

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 1 of 16



ATTENDEES

	Name	Designation/Position	Department/ Company
1.	Jesusito G. Morillos	Chairperson, Independent	RCC
2.	Cherry A. Javier	Member (Principal), Generation Sector	RCC
3.	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
4.	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
5.	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
6.	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
7.	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
8.	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
9.	Isidro E. Cacho, Jr.	Member (Principal), Market Operator	RCC
10.	Kristoffer Monico S. Ng	Member (Alternate), Market Operator	RCC
11.	Karen A. Varquez	Secretariat	PEMC
12.	Divine Gayle C. Cruz	Secretariat	PEMC
13.	John Eisendel M. Labay	Secretariat	PEMC
14.	Mary Rose L. Bisnar	Secretariat	PEMC
15.	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
16.	Andrea J. Mendiola	Chief Legal Officer	PEMC
17.	Ma. Hazel M. Gubaton-Lopez	Chief Enforcement and Compliance Officer	
18.	Cedric Xian Mico L. Uy	Office of the President and WESM Governance Officer	PEMC
19.	Gabriel R. Marmeto	Legal	PEMC
20.	Mark Anthony C. Andrada	Enforcement and Compliance Office (ECO)	PEMC
21.	Angelica G. Alejan	Enforcement and Compliance Office (ECO)	PEMC
22.	Nylle Gregory P. Bague	Enforcement and Compliance Office (ECO)	PEMC
23.	Gabriel Macky A. Cadang	Enforcement and Compliance Office (ECO)	PEMC
24.	Alyssa Isabella R. Punzalan	Enforcement and Compliance Office (ECO)	PEMC
25.	Dianne Kate C. Langit	Enforcement and Compliance Office (ECO)	PEMC
26.	Anthony Jose P. Asprer	Enforcement and Compliance Office (ECO)	PEMC
27.	Gabor M. Dichoso	Enforcement and Compliance Office (ECO)	PEMC
28.	Aldjon Kenneth M. Yap	Market Assessment Group (MAG)	PEMC
29.	Ira Lee P. Corectico	Market Assessment Group (MAG)	PEMC
30.	Leo John A. Juguilon	Market Assessment Group (MAG)	PEMC
31.	Aldrin W. Reyes	Market Assessment Group (MAG)	PEMC
32.	Roel B. Calano	Proponent	GNPK
33.	Nicole Alezandria Y. Nethercott	Proponent	GNPK

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 2 of 16



ATTENDEES

	Name	Designation/Position	Department/Company
34.	Daneva Anticamara	Proponent	GNPK
35.	John Talandron	Proponent	GNPK
36.	Roland Pagente	Proponent	GNPK
37.	Ariel Erana	Proponent	GNPK
38.	Fransilyn Mae V. Porras	Proponent	GNPK
39.	Shara Landicho	Commenter – SN Aboitiz Power	SNAP
40.	Marshall Gaw-wi	Commenter – SN Aboitiz Power	SNAP
41.	Sheena Vergara-Martija	Commenter – SN Aboitiz Power	SNAP
42.	Jayson A. Francisco	Commenter – Aboitiz Power Corporation	APC
43.	Marianne Acedo	Commenter – Aboitiz Power Corporation	APC
44.	Edwin N. Mosa	Commenter – IEMOP	IEMOP

1.0 Call to Order

The meeting was called to order at 9:02 AM.

Eight (8) principal members and one (1) alternate member were present.

2.0 Adoption of Agenda

The RCC adopted the proposed agenda.

3.0 Proposed General Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule

- Presenter/s: Ms. Mary Rose L. Bisnar (Secretariat)
Ms. Nicole Nethercott (Proponent – GNPK)
- Action Requested: For discussion
- Material/s: Annex A - Presentation Materials for 235th RCC Caucus Meeting

Proceedings:

Ms. Mary Rose L. Bisnar (Secretariat) summarized the key points discussed during the 234th RCC (Regular) Meeting held last 16 August 2024, as follows:

- The proposal was published in the PEMC Website to request for comments on 26 June 2024 until 06 August 2024 and comments were received from the following:
 - 1) Millenium Energy Inc./Panasia Energy Inc (MEI/PEI)
 - 2) SN Aboitiz Power Group (SNAP)
 - 3) Aboitiz Power Corporation (APC)
 - 4) Technical Committee (TC)
 - 5) Market Surveillance Committee (MSC)

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 3 of 16



- 6) Independent Electricity Market Operator of the Philippines (IEMOP)
- 7) Philippine Electricity Market Corporation (PEMC)

- During the 234th RCC Meeting on 16 August 2024, the following matters were raised:

- 1) How will the proponent determine that they will be dispatched below its technical minimum stable load (Pmin) considering that offers are submitted before the optimization and publication of the dispatch schedules.
- 2) If 'generator technical constraint' will be considered in Clause 3.5.11.5 of the WESM Rules, how will the plant offer in the market?
- 3) The continued steam bypass and flame loss, as a result of continuous operation at loads below the technical minimum stable load of the generating unit, will not affect the available capacity of the generating unit.
- 4) The proposed amendment should be applicable to all generating units.

Ms. Nicole Alezandria Y. Nethercott (Proponent - GNPk) facilitated the line-by-line discussion of GNPk's responses to the general comments, as well as the comments on Clause 3.5.11.5 of the WESM Rules.

The deliberation focused on four (4) key discussion points:

- a) Classification of GNPk's generating unit as reserve shutdown

Mr. Darryl Lon A. Ortiz (Transmission) sought clarification regarding GNPk's proposal that its generating unit would not run when scheduled below its minimum stable load. Also, he inquired about the classification of the generating units in such scenario, specifically whether it would be considered on forced outage.

Ms. Nethercott explained that a Trading Participant's usual course of action for such instances would be to manage its offers to ensure that it will be scheduled at its Pmin before considering shutting down the generating units. However, if the Trading Participant finds itself continuously scheduled below its minimum stable load, despite efforts to manage offers, the unit would be recommended for shutdown, with the classification as reserve shutdown. Mr. Roel B. Calano (Proponent - GNPk) further added that this approach is consistent with GNPk's historical performance prior to the operation of Mindanao-Visayas Interconnection Project (MVIP).

Mr. Carlito C. Claudio (Generation) emphasized that a generating unit is classified as reserve shutdown only when it is available but not electrically connected to the grid or not scheduled in the WESM. Contrary to this, when its generating unit was scheduled below its Pmin, GNPk decided to shut down the unit. He noted that the unit could not be classified as a reserve shutdown because the unit was scheduled. Mr. Calano disagreed with the statement and clarified that due to the low demand, no Real-Time Dispatch (RTD) schedule was given to GNPk. He further explained that GNPk had submitted a position paper to the PEMC Enforcement and Compliance Office (ECO), detailing the technical reasons for their approach.

Mr. Ortiz reiterated that if a generating unit with RTD schedule decides to shut down, it would be classified as on forced outage. In such cases, the System Operator (SO) will

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 4 of 16



82 either deploy the ancillary services or used the WESM Merit-Order Table (WMOT)¹ to
 83 replenish the supply deficit in the grid.

84
 85 b) Objective of the proposed amendment

86
 87 Mr. Jesusito G. Morillos (Chairperson) recalled the discussion during the 234th RCC
 88 Meeting regarding the potential amendment of the WESM Rules, particularly the
 89 implication that such amendments might have on all other generating facilities. He noted
 90 that the proposed amendments seemed to address an issue unique to GNPk. Mr. Morillos
 91 emphasized that GNPk's primary concern was to avoid being penalized for shutting down
 92 its generating unit. Mr. Calano confirmed this, stating that GNPk's objectives are (1) to
 93 provide the ECO with additional criteria to consider before imposing penalties, and (2) to
 94 allow the generating facility the opportunity to explain its decision to shut down rather than
 95 face multiple forced outages due to potential failure of its generating unit due to continuous
 96 operation below its minimum stable load.

97
 98 Ms. Ma. Hazel Gubaton-Lopez (ECO) responded that the ECO strictly adheres with the
 99 Must-Offer Rule (MOR) and Dispatch Conformance Standards (DCS) when evaluating the
 100 compliance of the generating facilities. She clarified that proposed amendments pertain to
 101 offer submissions, rather than dispatch scheduling. If a generating facility fails to submit
 102 its offer, it will not be scheduled, and there will be no DCS implications. She further noted
 103 that, if approved, the rules will allow the trading participant to predict that it will be
 104 scheduled below Pmin which is predictive or speculative in nature. As an example, if Plant
 105 A predicts that it will be scheduled below its Pmin the next day, it will be allowed to not
 106 offer its capacity and will decide to shut down. This would alter the context of the Must-
 107 Offer Rule which requires submission of offers equivalent to the available capacity of the
 108 plant.

109
 110 Mr. Claudio emphasized that a generating unit must adhere with the MOR and added that
 111 the unstable operation of a generating unit below its Pmin is not only unique to GNPk, but
 112 also common to all generating units. Furthermore, he stated that with the operation of the
 113 MVIP, it is possible not to encounter again the historical dilemma in the Mindanao region,
 114 having excess amount of generation than the actual demand. Mr. Calano disagreed with
 115 the statement, asserting that the potential for such situation may recur remains given the
 116 possibility of uncontrollable factors that could affect the operation of the MVIP.

117
 118 c) Ways that the proponent will not be penalized

119
 120 Ms. Gubaton-Lopez explained that, as per established process, a generating facility shall
 121 submit its offer before being scheduled. Assuming that the generating facility has complied
 122 with the offer submission and is scheduled below its Pmin, the plant may have the option
 123 of either to: (1) operate at Pmin level if it is currently running or (2) remain offline, as
 124 outlined in Clauses 4.7.8.2 and 4.7.8.3, respectively, of the WESM Manual on Protocol for
 125 Central Scheduling and Dispatch of Energy and Contracted Reserves Issue 4.0. Mr.
 126 Claudio likewise supported these options.

127
 128 Ms. Gubaton-Lopez confirmed that ECO penalized GNPk before the operation of the
 129 MVIP, since ECO strictly enforces the MOR. She also added that in the case of GNPk,
 130 ECO conducted separate meetings with MO and SO- Mindanao. ECO and MO conducted

¹ Section 10 of the WESM Manual on Dispatch Protocol

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 5 of 16



131 a simulation to check the historical data and confirmed that there are no RTD schedules
 132 below Pmin, if such case occurred, it is attributed to the offer strategy of GNPk. During the
 133 relevant period, where MVIP has only 270 MW power transfer capacity, referring to the
 134 amount of electrical power that can currently be transferred through the interconnection
 135 system at any given time, the SO confirmed that it would not impact the power generation
 136 output of GNPk.

137
 138 Mr. Calano stated that the simulation was conducted during the peak of the demand, but
 139 in contrary it should be done on the multiple intervals with low demand and the MVIP is
 140 not operational.

141
 142 d) The solution to GNPk's situation (Operational level or at the rule-making level)

143
 144 Mr. Ortiz stated that the solution to GNPk's situation lies at the operational level. According
 145 to the Must-Offer Rule, the generating facility must offer its capacity and allow the Market
 146 Dispatch Optimization Model (MDOM) to determine its schedule. He stressed that it is
 147 important for generators to offer its maximum available capacity for the SO to efficiently
 148 ensure system security. If the total RTD energy exceeds the demand, the SO will make
 149 operational adjustments per established rules and protocols for excess generation. Ms.
 150 Gubaton-Lopez agreed that this issue could be addressed at the operational level.

151
 152 Agreement:

153
 154 Noting the discussions, the RCC suggested GNPk to write a letter converting the proposed
 155 amendment to either of the following:

- 156
 157
- 158 • Invitation to the DOE, as policy-maker, to conduct visitation for better appreciation of
 GNPk's concern; or
 - 159 • Discussion with the IEMOP on the MDOM to address its operational concerns.
- 160

161 Ms. Nethercott and Mr. Frederick Mayuga (Proponent - GNPk) noted that GNPk acknowledges
 162 the value of the MOR and has no intention of discrediting it. The GNPk team shall conduct further
 163 deliberation on the points raised by the Committee and PEMC, and will just provide update to the
 164 RCC via email or letter on its next steps.

165 166 167 **4.0 Adjournment**

168
 169 The meeting was adjourned at 10:39 AM.

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 6 of 16



Prepared by:



JOHN EISENDEL M. LABAY
Rules Review Specialist
Market Assessment Group

Reviewed by:



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

Noted by:



BIENVENIDO C. MENDOZA JR.
Chief Market Assessment Officer

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 7 of 16



Approved by:

[REDACTED]
JESUSITO G. MORALLOS
Chairperson, Independent

JOSE RODERICK F. FERNANDO
Member, Independent

RACHEL ANGELA P. ANOSAN
Member, Independent

[REDACTED]
JORDAN REL C. ORILLAZA
Member, Independent

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

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

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

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

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

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

[REDACTED]
RUSSEL S. ALABADO
Member, Distribution Sector
Angeles Electric Corporation (AEC)

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

[REDACTED]
GIAN KARLA C. GUTIERREZ
Member, Supply Sector
First Gen Corporation (FGEN)

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

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 8 of 16



DARRYL LON A. ORTIZ
Member, System Operator
National Grid Corporation of the Philippines
(NGCP)

MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 9 of 16



Annex A – Presentation Materials for 235th RCC Caucus Meeting



DATA PRIVACY NOTICE

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YOUR VIDEO AND AUDIO MAY BE RECORDED.

BY CONTINUING TO STAY IN THIS MEETING, YOU CONSENT TO THIS RECORDING.

FOR ANY QUESTIONS, FEEL FREE TO CONTACT **RULES REVIEW DIVISION** AT MAG_RRD@WESM.PH AND/OR THE DPO AT DPO@WESM.PH



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 10 of 16



God our Father, we gather as your faithful servants and stewards of the resources you have given our nation.

We pray for wisdom that our deliberations in our RCC meeting will consistently be based on the best interest of WESM (in particular) and the government and the Filipino nation (in general), we are sworn to serve.



We pray for courage and boldness to face the challenges that we may meet in the course of performing our task, that calls for the highest standards of honesty, integrity and competence, in order to preserve the trust and confidence given to us by our people.



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 11 of 16



We pray that this nation will be able to achieve transparent and reasonable prices of electricity, in a regime of free and fair competition and full public accountability, to achieve greater operational and economic efficiency.

5



We call on you Heavenly Father to remind us that you can see through our hearts and know our innermost thoughts and intentions.

Guide us every step of the way as we strive to contribute our part for honest and efficient governance so deserved by our people.

These we ask in the name of Jesus Christ, your Son. Amen.

6



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 12 of 16



DETERMINATION OF QUORUM

Representation/ Sector	Principal Member /Alternate Member		Attendance	
Independent	Jesusito G. Morillos			
	Jose Roderick F. Fernando			
	Rachel Angela P. Anosan			
	Jordan Rel C. Orillaza			
Generation	Dixie Anthony R. Banzon	Rose Ann O. Alfaro		
	Cherry A. Javier	Angeli Abad-Parcia		
	Carlito C. Claudio	Jessie B. Victorio		
	Mark D. Habana	Michelle S. Tuazon		
Distribution	Ryan S. Morales	Manuel Luis Zagala		
	Russel S. Alabado	Alfredo C. Sanaga, Jr.		
	Virgilio C. Fortich, Jr.	Getulio Zamosas Crodua		
	Nelson M. Dela Cruz	Darwin T. Daymiel		
Supply	Gian Karla C. Gutierrez	Dennis R. Paragas		
Transmission	Darryl Lon A. Ortiz	Clark N. Agustin		
Market Operator	Isidro E. Cacho, Jr.	Kristoffer Monico S. Ng		



ADOPTION OF THE AGENDA



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
 Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
 Venue : Online via Microsoft Teams
 Page : 13 of 16



ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
I. Call to Order		
II. Adoption of Agenda	Secretariat	For approval
III. Proposed General Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule <ul style="list-style-type: none"> • Deliberation on proposal and comments 	Proponent (GN Power Kauswagan Ltd.)	For discussion and approval
IV. Adjournment		



III. PROPOSED GENERAL AMENDMENTS TO THE WESM RULES AND WESM MANUAL ON DISPATCH PROTOCOL REGARDING MUST-OFFER RULE

- *DELIBERATION ON PROPOSAL AND COMMENTS*



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 14 of 16



BACKGROUND

- Published in PEMC Website to request for comments on 26 June 2024 until 06 August 2024
- The proposal received comments from the following:
 - Millenium Energy Inc./Panasia Energy Inc (MEI/PEI)
 - SN Aboitiz Power Group (SNAP)
 - Aboitiz Power Corporation (APC)
 - Technical Committee (TC)
 - Market Surveillance Committee (MSC)
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12



ACTION REQUESTED

- For discussion and approval

11



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 15 of 16



BACKGROUND

- During the 234th RCC Meeting on 16 August 2024, the following matter were raised:
 - The process on how the proponent will determine that they will be dispatched below its technical minimum stable load (Pmin), considering that the offers submitted before the optimization of the dispatch schedules.
 - If 'generator technical constraint' will be considered on Clause 3.5.11.5 of the WESM Rules, how will the plant offer in the market?
 - The continued steam bypass and flame loss, as a result of continuously operation at loads below the technical minimum stable load of the generating unit will not affect the available capacity of the generating unit.
 - The proposed amendment should be applicable to all generating unit.

13



VIII. ADJOURNMENT



MEETING MINUTES

Subject/Purpose : 235th RCC (Caucus) Meeting
Date & Time : 03 September 2024, 9:00 AM to 12:00 NN
Venue : Online via Microsoft Teams
Page : 16 of 16



41



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