



## RULES CHANGE COMMITTEE

### Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load

Effective Date : 18 October 2024

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**WHEREAS**, on 26 March 2013, the DOE issued Department Circular DC2014-03-0009 to monitor all available generation capacity in both energy and reserve, preparing the participants for the WESM Reserve Market's commercial operation. Pursuant to this DOE Circular, the National Grid Corporation of the Philippines (NGCP) and the Philippine Electricity Market Corporation (PEMC) jointly formulated the "Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserves" (herein after referred to as Protocol), which the DOE promulgated under DOE Department Circular DC2014-12-0022 on 02 December 2014;

**WHEREAS**, the DOE issued Department Circular No. 2015-11-0018 dated 12 November 2015, promulgating the implementation of the Protocol in Luzon and Visayas; and subsequently, issued Department Circular No. 2019-12-0018 dated 04 December 2019 reinforcing the implementation of the Protocol until the commercial operation of the WESM Reserve Market;

**WHEREAS**, the DOE issued Department Circular No. 2023-09-0026 dated 26 September 2023, mandating the full implementation and commercial operations of the Reserve Market on 26 December 2023; and the DOE issued Advisory No. 2024-01-001-SEC dated 25 January 2024, declaring the commencement of the commercial operations of the Reserve Market at dispatch interval 0005h of 26 January 2024;

**WHEREAS**, pursuant to ERC Case No. 2023-002 RC dated 25 March 2024, the WESM Governance Arm and Market Operator were directed to suspend the implementation of Section 8 (Billing and Settlement) of the WESM Manual on Price Determination Methodology. Consequently, the DOE issued Advisory 2024-03-001-SEC dated 27 March 2024, directing the Reserve Market to revert to Trial Operations;

**WHEREAS**, the DOE issued DOE Advisory No. 2024-08-001-SEC dated 02 August 2024, directing the Market Operator to resume the commercial operations of the Reserve Market effective 05 August 2024, pursuant to the ERC Notice of Resolution dated 26 July 2024, which resolved to lift the aforementioned suspension;

**WHEREAS**, in view of the foregoing, the Protocol has ceased to be effective upon the commercial operation of the Reserve Market, in accordance with the Section 1.3.1 of the said Manual, which states: *"This Protocol shall apply to the Market Operator, the System Operator and all WESM Members, including intending WESM Members, and WESM Participants in the electric power industry for a limited period and shall immediately cease upon commencement of the commercial operation of the WESM reserve market pursuant to the provisions of the DOE Department Circulars Nos. DC2014-03-0009 and DC2019-12-0018."*

**WHEREAS**, PEMC submitted to the Rules Change Committee (RCC) on 02 October 2024, a proposed urgent amendment to the WESM Manual on Dispatch Protocol Issue 21.0<sup>1</sup> incorporating the guidelines for the dispatch of generating units having energy real-time dispatch schedules below their minimum stable load or Pmin, which was previously provided under Section 4.7.8 of the Protocol;

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<sup>1</sup> ORCP-WM-24-07 Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding minimum stable load

Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below minimum stable load.

**WHEREAS**, PEMC deemed the amendment necessary since the rationale for the said Section 4.7.8 still stands, such that generator-trading participants can reasonably implement operational measures whenever they are issued dispatch schedules that are below their Pmin. Furthermore, the said provision also serves as a guidance on the part of PEMC-Enforcement and Compliance Office (ECO) in monitoring the compliance of generating units with the Dispatch Conformance Standards (DCS);

**WHEREAS**, during the 237<sup>th</sup> RCC Special Meeting on 10 October 2024, the RCC certified the proposal as urgent as it satisfies one of the criteria for urgent amendments per WESM Rules Clause 8.4.1.1 (a) iv. *“Facilitate the implementation of any regulation, circular, order or issuance of the DOE or ERC pursuant to the EPIRA.”*

**WHEREAS**, having certified the proposal as urgent, the RCC proceeded to deliberate on the proposal during the same meeting, wherein the RCC noted the following points:

- The proposed provisions pertain exclusively to the energy real-time dispatch schedules. Reserve dispatch schedule below the plant’s minimum stable load is governed by the Supplemental Operating Guidelines (SOG) for the Commercial Operation of the Reserve Market attached as Annex A of DOE Advisory 2024-01-001-SEC;
- The SOG directed the Governance Arm, the Market Operator, and the System Operator to ensure the alignment of rules, systems, and procedures for the successful commercial operations of the co-optimized energy and reserve market;
- While Section 2.7 of the SOG is similar to Section 4.7.8 of the Protocol, the former only applies to ancillary services providers, with implementation that is yet to be observed and studied by the ECO, Market Operator, and System Operator;

**WHEREAS**, in view of the foregoing, the RCC agreed on the following modifications from PEMC’s original submission:

- 1) Revised the title of the proposed Section 11.4.4 to specify that it pertains solely to the dispatch of energy; and
- 2) Revised the proposed Section 11.4.4 (c) to incorporate the duty of trading participants to update their offers appropriately;

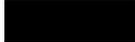
**NOW THEREFORE**, we, the undersigned, on behalf of the sectors we represent, hereby resolve, as follows:

**RESOLVED**, that the RCC approves PEMC’s Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below minimum stable load, herein attached as Annex A;

**RESOLVED FURTHER**, that the Proposed Urgent Amendments are hereby endorsed to the PEM Board for approval, and subsequent submission to the DOE for final approval, and ERC for information.

Done this 18<sup>th</sup> day of **October 2024**, Pasig City

Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below minimum stable load.

<p>Approved by:  <b>THE RULES CHANGE COMMITTEE</b></p>	
<p>Independent Members:</p>	
 <b>JESUSITO G. MORALLOS</b> Chairperson	 <b>JOSE RODERICK F. FERNANDO</b>
 <b>RACHEL ANGELA P. ANOSAN</b>	 <b>JORDAN REL C. ORILLAZA</b>
<p>Generation Sector Members:</p>	
 <b>DIXIE ANTHONY R. BANZON</b> Masinloc Power Partners Co. Ltd. (MPPCL)	 <b>CHERRY A. JAVIER</b> Aboitiz Power Corp. (APC)
 <b>CARLITO C. CLAUDIO</b> Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI)	 (Attended by: Ms. Michelle S. Tuazon (Alternate Member)) <b>MARK D. HABANA</b> Vivant Corporation - Philippines (Vivant)
<p>Distribution Sector Members:</p>	
 <b>RYAN S. MORALES</b> Manila Electric Company (MERALCO)	 <b>VIRGILIO C. FORTICH, JR.</b> Cebu III Electric Cooperative, Inc. (CEBECO III)
 <b>NELSON M. DELA CRUZ</b> Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)	 <b>RUSSEL S. ALABADO</b> Angeles Electric Corporation (AEC)

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Supply Sector Member:

  
**GIAN KARLA C. GUTIERREZ**  
First Gen Corporation  
(FGC)

Market Operator Member:

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

System Operator Member:

  
**DARRYL A. ORTIZ**  
National Grid Corporation of the Philippines  
(NGCP)

Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below minimum stable load.

DISPATCH PROTOCOL MANUAL ISSUE 21.0

Title	Section	Provision	Proposed Amendment	Rationale
<p>Section 11 – Dispatch Implementation</p> <p>11.4 Issuance and Coverage of Dispatch Instruction</p>		<p><b><u>(NEW)</u></b></p>	<p><b><u>11.4.4 Generator Dispatch Compliance for Energy Real-time Dispatch Schedules Below Minimum Stable Load or Pmin</u></b></p> <p>a) <b><u>For generating unit with real-time dispatch schedule below its minimum stable load or Pmin for the next dispatch interval, the following shall be observed:</u></b></p> <p>(i) <b><u>If the generating unit is currently running or is being dispatched, it should operate at its Pmin for that next dispatch interval.</u></b></p> <p>(ii) <b><u>If the generating unit is currently offline, it should remain offline for that next dispatch interval.</u></b></p> <p><b><u>Notwithstanding the foregoing, the generating unit shall follow re-dispatch instructions issued by the System Operator in accordance with Section 11.6 of this Manual.</u></b></p> <p>b) <b><u>The Trading Participant shall, upon publication of the relevant real-time dispatch schedule in the MPI, communicate to the System Operator the</u></b></p>	<p>To provide guidance to TPs whenever they are issued with RTD schedules that are below Pmin.</p> <p>To emphasize that the re-dispatch instructions of the System Operator shall prevail in the event that one is issued for purposes of securing grid reliability / security. To allow the System Operator to address the possible adverse impact</p>

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DISPATCH PROTOCOL MANUAL ISSUE 21.0

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			<p><b><u>action it has taken or will be taken, as may be authorized in the preceding provision, in view of the resulting <i>real-time dispatch schedule</i> for the relevant <i>dispatch interval</i>.</u></b></p> <p>c) <b><u>Subject to the foregoing, the <i>Trading Participant</i> shall update its offers appropriately for the following <i>dispatch intervals</i> so that such an incident may not recur.</u></b></p>	<p>of the non-compliance and correspondingly take necessary actions (e.g., call another generating unit to run in place and stead of unavailable plant).</p> <p>To impose upon the TP the obligation to also revisit its offer submission and to revise the offers in the next intervals, if necessary, to prevent its recurrence.</p>
<p>Section 11 – Dispatch Implementation</p> <p>11.4 Issuance and Coverage of Dispatch Instruction</p>	<p>11.4.4. Generator Dispatch Compliance Beyond Normal Grid Frequency Threshold</p>	<p>11.4.4. Generator Dispatch Compliance Beyond Normal Grid Frequency Threshold.</p> <p>a. xxx</p> <p>b. Once the grid frequency goes up to 60 Hz after coming off from a state in Section 11.4.4 (a), then the Trading Participants shall resume to dispatch its generating units to meet its dispatch schedule.</p>	<p><del>11.4.4 xxx</del> <b>11.4.5</b> Generator Dispatch Compliance Beyond Normal Grid Frequency Threshold.</p> <p>a. xxx</p> <p>b. Once the grid frequency goes up to 60 Hz after coming off from a state in Section <del>11.4.4</del> <b>11.4.5</b> (a), then the <i>Trading Participants</i> shall resume to dispatch its generating units to meet its dispatch schedule.</p>	<p>Renumbering of the succeeding provisions due to insertion of new provision</p>



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**DISPATCH PROTOCOL MANUAL ISSUE 21.0**

Title	Section	Provision	Proposed Amendment	Rationale
		<p>c. xxx</p> <p>d. Once the grid frequency comes down to 60 Hz after coming off from a state in Section 11.4.4 (c), then the Trading Participants shall resume to dispatch its generating units to meet its dispatch schedule.</p>	<p>c. xxx</p> <p>d. Once the grid frequency comes down to 60 Hz after coming off from a state in Section <del>11.4.4</del> <b>11.4.5</b> (c), then the <i>Trading Participants</i> shall resume to dispatch its generating units to meet its dispatch schedule.</p>	

