



MINUTES OF MEETING

Rules Change Committee
166th Regular Meeting (No. 2020-07)
 19 June 2020, 9:20 AM – 10:10 AM
 Via Microsoft Teams

| Agenda | Action Required |
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| I. Call to Order | <ul style="list-style-type: none"> The meeting was conducted via Microsoft Teams and was called to order at 09:20 AM. The meeting was concurrently chaired by Mr. Francisco Castro (Independent) and Atty. Maila Lourdes G. de Castro (Chairman/Independent). |
| II. Determination of Quorum | <ul style="list-style-type: none"> 14 out of 15 RCC principal members were in attendance. |
| Attendance List | |
| In-attendance | Not In-attendance |
| <p><u>Rules Change Committee</u></p> <p><i>Principal Members:</i></p> <ol style="list-style-type: none"> Maila Lourdes G. de Castro, Chairman - Independent Francisco Leodegario R. Castro, Jr. – Independent Allan C. Nerves – Independent Concepcion I. Tanglao – Independent Dixie Anthony R. Banzon – Generation (MPPCL) Mark D. Habana – Generation (Vivant) Carlito C. Claudio – Generation (MEI/Panasia) Cherry A. Javier – Generation (APC) Ryan S. Morales – Distribution (MERALCO) Virgilio C. Fortich, Jr. – Distribution (CEBECO III) Ricardo G. Gumalal – Distribution (ILPI) Nelson M. dela Cruz – Distribution (NEECO II Area 1) Lorreto H. Rivera – Supply (TPEC) Ambrocio R. Rosales – System Operator (NGCP) | <p>Isidro E. Cacho – Market Operator (IEMOP)</p> |
| <p><u>PEMC – Market Assessment Group/Secretariat</u> John Mark S. Catriz Karen A. Varquez</p> | |

| Divine Gayle C. Cruz Dianne L. De Guzman Kathleen R. Estigoy <u>PEMC – Legal</u> Monica M. Martin <u>DOE Representatives</u> No representation due to DOE’s simultaneous virtual public consultation. | |
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| Agenda | Agreements/Action Plans |
| III. Adoption of the Agenda | The proposed agenda was approved. |
| IV. Review of the Minutes of the Previous Meeting (163rd Special Meeting, 01 April 2020; and 165th Regular Meeting, 15 May 2020) | <p>The Secretariat informed the RCC that comments received by email from Mr. Carlito Claudio (MEI/Panasia) were already incorporated in the draft minutes.</p> <p>The submitted minutes of meeting were approved as amended.</p> |
| V. Matters Arising from Previous Meeting | |
| Agenda | Agreements/Action Plans |
| 5.1 Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committee, Issue 3.0 <ul style="list-style-type: none"> • PEM Board directive to study the number of independent TC members | <ul style="list-style-type: none"> • Adopted PEM Board’s proposal, and amended the proposed TC membership composition to: <ul style="list-style-type: none"> ○ Three (3) independent members; and ○ One (1) representative for each sector (SO, MO, Gen, and DU). • Directed the Secretariat to email, for RCC’s review/approval, the draft submission/s on this matter to the PEM Board. |

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Ms. Karen Varquez (Secretariat) presented the PEM Board instruction relative to RCC Resolution No. 2020-07 (Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committee, Issue. 3.0).

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As a background, the said resolution was discussed by the PEM Board last 27 May 2020 and was presented to the Board by Dr. Allan Nerves. The RCC’s submitted proposal was for the Technical Committee (TC) to be composed of nine (9) members, five (5) of whom will be independent members and four (4) will come from the SO, MO, Gen, and DU – each sector having one (1) representative. However, the PEM Board resolved to reduce the number of the independent members to three (3) and retained the representation of the four (4) sectors.

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The Committee deliberated on the directive of the PEM Board, as follows:

- 15 • Dr. Allan Nerves (Independent) clarified that the Board also made reference to the
16 original composition of the TC having at least five (5) members, with two (2)
17 independent members and three members coming from the SO, DMC and GMC,
18 each having one (1) representative.
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- 20 • Ms. Concepcion Tanglao (Independent) asked if there are other matters aside
21 from technical matters which the TC deliberates upon since the number of the
22 independent members will not affect the discussion on technical matters.
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- 24 • Mr. Francisco Leodegario Castro, Jr. (Independent) shared to the body that he
25 mentioned during his presentation on the proposal to the Board Review Committee
26 (BRC) that the direction of the RCC was to have more number of independent
27 members than the non-independent and that the industry sectors will nominate
28 their representatives. He noted that this was provided in the RCC's position paper
29 that was also submitted to the PEM Board.
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- 31 • Mr. Virgilio Fortich (Distribution) opined that the proposed composition of the
32 Board was logical, having enough number of independent members and well-
33 represented number of each sector. Ms. Cherry Javier (Generation) and Mr. Ryan
34 Morales (Distribution) also agreed in having three (3) independent members in the
35 TC.
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- 37 • Mr. Morales (Distribution) also opined that three (3) independent members was
38 enough, because in terms of votation, the issue is not between independent
39 members versus sectoral members, but on the cross-functional matters between
40 generation and transmission, and between generation and distribution. He further
41 commented that having four (4) independent members were enough to facilitate
42 fairness and equity during RCC discussions.
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44 In view of the foregoing, the Committee resolved to adopt the PEM Board's directive
45 to reduce the number of independent members of the TC from five (5) members to three (3),
46 thereby revising RCC Resolution No. 2020-07, to reflect the revised RCC proposal on the
47 composition of the TC, as follows: (a) three (3) independent members; and (b) one (1)
48 representative for each sector (SO, MO, Gen and DU).
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50 The Secretariat was directed to email, for RCC's review and approval, the required
51 draft document for submission to the PEM Board. Ms. Varquez informed the Committee that
52 the revised proposal will likely be taken up in the PEM Board's July Meeting.
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| Agenda | Agreements/Action Plans |
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| 5.2 Update on the RCC-TC Joint Resolution on the Interpretation on PGC GRM 9.2.3.2 | • Noted that the Joint Resolution was sent to PEM Board on 16 June 2020. |

55 Ms. Dianne L. De Guzman (Secretariat) informed the RCC that the Joint Resolution
56 was sent to the PEM Board on 16 June 2020.
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59 The Committee noted the same and Secretariat was reminded to prepare presentation
60 materials, in case the Board requires one.

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| VI. New Business | |
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| Agenda | Agreements/Action Plans |
| Work Plan Review (January to June 2020) <ul style="list-style-type: none"> • Update on Status of Rules Change Proposals | <ul style="list-style-type: none"> • Noted updates and that the Work Plan will be included as an attachment to RCC's Semestral Report. |

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64 Ms. Cruz presented, for information, the update on RCC Work Plan covering the period
65 January to June 2020. In summary, the Committee has completed its activities and submitted
66 all its required outputs for the semester within its imposed timeline. There are ten (10) various
67 RCC proposed amendments to the WESM Rules and Retail Rules that were likewise
68 submitted to the DOE within the period.

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70 Ms. Cruz said that there was no additional submitted proposal as of reporting time and
71 requested the sectoral members of the RCC to inform the Secretariat of any proposal for
72 submission. She further informed the Committee that the Update on the Status of Rules
73 Change Proposals¹ will be included as an attachment to RCC's Semestral Report due on 31
74 July 2020.

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| VII. Other Matters | |
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| Agenda | Agreements/Action Plans |
| 6.1 DOE Public Consultation Updates | <ul style="list-style-type: none"> • DOE has published the following circulars: <ul style="list-style-type: none"> ○ DC2020-06-0014 approving the amendments to market rules on the Initial Prudential Requirements; and ○ DC2020-06-0013 incorporating in the WESM Rules the provisions on Registration of New Facility and Harmonization with RA 11234 or the Act Establishing the Energy Virtual One-Stop Shop. • DOE will hold a public consultation on June 29, July 01 and July 03 on various draft DCs, including the policy on testing and commissioning. |

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78 Ms. De Guzman (Secretariat) informed the Committee that the DOE has no
79 representation because they are currently having public consultations on five (5) various
80 department circulars. Ms. Varquez (Secretariat) presented the updates² instead for the

¹ Attached as Annex "A" – Update Update on the Status of Rules Change Proposals

² Attached as Annex "B" – DOE Public Consultation Updates for June 2020

81 information of the Committee. She noted that DC2020-06-0013 and DC2020-06- will take
 82 effect on 02 July 2020.
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| Agenda | Agreements/Action Plans |
|---|--|
| 6.2 Meeting Schedules <ul style="list-style-type: none"> • Board Review Committee – 15 June • PEM Board – 24 June | <ul style="list-style-type: none"> • There was no RCC agenda item during the PEM Board Meeting |
| VIII. Next Meeting | <ul style="list-style-type: none"> • June 19th • July 17th • August 14th |
| IX. Adjournment | The meeting was adjourned at 10:10 AM. |

Prepared by:

[Redacted Name]

Specialist
 Market Assessment Group – Rules Review Division

Reviewed by:

[Redacted Name]

Karen A. Varquez
 Manager
 Market Assessment Group – Rules Review Division

Noted by:

[Redacted Name]

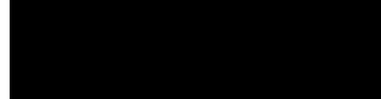
John Mark S. Catriz
 OIC - Head
 Market Assessment Group

Approved by:
THE RULES CHANGE COMMITTEE

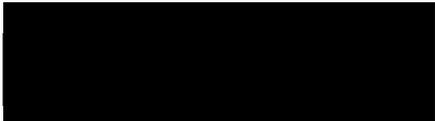
Independent Members:



Maila Lourdes G. de Castro
Chairperson



Francisco L.R. Castro, Jr.

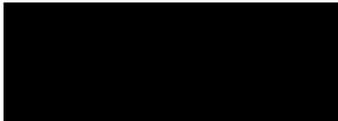


Allan C. Nerves



Concepcion I. Tanglao

Generation Sector Members:



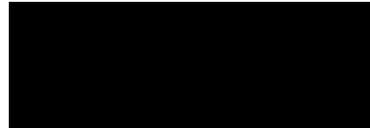
Dixie Anthony R. Banzon
Masinloc Power Partners Co. Ltd.
(MPPCL)



Cherry A. Javier
Aboitiz Power Corp.
(APC)

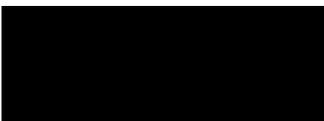


Carlito C. Claudio
Millennium Energy, Inc./ Panasia Energy, Inc.
(MEI/PEI)

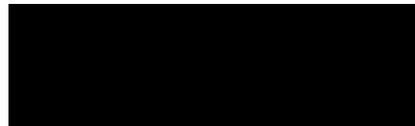


Mark D. Habana
Vivant Corporation - Philippines
(Vivant)

Distribution Sector Members:



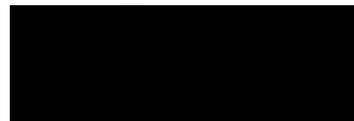
Virgilio C. Fortich, Jr.
Cebu III Electric Cooperative, Inc.
(CEBECO III)



Manila Electric Company
(MERALCO)

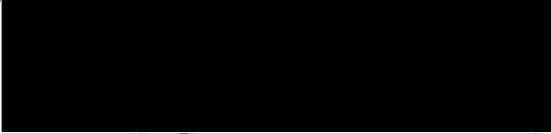


Ricardo G. Gumalal
Iligan Light and Power, Inc.
(ILPI)



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

Supply Sector Member:


Lorreto H. Rivera
TeaM (Philippines) Energy Corporation
(TPEC)

Market Operator Member:

Isidro E. Cacho, Jr.
Independent Electricity Market Operator of the Philippines
(IEMOP)

System Operator Member:


Ambrocio R. Rosales
National Grid Corporation of the Philippines
(NGCP)