of its test and commissioning activities. Any amount that resulted from the non-payment of injected energy from unauthorized test and commissioning activity will be</u></p>

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			<p><u>certification. The System Operator shall allow the test and commissioning of the generating unit of the WESM Member not later than one (1) working day upon notice from the Market Operator. Any unauthorized generation shall not be entitled to WESM payments in accordance with Section 2.5.7.3(a).</u></p> <p><u>d) The WESM Member of a generating unit shall submit to the Market Operator an application for Commercial Operations Registration within five (5) working days from receipt of its Certificate of Compliance or Provisional Authority to Operate (PAO) or, in the absence thereof, a certification issued by the ERC allowing the WESM Member to undergo commercial operations.</u></p>		<p>3. The proposed provision under (b) provides MO obligation/action and seems out of place when the section is proposed to define all actions to be taken by the Applicant. Suggest to re-name this Section as <u>Guidelines for Test and Commissioning Registration</u> to cover MO actions/obligations.</p> <p>4. In (a), suggest to specify that payment is for the generator's output within the ERC-approved test and commissioning period. Also, suggest to reword the Applicant's payment of its withdrawals from the grid and treatment of surplus due to its injection to the grid beyond the approved test and commissioning period.</p> <p>5. Suggest to include a provision specifying the timeframe within which a WESM member already</p>	<p>2.5.7.3 Other Requirements for Approved Application <u>Guidelines for WESM Members under Test and Commissioning Registration</u></p> <p><i>The Applicant whose application has been approved shall also comply with the following as conditions to and before the effectivity of its membership in the WESM—</i></p> <p>a) <u>The generating unit of the WESM Member shall be entitled to WESM payments for its generated output only within the test and commissioning period initially determined in accordance with Section 2.5.6.1(f). Generation beyond the authorized test</u></p>	<p>We agree with the proposed revisions of PEMC except for the following:</p> <ul style="list-style-type: none"> Proposed Clause 2.5.7.3(d) addresses the timeline when the generator must submit its COC to the Market Operator 	<p><u>treated in accordance to WESM Rules Clause 3.13.16.</u></p> <p>b) The Market Operator shall notify the WESM Member and the System Operator fifteen (15) working days before the end of the test and commissioning period of the generating unit of the WESM Member. The System Operator shall no longer impose over-riding constraints on the generating unit once the test and commissioning period ends.</p> <p>c) xxx</p> <p>d) Non-submission of the appropriate ERC certification on the last date of the approved test and commissioning period shall be treated as non-compliance with a requirement of</p>

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			<p>a.) Market Participation Agreement. The Applicant shall execute a market participation agreement in the form prescribed by the Market Operator.</p> <p>b.) Participant Interface Access. The Applicant shall subscribe to and allow relevant digital certificates issued by the Market Operator to be installed in its computers in order for it to be permitted access to the WESM Market Management System.</p> <p>c.) Registration Fees. Subject to approval by the ERC of the amount to be recovered, the Applicant shall pay to the Market Operator a registration fee to cover cost incurred for the assessment of the application, training of the participants and installation and maintenance of digital certificates. If</p>		<p>issued with a COC shall start its commercial operations. This is to address the concern that some WESM members fail to submit their letter of intent to the MO for their market participation</p> <p>6. Suggest to lengthen the lead time for informing the WESM Member and the SO of the forthcoming end of the test and commissioning period. This is to consider any circumstances that may delay the ERC's issuance of Certification of approved extension of the test and commissioning period or the WESM Member's conduct of test and commissioning.</p> <p>7. Noncompliance of the Test and Commissioning Registration phase requirements is a breach of registration rules and should trigger the processes</p>	<p><u>and commissioning period shall not be entitled to WESM payments. Any net surplus as a result of injected energy from unauthorized test and commissioning activity will be treated in accordance to WESM Rules Clause 3.13.16. However, but the WESM Member shall still be charged for all withdrawals from the grid for the conduct of its test and commissioning activities. Any amount that resulted from the non-payment of injected energy from unauthorized test and commissioning activity will be treated in</u></p>		<p><u>WESM membership and shall subject the WESM Member to Suspension and Deregistration as provided under Section 4.3 and 5.3.1, respectively.</u></p> <p><u>ed) The WESM Member of a generating unit shall submit to the Market Operator an application for Commercial Operations Registration within five (5) working days from receipt of its Certificate of Compliance or Provisional Authority to Operate (PAO).; or, in the absence thereof, a certification issued by the ERC allowing the WESM Member to undergo commercial operations.</u></p>

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			the Market Operator incurs additional costs as a result of requesting and assessing additional information, it may require the applicant to pay the actual amount incurred to cover these additional costs.		for suspension and deregistration.	<p>accordance to WESM Rules Clause 3.13.16.</p> <p>b) <u>The Market Operator shall notify the WESM Member and the System Operator fifteen (15) working (7) days before the end of the approved test and commissioning period of the generating unit of the WESM Member.</u></p> <p>c) xxx</p> <p>d) <u>Non-submission of the appropriate ERC certification on the last date of the approved test and commissioning period shall be treated as non-compliance with a requirement of WESM membership and shall subject the WESM Member</u></p>		

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					<p>MSC:</p> <p>As regards paragraph (a), as discussed, the MSC agrees. Consistent with Section 2.5.6.1 (f) plants under T&C should no longer receive payment from the Market Operator should they go beyond the ERC-prescribed period.</p> <p>In addition, the MSC suggests to include Net Settlement Surplus (NSS) for clarity on the pertinent WR provision that was cited. (WR Clause 3.13.16 of the WR as cited in paragraph (a) pertain to NSS)</p> <p>On paragraph (b), this should address actual cases observed by the MSC that some TPs</p>	<p><u>to Suspension and Deregistration as provided under Section 4.3 and 5.3.1, respectively.</u></p> <p>e) <u>d) xxx</u></p> <p>MSC:</p> <p>2.5.67.3 Other Requirements for Approved Application <u>Guidelines for WESM Members under Test and Commissioning</u></p> <p>The Applicant whose application for <u>test and commissioning</u> has been approved shall <u>be guided by the following:</u> also comply with the following guidelines as conditions to and before the effectivity of its membership in the WESM</p> <p><u>The generating unit of the WESM Member shall be entitled to WESM</u></p>	<p>MSC:</p> <p>We agree with the proposed revisions of MSC except for the following:</p> <ul style="list-style-type: none"> We suggest to retain the generic wording at the end to accommodate any new issuances by the ERC <p>Below is the proposed revision to the clause incorporating PEMC's and MSC's comments:</p> <p><u>2.5.7.3 Other Requirements for Approved Application Guidelines for WESM Members under Test and Commissioning Registration</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
					<p>which have started commercial operations are still imposed with over-riding constraints by NGCP-SO. It is however suggested to include a provision that the SO shall no longer impose on a generator over-riding constraints due to T&C, once the T&C period ends.</p> <p>It is suggested to explicitly state that in case of the expiration of the validity of the PAO, the provision on suspension and deregistration under the Registration Manual shall apply. This is to address the MSC observation on actual cases of TPs with expired PAOs that were allowed to continue trading in the WESM. Also, the same is consistent with the MSC proposal to limit the definition of T&C to activities related to grid synchronization only, thus making the prescribed 60 days, plus the period provided for in the PAO, already reasonable.</p>	<p><u>payments only within the test and commissioning period initially determined in accordance with Section 2.5.6.1(f). Generation beyond the test and commissioning period shall not be entitled to WESM payments but the WESM Member shall be charged for all withdrawals from the grid. Any amount that resulted from the non-payment of injected energy from unauthorized test and commissioning activity will be treated in accordance to WESM Rules Clause 3.13.16 on Net Settlement Surplus (NSS).</u></p> <p><u>The Market Operator shall notify the WESM Member and the System</u></p>	<p>a) <u>The generating unit of the WESM Member shall be entitled to WESM payments for its generated output only within the test and commissioning period initially determined in accordance with Section 2.5.6.1(f). Generation beyond the authorized test and commissioning period shall not be entitled to WESM payments. Any net surplus as a result of injected energy from unauthorized test and commissioning activity will be treated in accordance to WESM Rules Clause 3.13.16. However, but</u></p>	

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					<p><u>It is suggested, that the phrase below be removed:</u></p> <p><u>or, in the absence thereof, a certification issued by the ERC allowing the WESM Member to undergo commercial operations.</u></p>	<p><u>Operator seven working (7) days before the end of the test and commissioning period of the generating unit of the WESM Member.</u></p> <p><u>This is to ensure timely coordination with the System Operator on the change in the registration status of the Applicant. Thus, the System Operator shall no longer impose over-riding constraints on the generator once the test and commissioning period ends.</u></p> <p><u>The WESM Member may submit additional ERC certifications for the extension of its test and commissioning period. The Market Operator shall inform the System Operator</u></p>	<p><u>the WESM Member shall still be charged for all withdrawals from the grid for the conduct of its test and commissioning activities. Any amount that resulted from the non-payment of injected energy from unauthorized test and commissioning activity will be treated in accordance to WESM Rules Clause 3.13.16.</u></p> <p><u>b) The Market Operator shall notify the WESM Member and the System Operator fifteen (15) working days before the end of the test and commissioning period of the generating unit of the WESM Member. The System Operator</u></p>	

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						<p><u>of the extension not later than one (1) working day from the receipt of the new ERC certification. The System Operator shall allow the test and commissioning of the generating unit of the WESM Member not later than one (1) working day upon notice from the Market Operator. Any unauthorized generation shall not be entitled to WESM payments in accordance with Section 2.5.7.3(a).</u></p> <p><u>The WESM Member of a generating unit shall submit to the Market Operator an application for Commercial Operations Registration within five (5) working days from receipt of its Certificate of Compliance or Provisional</u></p>	<p><u>shall no longer impose over-riding constraints on the generating unit once the test and commissioning period ends.</u></p> <p>c) xxx</p> <p>d) <u>Non-submission of the appropriate ERC certification on the last date of the approved test and commissioning period shall be treated as non-compliance with a requirement of WESM membership and shall subject the WESM Member to Suspension and Deregistration as provided under Section 4.3 and 5.3.1, respectively.</u></p> <p>e) <u>The WESM Member of a generating unit shall submit to the Market</u></p>	

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						<p><u>Authority to Operate (PAO).</u>; <u>or, in the absence thereof,</u> <u>a certification issued by the ERC allowing the WESM Member to undergo commercial operations.</u></p> <p><u>The failure of an Applicant to obtain an extension of the Provisional Authority to Operate (PAO) granted to it earlier by the ERC, the provisions on Suspension and De-registration under this Manual shall apply, for non-compliance with the WESM membership criteria or requirement.</u></p>	<p><u>Operator an application for Commercial Operations Registration within five (5) working days from receipt of its Certificate of Compliance or Provisional Authority to Operate (PAO).</u>; <u>or, in the absence thereof,</u> <u>a certification issued by the ERC allowing the WESM Member to undergo commercial operations.</u></p>	
Non-Approval of Applications/ Remedies	2.5.7 <u>8</u>	2.5.7 XXX	2.5.7 <u>8</u> XXX	Re-numbered with the proposed introduction of the registration phases				

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CONTINUING COMPLIANCE	2.9	2.9.1 As condition to continuing membership in the WESM, all registered WESM members shall ensure their continuing compliance with the membership criteria and technical and commercial requirements set forth in the WESM Rules and this Manual.	2.9.1 As condition to continuing membership in the WESM, all registered WESM members shall ensure their continuing compliance with the membership criteria, and technical and commercial requirements set forth in the WESM Rules and this Manual <u>without the need for reminder from the Market Operator.</u>	The proposal was proposed to require the trading participants to submit registration documents as part of continuing compliance without the need for Market Operator to remind them.	<p><u>SPC:</u></p> <p>In the Approval Notice of Commercial Operation Registration from the Market Operator, the Notice should indicate the list of continuing documents for compliance of the Trading Participants for their reference and guidance. The list can be an Annex found in the WESM registration manual.</p> <p><u>MSC:</u></p> <p>It is suggested to replace 2.9.1 with:</p> <p>Unless its membership has been terminated, a WESM Member shall fully comply with all the provisions of the WESM Rules, WESM Manuals including this Manual, including ensuring that it meets or satisfies the membership criteria, and technical and commercial requirements set forth under this Manual.</p>	<p><u>MSC:</u></p> <p>i. As condition to continuing membership in the WESM, all registered WESM members shall ensure their continuing compliance with the membership criteria, and technical and commercial requirements set forth in the WESM Rules and this</p>	<p><u>SPC:</u></p> <p>The list of continuing documents is already indicated in the registration approval form attached in the notice of approval.</p> <p><u>MSC:</u></p> <p>We are amenable with the proposed revision with minor changes although the message seems to be similar.</p> <p>7.9.1 As condition to continuing membership in the WESM, all registered WESM members shall ensure their continuing compliance with the membership criteria, and</p>	Retain original provision. The proposed additional phrase is redundant. Moreover, the Market Participant's Agreement covers mandatory compliance with Market Rules and Manuals. It is also not the responsibility of the Market Operator to remind participants to comply.

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						<p>Manual without the need for reminder from the Market Operator.</p> <p>Unless its membership has been terminated, a WESM Member shall fully comply with all the provisions of the WESM Rules, WESM Manuals including this Manual, including ensuring that it meets or satisfies the membership criteria, and technical and commercial requirements set forth under this Manual.</p>	<p>technical and commercial requirements set forth in the WESM Rules and this Manual</p> <p><u>Unless its membership has been terminated, a WESM Member shall fully comply, without the need for reminder from the Market Operator, with all the provisions of the WESM Rules, and Market Manuals including this Market Manual, including ensuring that it meets or satisfies the membership criteria, and technical and commercial requirements set forth under this</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Decision
TRANSITORY PROVISION	5.7.4 (new)	(new)	<p><u>5.7.4 TRANSITORY PROVISION</u></p> <p><u>5.7.4.1 The Market Operator shall assess the applicable phase of each WESM Member and Applicant based on its compliance with registration requirements. The Market Operator shall notify each WESM Member and Applicant of their registration phase within three (3) months from the effectivity of this Market Manual.</u></p> <p><u>5.7.4.2 Guidelines for WESM Members under test and commissioning shall apply upon notification to the WESM Member of its registration phase.</u></p>	To clarify that those applicants currently on the process of registration in the WESM will be assessed and be classified per phase depending on their current status upon the implementation of the proposed amendments of this Manual.	<p><u>SPC:</u></p> <p>Transitory Provision guidelines for capacity expansion of duly registered power generating facilities</p>	<p><u>PEMC:</u></p> <p><u>5.7.4.2 Guidelines for WESM Members under test and commissioning under Section 2.5.7.3 shall apply upon notification to the WESM Member of its registration phase.</u></p>	<p><u>Market Manual.</u></p> <p><u>SPC:</u></p> <p>The assessment of the applicable phase for the capacity expansion shall also be determined by the Market Operator as part of the transitory provision.</p> <p><u>PEMC:</u></p> <p>We agree to adopt the revision as follows:</p> <p><u>5.7.4.2 Guidelines for WESM Members under test and commissioning under Section 2.5.7.3 shall apply upon notification to the WESM Member of its registration phase.</u></p>	<p>Adopt PEMC's revised wording per IEMOP's agreement:</p> <p><u>xxx</u></p> <p><u>5.7.4.2 Guidelines for WESM Members under test and commissioning under Section 2.5.7.3 shall apply upon notification to the WESM Member of its registration phase.</u></p>

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Manual.

Proposed Amendment on the WESM Manual on Metering Standards and Procedures regarding Current Transformer Requirements

A. WESM Manual on Metering Standards and Procedures Issue 11.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
					<p><u>PEMC:</u></p> <p>We note that the setting of metering standards is under the ERC's jurisdiction. In this regard, we suggest to align the provisions of the Manual with the PGC.</p>		<p>MERALCO's proposed rules change on Current Transformer (CT) Burden requirements in WESM Manual on Metering Standards and Procedures Issue 11.0 and 12.0 only intends to further clarify the pertinent provision in Philippine Grid Code 2016 edition (PGC 2016) (not to amend it) to avoid ambiguity in interpretations. As explained in MERALCO's submitted Proposed Rules Change document, the rationale behind such proposal is to provide clearer understanding on the standards provided under the WESM Manual on Metering Standards and Procedures Issue 11.0 & 12.0 and the PGC 2016. We respectfully submit that the aforementioned applicable rules/standards should be interpreted to mean that even a CT with a higher burden rating, say 12.5VA, is allowed and covered provided that it would still meet the standard accuracy class and performance including that of all other lower metering burdens,</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
							<p>say that of a 5VA CT, pursuant to Section 6.3 and Table 10 of IEEE Standard Requirements for Instrument Transformer (IEEE Std C57.13-2016). Notably, in the case of MERALCO, even for CTs with higher burden rating, the requirement under the PGC's GRM 9.2.3.2 (c) that the <i>total burden of the metering circuit, consisting of the burdens coming from all the connected devices and the secondary cable shall not exceed fifty percent (50%) of the specified burden of the CT</i> will still be met and complied with.</p> <p>We again would like to emphasize that wide range CTs or CTs with higher burden ratings are recognized under the IEEE standard to consider secondary metering burden (loads connected to the CT such as: meter, conductor, and test switches, etc.), and/or to provide flexibility in CT standards, with respect to various Grid-metering installations as well as Customer metering installations under varying situations, especially in the case of distribution utilities (DUs). Otherwise, it would</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
Current Transformer Burden	2.5.7	Shall not exceed the rated burden limit of 12.5 VA for the IEC 44-1 Class 0.2 /ANSI C57.13 Class 0.3 (see Table 1)	<u>Shall be based on the standard rated burden as specified in the latest revision of IEC 61869-2 or IEEE C57.13 (see Table 1)</u>	To consider the latest revision of International Standard IEC 61869-2 (2012) which cancels and replaces the first edition of IEC 60044-1 published in 1996 and to update the term "ANSI" to "IEEE". Installation of a higher accuracy and functionality than the standards set by the PGC and WESM and its conformance to IEC and IEEE standards are supported by Sections 2.1.1 and 2.5.4.1 of WESM	<u>PEMC:</u> We suggest to align with the provision under PGC GRM 9.3.2, which states: <i>GRM 9.2.3.2 The Current Transformers shall be compliant to the IEC 61869-2 or ANSI C57.13 Standard (or the latest version/s), with the following qualifications: xxx</i> We also suggest to revise the Reference Documents for this item. The revision of other entries under Reference Documents to align with the 2016 PGC, is for consideration of the RCC.	<u>PEMC:</u> Shall be based on <u>not exceed</u> the <u>standard</u> rated burden limit of 12.5 VA for <u>as specified in the latest revision version/s</u> of IEC 44-1 Class 0.2 61869-2 /ANSI C57.13 Class 0.3 or IEEE C57.13 (see Table 1) Grid Code 9.3.2.2 Grid Code 9.4.1.2 <u>GRM 9.2.3.2</u>	<u>On PEMC's Comment:</u> We note that MERALCO's proposal to update the term "ANSI" to "IEEE" for the C57.13 standard was not adopted in PEMC's Comment or proposed revision, as it referred to the provision under the PGC 2016 GRM 9.3.2, for alignment. However, it must also be considered that the latest PDC, 2017 Edition, which was promulgated later than the PGC 2016, has already considered said international standard as "ANSI/IEEE," in several requirements, such as in Section 4.2.13 Equipment Standards, Section 4.2.14 Maintenance Standards, and Section 7.2.8 General Requirement for Grounding System.	be too impractical and uneconomical to limit CTs to only a 5VA burden rating as it would not be able to accommodate the aforementioned condition. Maintaining the 5VA burden rating for a longer distance between the meter and the transformer will affect the CT's accuracy and performance, and hence, the requirement of a higher burden rating. Adopt MERALCO and TC's revised wordings: <u>Shall be based on the standard rated burden as specified in the latest revision of IEC 61869-2 or ANSI/IEEE C57.13, or their latest equivalent standards.</u>

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
				<p>Metering Standards and Procedures which is also consistent with PEMC-TC's opinion issued last April 2019 to Mactan Electric Corp. in which "the TC is of the opinion that the specifications of MECO's current transformer comply with the metering accuracy class of 0.3 as well as the rated burden of B-1 (25VA), which is higher and therefore better than the burden B-0.2 (5VA) specified in PGC Appendix 2." Refer to the attached letter (Annex "A"). Refer also to the attached Factory Test Reports (FAT) and MERALCO acceptance tests that certifies that the CT maintains its accuracy within specified limits</p>	<p>Technical Committee:</p> <p>To avoid any possible confusion, since the manual is referring to two separate standards, we suggest that we do not affix Table 1 in this WESM manual. Likewise, any revision in either standard will be automatically adopted in this manual, without the need to revise the specific section.</p> <p>CEBECO III:</p>	<p>Technical Committee:</p> <p><u>Shall be based on the standard rated burden as specified in the latest revision of IEC 61869-2 or IEEE C57.13 (see Table 1)</u></p>	<p>Thus, considering that ANSI and IEEE refer to the same standard, we respectfully recommend the use of ANSI/IEEE C57.13 standard. This should also be considered not only for WESM Manual on Metering Standards and Procedures Issue 11.0, but for all relevant WESM Manuals.</p> <p>Proposed revised wording: "Shall be based on the standard rated burden as specified in the latest revision of IEC 61869-2 or ANSI/IEEE C57.13, or their latest equivalent standards."</p> <p><u>On the Technical Committee's Comment:</u></p> <p>We agree with Technical Committee's proposal to remove Table 1 in said WESM Manual, to automatically adopt any revision in either standard (IEC 61869-2 and ANSI/IEEE C57.13), without the need to revise the specific section.</p> <p>Further, we note that the Technical Committee has adopted MERALCO's proposed amendment to</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
				<p>when tested at different primary current and burden. Factory Test Reports (FAT) also certifies that it conforms to IEC 61869-1, IEC 61869-2 and IEEE C57.13 Standard requirements. The rules change should also be reflected in the WESM Metering Standards and Procedures Issue 12.0, Appendix "N".</p>	<p>Totally agree with the arguments presented by MECO and MERALCO because as trading participant in the market and as MSP, the costs of replacing all the existing instrument transformers which are on line are huge. Besides, why change standards (or specifications) to a more stringent in the Philippine setting which are already compliant to international standards in terms of accuracy and burden. Amenable to the proposed amendment.</p> <p><u>CEDC:</u></p> <p>Agree with the proposal that the burden of current transformers should be based on the rated burden as specified in the latest revision of IEC 61869-2 or IEEE C57.13. Our primary concern is the accuracy of the CTs and since the proposed amendment maintains the CT accuracy within specified limits, we fully support the proposed amendment.</p> <p><u>Tarlac Electric, Inc.</u></p>		<p>consider the latest revision in the rated burden standards for CT under the IEC and IEEE. As such, considering the Technical Committee's expertise, as well as its responsibility to, among other things, monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code, as provided under the <i>WESM Market Manual: Guidelines Governing the Constitution of the PEM Board Committees (Issue 3.0)</i>, said Committee's opinion/position should be given utmost consideration and weight.</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
					<p>The proposed amendment is agreeable to DUs with installed current transformers having the standard rated burden greater than 5 VA.</p> <p>IEC 61869 should be adapted in the latest WESM Metering Standards and Procedure.</p> <p><u>NGCP</u></p> <p>1. Referring to Clause GRM 9.2.3.2 of the PGC 2016 Edition stating that <i>"the Current Transformers shall be compliant to IEC 61869-2 or ANSI C57.13 Standard, with the following qualifications"</i> (emphasis supplied), NGCP believes that the PGC recognizes the technical specifications provided in the aforesaid international Standards and, in addition, has provided "qualifiers" or "specific" requirements to provide guidance to Grid Users on what type of CT accuracy class or burden rating</p>		<p><u>On NGCP's Comment #1:</u></p> <p>We agree that there are qualifiers or specific requirements provided in Clause GRM 9.2.3.2 of the PGC 2016.</p> <p>However, as noted earlier, there are CTs with higher burden ratings that still maintain their accuracy class at specified standard burdens. To reiterate, Section 6.3 IEEE Std C57.13-2016 specifies the convention in indicating the standard accuracy and burden rating of current transformers, such that <i>"A Current Transformer for metering shall be given an accuracy rating for each standard burden for which it is rated. The accuracy class may be stated for the maximum burden for which it is rated and will imply that all</i></p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision																											
					<p>to be used for specific types of Grid User.</p> <p>2. NGCP would like to emphasize that the phrase "or better" in Clause GRM 9.2.3.2 (b) refers on the context of accuracy.</p> <p>A Grid User, specifically a load customer, is being allowed by the PGC to use either:</p> <p>a. 0.15 class (IEEE) which is better than 0.3; or</p> <p>b. 0.1 or 0.2S (IEC) which are more accurate than the prescribed 0.2 class for Other Users.</p> <p>3. Further, the succeeding clause GRM 9.2.3.2 (c) complements the rationale of the context of accuracy. Limiting the connected burden so as not to exceed 50% of the specified burden in Appendix 2 (i.e. 2.5VA connected burden for a 5VA rated burden CT) aims to ensure</p>		<p><i>other lower burdens shall also be in that class; e.g., 0.3 B-1.8 would imply 0.3 B-0.1, B-0.2, B-0.5, B-0.9, and B-1.8. If the accuracy class given is specific only to that burden it is assigned, e.g., 0.3 @ B-0.5, or a range of burdens, e.g., 0.3 @ B0.5-B0.9, then the accuracy class is not guaranteed for other burdens unless specifically stated."</i> In line with this, Table 10 of said standard shows the standard metering burdens of Current Transformers:</p> <p>Table 10 —Standard metering burdens for current windings</p> <table><tr><th>Burdens</th><th>Burden designation^a</th><th>Resistance (Ω)</th><th>Inductance (mH)</th></tr><tr><td rowspan="2">Electronic burdens</td><td>E0.04</td><td>0.04</td><td>0</td></tr><tr><td>E0.2</td><td>0.2</td><td>0</td></tr><tr><td rowspan="5">Metering burdens</td><td>B-0.1</td><td>0.09</td><td>0.116</td></tr><tr><td>B-0.2</td><td>0.18</td><td>0.232</td></tr><tr><td>B-0.5</td><td>0.45</td><td>0.580</td></tr><tr><td>B-0.9</td><td>0.81</td><td>1.040</td></tr><tr><td>B-1.8</td><td>1.62</td><td>2.080</td></tr></table> <p>^a If a current transformer secondary winding is rated at other than 5 A, it remains the same while the VA at rated current shall be adjusted by (S). ^b These standard burden designations have no significance at frequency. ^c The impedance tolerance is +5% and -0%.</p> <p>Based on the foregoing, we respectfully submit that anything with the higher-rated burden should be able to meet the standard requirement for a 5VA burden. To illustrate, attached herewith as Annex "A" is a sample nameplate of a CT, where its accuracy class is indicated as 0.15 B-1.8 (45VA), which implies</p>	Burdens	Burden designation ^a	Resistance (Ω)	Inductance (mH)	Electronic burdens	E0.04	0.04	0	E0.2	0.2	0	Metering burdens	B-0.1	0.09	0.116	B-0.2	0.18	0.232	B-0.5	0.45	0.580	B-0.9	0.81	1.040	B-1.8	1.62	2.080	
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					<p>that the guaranteed accuracy of the manufacturer, based on IEC and IEEE Standards, will not be exceeded/violated.</p> <p>The guaranteed accuracy or permissible ratio error of CTs by the manufacturers in accordance to IEC/IEEE Standards is always correlated to the specified burden range (lower and upper limits).</p> <p>The aforesaid provision considered the following:</p> <ol style="list-style-type: none"> The use of electronic meter which has a relatively low inherent burden; and The location of the meters in a typical Grid/WESM metering installation which is very near to the instrument transformers. This relative position between the CT/VT and meter lessens the 		<p>that it maintains its 0.15 accuracy from 45VA down to 1VA, or all the lower metering burdens including that of a 5VA CT. Further, attached herein as Annex "B" to "B-1" are its test reports to support such accuracy performance claim, in which said <i>CT has passed the tests in accordance with Publication IEEE C57.13</i>. In addition, shown in Annex "C" is another variant of a CT having a rated burden of 12.5VA that still maintains its 0.15 accuracy for the whole operating range of CT at various connected burdens. These examples of CT with higher rated burdens show that it can still meet required accuracy performance stated in the PGC standard, hence our position that there is no longer a need to amend, but only to clarify, said standard provided under the PGC 2016.</p> <p><u>On NGCP's Comment #2:</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision																																												
					<p>corresponding connected burden due to the shorter secondary wires/cables.</p> <p>To illustrate,</p> <ul style="list-style-type: none">IEC: For a 0.2 class, 5VA rated CT, the 0.2 accuracy is guaranteed within 25% to 100% of the rated burden of 5VA. That is, the 0.2 accuracy class is guaranteed only if the connected burden to the CT is within the range of 1.25 VA to 5VA (lower and higher limits). <p>In the case of a 0.2 class, 10VA rated CT, the 0.2 accuracy is guaranteed within 25% to 100% of the rated burden of 10VA. That is, the 0.2 accuracy class is guaranteed only if the connected burden to the CT is within the range of 2.5 to 10VA</p>		<p>We do not agree that the phrase “or better” in clause</p> <p>Table 8—Standard accuracy class for metering transformer correction factor and ratio correction of metered</p> <table><tr><th rowspan="2">Metering accuracy class</th><th colspan="2">Voltage transformers (at 90% to 110% rated voltage)</th><th colspan="2">At 100% rated current^a</th></tr><tr><th>Minimum</th><th>Maximum</th><th>Minimum</th><th>Maximum</th></tr><tr><td>0.1S^b</td><td>—</td><td>—</td><td>0.9985</td><td>1.0015</td></tr><tr><td>0.1S^b</td><td>0.9985</td><td>1.0015</td><td>0.9985</td><td>1.0015</td></tr><tr><td>0.15N</td><td>—</td><td>—</td><td>0.9985</td><td>1.0015</td></tr><tr><td>0.3S</td><td>—</td><td>—</td><td>0.9970</td><td>1.0030</td></tr><tr><td>0.3</td><td>0.9970</td><td>1.0030</td><td>0.9970</td><td>1.0030</td></tr><tr><td>0.6</td><td>0.9940</td><td>1.0060</td><td>0.9940</td><td>1.0060</td></tr><tr><td>1.2</td><td>0.9880</td><td>1.0120</td><td>0.9880</td><td>1.0120</td></tr></table> <p>^a For current transformers, the 100% rated current limit also applies to the factor.</p> <p>^b Previously defined in IEEE Std C57.13.6.</p> <p>^c Other accuracy requirements may be specified and should be included on</p> <p>GRM 9.2.3.2 pertains only to accuracy. The accuracy class of a CT is dependent on several factors, such as, primary current, secondary burden and power factor. For instance, a CT with accuracy class of 0.3 B-0.5 indicates that at maximum rated burden of 0.5 ohms (12.5VA) and a load power factor between 0.6 and 1.0, the allowable error is +/- 0.30% at 100% load and +/- 0.60% at 10% load, pursuant to Table 8 of IEEE standard (see table below). The reason for stating a maximum rated burden for a given accuracy class is because the ratio error increases with secondary burden. The manufacturer only guarantees the accuracy of a CT up to its</p>	Metering accuracy class	Voltage transformers (at 90% to 110% rated voltage)		At 100% rated current ^a		Minimum	Maximum	Minimum	Maximum	0.1S ^b	—	—	0.9985	1.0015	0.1S ^b	0.9985	1.0015	0.9985	1.0015	0.15N	—	—	0.9985	1.0015	0.3S	—	—	0.9970	1.0030	0.3	0.9970	1.0030	0.9970	1.0030	0.6	0.9940	1.0060	0.9940	1.0060	1.2	0.9880	1.0120	0.9880	1.0120	
Metering accuracy class	Voltage transformers (at 90% to 110% rated voltage)		At 100% rated current ^a																																																	
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0.15N	—	—	0.9985	1.0015																																																
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0.3	0.9970	1.0030	0.9970	1.0030																																																
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					<p>(lower and higher limits). It is worth to note that in this case, the 0.2 accuracy is no longer guaranteed if the connected burden to the CT is less than 2.5VA or more than 10VA.</p> <ul style="list-style-type: none"> IEEE: For a 0.3 class, B-0.2 rated CT, the 0.3 accuracy is guaranteed at 100% of the rated burden including all other lower burdens in that class if stated in such manner. That is, the 0.3 accuracy class is guaranteed if the connected burden is 2.5 to 5VA. The implication is that if the connected burden to the CT is less than 2.5VA, the 0.3% error in ratio/phase displacement is no longer guaranteed by the manufacturer. <p>4. Considering that having electronic</p>		<p>maximum burden rating and the CT performance will degrade if the secondary burden is larger than rated.</p> <p>On NGCP's Comment #3: We understand and concur that the rated burden of an instrument transformer should not be exceeded when it is in service. The burden of a CT that is the total connected loads to the CT is different from the burden capacity of the CT. A CT with a higher burden capacity, say 12.5VA, is generally capable of carrying a burden equal to or lower than its burden capacity including that of a 5VA, while maintaining the prescribed accuracy. Should clause GRM 9.2.3.2 be interpreted as the selection of CT rated burden being limited to 5VA only, this presumes that all metering installations have their actual connected burdens less than 2.5VA (50% of 5VA incorporating GRM 9.2.3.2 (c)). However, as we all know, there are situations where the meter cannot be in close proximity to the instrument transformer for various physical design and</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
					<p>meters and relatively shorter wires translate to a lower total connected burden to the meter (approx. 2VA or less), it is only logical to use a CT with lower rated burden. This may be the rationale behind clause GRM 9.2.3.2.c and the 5VA rating specified in Appendix 2 of the PGC which is more appropriate for Grid and WESM Metering applications.</p> <p>5. From a design point of view, it is always a good engineering practice to specify the CT burden rating as close as possible to the actual connected burden so as NOT to extend the saturation characteristics of the CT core and ensure better accuracy/lower error in measurement.</p> <p>6. If the WESM Manual will allow all the standard burden ratings specified in IEC and IEEE Standards as proposed herein, Grid Users may use higher burden rated CTs in</p>		<p>operational reasons resulting to a longer wire leads or higher connected burden, which can be easily resolved by employing an instrument transformer of higher burden rating.</p> <p>In fact, we note that NGCP has likewise recently installed a CT with a Burden rated 15VA (i.e., Delivery Points: Araneta-Kamuning; Araneta-Sta. Mesa Line 2), which is even higher than the 12.5VA that MERALCO was supposed to install but was considered non-compliant by both the IEMOP and NGCP (i.e., Delivery Point: Malolos Bank 2 replacement), and was hence put on hold resulting in the delay in the replacement and energization of the same. As can be noted in the Metering Installation and Registration Form (MIRF) and test report of Araneta-Kamuning Line Delivery Point, attached herein as Annex "D," the total actual connected burden or loads measured by NGCP per phase and core of the installed CTs have even exceeded 50% of 5VA.</p> <p>Araneta-Kamuning Line Delivery Point</p>	

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					<p>which the permissible ratio error (accuracy class) may not hold at the lower range of the burden rating. This would contradict the objective of Chapter 9 of the PGC which is to ensure accuracy of the measurements/recording of the energy delivered and absorbed by the Grid as explained in its Foreword section.</p> <p>7. The proponent may consider proposing a different transitory period for the replacement of CTs with burden rating as the only non-compliance (similar to NGCP's proposed transitory period in WESM Metering Manual Issue 12.0 for meters with non-compliant mass memory wherein the meters were proposed to be permitted to remain installed until the end of asset life).</p> <p>8. If the proponent intends to amend the technical specifications for</p>		<div>CT Nameplate Rated Burden: 15VA</div> <table><tr><th colspan="3">MEASURED CONNECTED BURDEN</th></tr><tr><td>CURRENT TRANSFORMER</td><td>CT CORE</td><td></td></tr><tr><td>PHASE A</td><td>Core 1</td><td></td></tr><tr><td></td><td>Core 2</td><td></td></tr><tr><td>PHASE B</td><td>Core 1</td><td></td></tr><tr><td></td><td>Core 2</td><td></td></tr><tr><td>PHASE C</td><td>Core 1</td><td></td></tr><tr><td></td><td>Core 2</td><td></td></tr></table> <p><i>Note: Araneta-Sta. Mesa Line 2 MIRF and test report</i></p> <p><u>On NGCP's Comment #3 (a):</u> We agree that electronic meters have lower inherent burden as compared to the old electromechanical meters. Nonetheless, we need to consider also the burden contributed by the wires that connects the instrument transformer to the meter, which can account for more than half of the total connected burden.</p> <p><u>On NGCP's Comment #3 (b):</u> In as much as the MSP would want to place the meter closest to the instrument transformer, we note that there are circumstances where such condition cannot be met due to various physical layout design or operational issues. To</p>	MEASURED CONNECTED BURDEN			CURRENT TRANSFORMER	CT CORE		PHASE A	Core 1			Core 2		PHASE B	Core 1			Core 2		PHASE C	Core 1			Core 2		
MEASURED CONNECTED BURDEN																																
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	Core 2																															

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					<p>current transformers, a proposed amendment to PGC 2016ed. is more appropriate.</p> <p>9. NGCP is providing herein a copy of a letter dated April 25, 2019 to IEMOP regarding the Documents for WESM Registration of MECO-Mobile 3 for reference of its technical opinion on the matter.</p> <p>10. Lastly, NGCP submitted its proposed amendments to WESM Manual on Metering Standards and Procedures Issue 12.0 last March 2019 to the RCC. The proposed amendments have undergone public consultations by DOE last year.</p>		<p>elaborate, attached as Annex "E" is an example calculation for NGCP's metering installation at Gardner-Taguig Delivery Point. In said illustration, we can see that when the CT is operating at rated and at maximum current the connected burden is calculated to be 3.76VA and 8.47VA, respectively, where 92% of the burden is contributed by the wire leads. Here we can see that even at typical metering installation and putting the meter as close as practicable to the instrument transformers, the connected burden still exceeds 50% of the 5VA limit. The appropriate CT standard burden rating for this installation is 12.5VA or higher.</p> <p>A similar example is attached as Annex "F" for NGCP's new metering installation at San Jose – Camarin Line Delivery Point where the connected burden was measured by NGCP testing crew using a portable apparatus. The combined burden connected to the CT farthest (Phase C) from the meter was measured to be 3.29VA and 3.20VA for</p>	

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							<p>core 1 and 2, respectively. These measurements confirm the calculation in Annex "E" and substantiate that a 5VA rated burden is insufficient for a typical metering installation (2.5VA @ 50%).</p> <p>San Jose - Camarin Line Delivery Point CT Nameplate Rated Burden: 5VA</p> <table><tr><th colspan="3">MEASURED CONNECTED BURDEN</th></tr><tr><th>CURRENT TRANSFORMER</th><th>CT CORE</th><th></th></tr><tr><td rowspan="2">PHASE A</td><td>Core 1</td><td></td></tr><tr><td>Core 2</td><td></td></tr><tr><td rowspan="2">PHASE B</td><td>Core 1</td><td></td></tr><tr><td>Core 2</td><td></td></tr><tr><td rowspan="2">PHASE C</td><td>Core 1</td><td></td></tr><tr><td>Core 2</td><td></td></tr></table> <p>With regard to NGCP's allegation on the range of connected burdens being guaranteed by the supplier/manufacture in its test report, we would like to note that this does not mean that connected burden below the lower limit would already be inaccurate or unacceptable. We would like to emphasize that the supplier/manufacture of a CT is only required to perform routine accuracy tests at the specified burden to prove its compliance to the following</p>	MEASURED CONNECTED BURDEN			CURRENT TRANSFORMER	CT CORE		PHASE A	Core 1		Core 2		PHASE B	Core 1		Core 2		PHASE C	Core 1		Core 2		
MEASURED CONNECTED BURDEN																													
CURRENT TRANSFORMER	CT CORE																												
PHASE A	Core 1																												
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	Core 2																												

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							<p>provisions of the IEEE and IEC standards:</p> <p>1. For IEC 61869-2, Section 7.2.6.200 and 7.3.5.200 Test for accuracy of measuring current transformers "Type tests to prove compliance with 5.6.200.3 shall, in the case of transformers <u>classes 0.1 to 1, be made at each value of current given in table 200.1 at 25% and at 100% of rated burden (subject to 1VA minimum).</u>" and "The routine test for accuracy is in principle the same as the type test in 7.2.6.200, but routine tests at a reduced number of currents and/or burdens are permissible provided it has been shown by type tests on a similar transformer that such reduced number of tests is sufficient to prove compliance with 5.6.200.3," respectively.</p> <p>2. For IEEE C57.13, Section 6.11</p>	

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							<p>Routine accuracy tests "Tests for current transformers with metering accuracy ratings shall be made on each transformer, and they shall consist of the measurement of ratio error (ratio correction factor) and phase angle at rating factor, 100% and at 10% or 5% of rated current as per Table 8, when energized at rated frequency and rated burden. <u>Unless otherwise requested by the customer, non-compensated current transformers shall be tested at only the maximum rated burden.</u>"</p> <p>(Emphases Supplied)</p> <p>As part of acceptance tests by MERALCO, the CTs are tested for accuracy at 10% and 100% of its rated current and from 1VA burden up to its maximum rated burden. Please refer to attached Annexes "B" and "C," for reference. NGCP, as MSP of Grid-metering installations, may perform the same tests to</p>	

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							<p>prove its accuracy prior to installation of these CTs.</p> <p>Nevertheless, upon request and for succeeding deliveries of CT, a DU/Customer may require its CT supplier/manufacturer to conduct accuracy tests at burdens from 1VA up to its maximum rated burden and indicate its result in the routine test report. These should guarantee that the CT accuracy are within standard limits from 1VA up to its maximum rated burden as specified on standard, and not only up to the lower limit stated in NGCP's illustration/comment.</p> <p><u>On NGCP's Comment #4:</u> Like the comment above, using an instrument transformer with burden rating higher than 5VA does not automatically mean that it will not perform accurately where it will be applied. It will depend on the specification of the instrument and the conditions where it will be used. We respectfully submit that NGCP should provide supporting test</p>	

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							<p>reports for which its claim would apply.</p> <p>On NGCP's Comment #5: We agree that a CT should not be burdened more than what it is rated. But underloading a CT does not always constitute that it will perform poorly in terms of accuracy. The intention of the proposed amendment is to allow users to utilize other available standard burdens when the situation calls for it, but without compromising the overall accuracy performance.</p> <p>The engineering practice being described in NGCP's comment is ideal only for Grid-metering installations. But, from an operational standpoint, not only the design point of view should be considered, but the various metering installation requirements of a customer. Consistent with our above comments, there are customers that require CTs more than 5VA due to varying and significant distances between the meter and the transformer.</p>	

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							<p>MERALCO intends to ensure that CTs have wide-range use and can be used to serve customers' varying requirements, considering the distance of meter from the instrument transformer, while ensuring they are both accurate and resilient. Requiring specific CTs (5VA), which may only be used for Grid-metering installations, would require DU's to store more spares which would entail costs, to the detriment of our customers who will eventually shoulder said costs through electricity rates. This is especially considering that a 5VA CT would not be appropriate for the DU's requirement in serving its customers as the same will result in over-burden.</p> <p>In any case, even if a CT installed has a higher burden rating than 5VA, its accuracy will not be compromised.</p> <p><u>On NGCP's Comment #6:</u> We note that IEC and IEEE standards actually allow lower burdens as long as accuracy is not compromised. Instead of the nameplate rating, the</p>	

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							<p>test report substantiates accuracy of the CT.</p> <p>On NGCP's Comment #7: There is no need for a transitory period for the replacement of CTs that the IEMOP and/or NGCP consider as "non-compliant," as the CT installations of MERALCO have been proven to be accurate and compliant.</p> <p>Alternatively, a CT which fails the accuracy tests, as proven by a test report, should not be allowed to be put in service or should be immediately replaced. As a DU and RMSP, MERALCO is responsible in ensuring the accuracy of all Grid and Customer metering installations. This is also in compliance with clause GRM 9.2.8.4 of PGC 2016, which states that: "A Metering Equipment that has failed in an accuracy test or malfunctioned shall be immediately replaced. The replacement of failed instrument transformers and restoration of the metering facility to the prescribed configuration shall be undertaken by the concerned Metering Equipment Owner as soon</p>	

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							<i>as practicable, but in no case beyond two (2) billing periods in case the impairment affects only one of the three phases of the metering facility."</i> On NGCP's Comment #8: Our rule change proposal is merely to interpret PGC 2016, for clarity. Hence, no need to amend PGC 2016.	

B. WESM Manual on Metering Standards and Procedures Issue 12.0 (for enhanced market design)

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
					PEMC: Same comments as above		Please refer to comments above.	
SPECIFICATIONS FOR CURRENT TRANSFORMERS Burden	Appendix N	Shall not exceed the rated burden limit of 12.5 VA for the IEC 44-1 Class 0.2 /ANSI C57.13 Class 0.3 (see Table 1)	<u>Shall be based on the standard rated burden as specified in the latest revision of IEC 61869-2 or IEEE C57.13 (see Table 1)</u>	To consider the latest revision of International Standard IEC 61869-2 (2012) which cancels and replaces the first edition of IEC 60044-1 published in 1996 and to update the term "ANSI" to "IEEE". Installation of a higher accuracy and functionality than the standards set by the PGC and WESM and its conformance to IEC and IEEE standards are supported by Sections 2.1.1 and 2.5.4.1 of WESM Metering Standards and Procedures which is also consistent with PEMC-TC's opinion issued last April 2019 to Mactan Electric Corp. in which "the	PEMC: Same comments as above Technical Committee: Same comments as above CEBECO III: Same comments as above CEDC: Same comments as above	PEMC: Shall be based on <u>not exceed the standard rated burden limit of 12.5 VA for as specified in the latest revision version/s of IEC 44-1 Class 0.2 61869-2 /ANSI C57.13 Class 0.3 or IEEE C57.13</u> (see Table 1) <u>Grid Code 9.3.2.2</u> <u>Grid Code 9.4.1.2</u> <u>GRM 9.2.3.2</u> Technical Committee: Same comments as above	Please refer to comments above.	Adopt MERALCO and TC's revised wordings (consistent with agreements in Issue 11): <u>Shall be based on the standard rated burden as specified in the latest revision of IEC 61869-2 or ANSI/IEEE C57.13, or their latest equivalent standards.</u>

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
				<p>TC is of the opinion that the specifications of MECO's current transformer comply with the metering accuracy class of 0.3 as well as the rated burden of B-1 (25VA), which is higher and therefore better than the burden B-0.2 (5VA) specified in PGC Appendix 2." Refer to the attached letter (Annex "A").</p> <p>Refer also to the attached Factory Test Reports (FAT) and MERALCO acceptance tests that certifies that the CT maintains its accuracy within specified limits when tested at different primary current and burden. Factory Test Reports (FAT) also certifies that it conforms to IEC 61869-1, IEC 61869-2 and IEEE C57.13</p>	<p><u>Tarlac Electric, Inc.:</u></p> <p>Same comments as above</p> <p><u>NGCP:</u></p> <p>Same comments as above</p>			

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Decision
				Standard requirements.				

Note: Please underline and put in bold letters the proposed changes to the Rules or Manual.