

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
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ATTENDEES

	Name	Designation/Position	Department/ Company
1.	Jesunito 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.	Gabbor 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

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	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)

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- 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

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

b) Objective of the proposed amendment

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

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

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

c) Ways that the proponent will not be penalized

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

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

¹ Section 10 of the WESM Manual on Dispatch Protocol

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

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

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

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

Agreement:

Noting the discussions, the RCC suggested GNPK to write a letter converting the proposed amendment to either of the following:

- Invitation to the DOE, as policy-maker, to conduct visitation for better appreciation of GNPK's concern; or
- Discussion with the IEMOP on the MDOM to address its operational concerns.

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

4.0 Adjournment

The meeting was adjourned at 10:39 AM.

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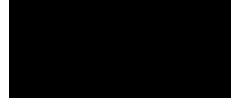


Prepared by:



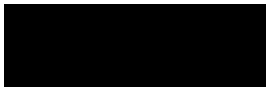
JOHN EISENDEL M. LABAY
Rules Review Specialist
Market Assessment Group

Reviewed by:



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

Noted by:



BIENVENIDO C. MENDOZA JR.
Chief Market Assessment Officer

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Approved by:



JESUSITO G. MORALLOS
Chairperson, Independent

JOSE RODERICK F. FERNANDO
Member, Independent

RACHEL ANGELA P. ANOSAN
Member, Independent

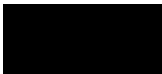


JORDAN REL C. ORILLAZA
Member, Independent



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

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



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

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



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

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



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

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



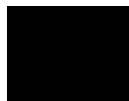
GIAN KARLA C. GUTIERREZ
Member, Supply Sector
First Gen Corporation (FGEN)



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

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

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Annex A – Presentation Materials for 235th RCC Caucus Meeting



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



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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.



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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.

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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.

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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



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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*

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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)
 - Independent Electricity Market Operator of the Philippines (IEMOP)
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ACTION REQUESTED

- For discussion and approval

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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 (P_{min}), 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.

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VIII. ADJOURNMENT



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