

## MEETING MINUTES

Subject/Purpose : 243<sup>rd</sup> RCC (Regular) Meeting  
 Date & Time : 21 February 2025, 9:00 AM to 3:00 PM  
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### ATTENDEES

	Name	Designation/Position	Department/ Company
1.	Rachel Angela P. Anosan	Chairperson, Independent	RCC
2.	Jesusito G. Morillos	Member, Independent	RCC
3.	Jordan Rel C. Orillaza	Member, Independent	RCC
4.	Emmanuel Genesis T. Andal	Member, Independent	RCC
5.	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
6.	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
7.	Cherry A. Javier	Member (Principal), Generation Sector	RCC
8.	Mark D. Habana	Member (Principal), Generation Sector	RCC
9.	Michelle S. Tuazon	Member (Alternate), Generation Sector	RCC
10.	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
11.	Virgilio C. Fortich, Jr.	Member (Principal), Distribution Sector	RCC
12.	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
13.	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
14.	Manuel Luis N. Zagala	Member (Alternate), Distribution Sector	RCC
15.	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
16.	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
17.	Kristoffer Monico S. Ng	Member (Alternate), Market Operator	RCC
18.	John Paul O. Castro	DOE Observer	DOE
19.	Karen A. Varquez	Secretariat	PEMC
20.	Divine Gayle C. Cruz	Secretariat	PEMC
21.	John Eisendel M. Labay	Secretariat	PEMC
22.	Mary Rose L. Bisnar	Secretariat	PEMC
23.	Elvin Hayes E. Nidea	President and WESM Governance Officer	PEMC
24.	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
25.	Aldjon Kenneth M. Yap	Market Assessment Group (MAG)	PEMC
26.	Ira Lee P. Corectico	Market Assessment Group (MAG)	PEMC
27.	Mark Froilan L. Lingao	Market Assessment Group (MAG)	PEMC
28.	Andrea J. Mendiola	Chief Legal Officer	PEMC
29.	Gabriel R. Marmeto	Legal	PEMC
30.	Joshua Joy F. Co	Legal	PEMC
31.	Cedric Xian Mico L. Uy	Office of the President	PEMC
32.	Ma. Hazel M. Gubaton-Lopez	Chief Enforcement and Compliance Officer (ECO)	PEMC

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	Name	Designation/Position	Department/ Company
33.	Josephine C. Cruz	Enforcement and Compliance Office (ECO)	PEMC
34.	Marvin Jay A. Masanda	Enforcement and Compliance Office (ECO)	PEMC
35.	Vince Luigi B. Maliwanag	Enforcement and Compliance Office (ECO)	PEMC
36.	Nylle Gregory P. Bague	Enforcement and Compliance Office (ECO)	PEMC
37.	Hilary Romeli C. Florendo	Enforcement and Compliance Office (ECO)	PEMC
38.	Marie Liezelle E. Macabenta	Enforcement and Compliance Office (ECO)	PEMC
39.	Kassandra Fleur Elaine D. Parnacio	Enforcement and Compliance Office (ECO)	PEMC
40.	Mark Anthony C. Andrada	Enforcement and Compliance Office (ECO)	PEMC
41.	Angelica G. Alejan	Enforcement and Compliance Office (ECO)	PEMC
42.	John Patrick D. Yanga	Enforcement and Compliance Office (ECO)	PEMC
43.	Jace A. Tesaluna	Enforcement and Compliance Office (ECO)	PEMC
44.	Dianne Kate C. Langit	Enforcement and Compliance Office (ECO)	PEMC
45.	Darlene C. Dublar	Enforcement and Compliance Office (ECO)	PEMC
46.	Anthony Jose P. Asprer	Enforcement and Compliance Office (ECO)	PEMC
47.	Paolo C. Alegre	Enforcement and Compliance Office (ECO)	PEMC
48.	Jhezreel John G. Caramat	Enforcement and Compliance Office (ECO)	PEMC
49.	Richard Wayne C. De Chavez	Enforcement and Compliance Office (ECO)	PEMC
50.	Christian Francis O. Belen	Enforcement and Compliance Office (ECO)	PEMC
51.	Bugaoisan, Ermelindo Jr. R.	Proponent	NGCP
52.	Eloisa Y. Gipa	Proponent	NGCP
53.	Christian J. Del Rosario	Proponent	NGCP
54.	Joselito C. Quilala	Proponent	NGCP
55.	Daryl Andrew M. Llanes	Commenter	SMCGP
56.	Kathleen Heloise B. Formoso	Commenter	SMCGP
57.	Miguel Josef A. Fabro	Commenter	SMCGP
58.	Rolando P. Ponsica Jr.	Commenter	SMCGP
59.	Jorja S. Nemil	Commenter	SPC/SIPC
60.	Lyka Labrador	Commenter	SPC/SIPC
61.	Richard O. Arcenal	Commenter	SPC/SIPC
62.	Krizzia Alyanna G. Angeles	Commenter	SPC/SIPC
63.	Jereme Ann V. Peñafiel	Commenter	SPC/SIPC
64.	Dindo A. Iyog	Commenter	SPC/SIPC

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	Name	Designation/Position	Department/Company
65.	Ma. Leticia L. Sapina	Commenter	MERALCO
66.	Edgar Michael C. Robles	Commenter	MERALCO
67.	Joebet Isaac V. Del Rosario	Commenter	MERALCO
68.	Joseph Bryan C. Estrada	Commenter	MERALCO
69.	Antonio Mercado	Commenter	MEI/PEI
70.	Sheena Vergara-Martija	Commenter	SNAP
71.	Hil Olat	Commenter	SNAP
72.	Ariel Yao	Commenter	SNAP
73.	Cristian Botis	Commenter	SNAP
74.	Shara Camille Landicho	Commenter	SNAP
75.	Jayson Francisco	Commenter	APC

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### 1.0 Call to Order

The meeting was called to order at 9:03 AM.

### 2.0 Determination of Quorum

The quorum was determined with fourteen (14) principal members and three (3) alternate members present.

### 3.0 Adoption of Agenda

Ms. Mary Rose L. Bisnar (Secretariat) presented the revised proposed agenda, with the addition of agenda item 7.1 RCC Membership Updates, for RCC's information, and changes to the sequence, specifically, interchanging the discussion of agenda item 6.2 *"Proposed General Amendments to the WESM Manual on Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report"* and agenda item 6.1 *"Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions."*

The RCC adopted the revised proposed agenda.

### 4.0 Draft Minutes of Previous Meetings

Ms. Bisnar presented the draft minutes of the 240th RCC (Special) Meeting, held 22 November 2024, and the 242nd RCC (Regular) Meeting held last and 17 January 2025. The drafts were transmitted to the RCC; however, no comments were received.

The RCC approved the drafts, as presented. The Secretariat shall route the drafts via Adobe Sign, for RCC's signature.

Ms. Bisnar confirmed that all minutes of meetings in 2024 have been reviewed and approved by the RCC.

### 5.0 Matters Arising from Previous Meetings

5.1 Proposed General Amendments to the WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load

- Presenter/s: Ms. Mary Rose L. Bisnar (Secretariat)
- Action Requested: For Deliberation and approval
- Material/s: Annex E – 243<sup>rd</sup> RCC Meeting Presentation Material

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### Proceedings on the Summary of the Assessment Report:

As background, Ms. Bisnar presented updates on the proposal from the previous 242<sup>nd</sup> RCC (Regular) Meeting held on 17 January 2025. The PEMC-Enforcement and Compliance Office ECO provided an update on the implementation of the Urgent Amendment, noting several key observations:

- A number of generating units continued operating at their current generation levels even when their real-time dispatch (RTD) schedule fell below their minimum stable load or Pmin
- Some generating units remained offline rather than risk damage by operating below their Pmin
- Several generating units complied with the System Operator's re-dispatch instructions, even when initially scheduled below their Pmin. These dispatch instructions take precedence over the RTD schedules and must be followed to maintain the integrity of the grid
- Some generating units proactively communicated with the System Operator (SO), informing them of their actions taken or will be taken or seeking clearance to maintain their load at the minimum stable load
- While the Trading Participants typically do not revise their megawatt (MW) offers due to limited opportunity, during the period covered, there are Trading Participants that managed their price offer but maintained a static MW value.

Ms. Bisnar noted that on 21 January 2025, additional comments were received from the RCC on the WESM Dispatch Protocol Manual (DPM) Section 11.4.4 (a) sub-items (i) and (ii) to either:

- Rephrase the provisions to add in (i) and (ii) the phrase:

“xxx

*except when the generating unit is operating in accordance to its start-up and shutdown profile pursuant to Section 13 of this Manual.*

xxx”

- Add a third sub-item (iii) to cover the exceptions for both (i) and (ii)

On 24 January 2025, a Market Surveillance Committee (MSC) Member shared information regarding the terms “online” and “running,” as follows:

*A generator being "online" means it is connected and ready to provide power, but it might not be actively generating electricity. A generator that is "running" is actively producing and supplying electricity. So, "online" is about readiness, and "running" is about active power generation.*

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On 27 January 2025, Mr. Carlito C. Claudio (Principal – Generation) proposed using '*in-service*' instead of '*running*,' referencing the definition in IEEE Standard 762-2006 and its usage on ERC Resolution No. 21 of 2016<sup>1</sup>.

Ms. Bisnar proceeded with the discussion on the summary of the Assessment Report of Urgent Amendments, highlighting the key aspects that are included in the report:

- a) **Assessment based on Data:** During the implementation of the urgent amendment from 26 October 2024 to 25 December 2024
- b) **Dispatch Conformance Standards (DCS) compliance monitoring:** Summary of the implementation of the urgent amendment to the DCS compliance monitoring by the ECO
- c) **Effectivity of Urgent Amendment:** MAG recommendation in view of the effectivity period of the urgent amendment

The findings of the report were presented:

- 1) **Occurrence of RTD schedule below Pmin:** Over the course of two (2) billing periods (November and December 2024), there were **1,874,156** generator dispatch intervals with RTD below Pmin. The breakdown of these intervals by resource type is as follows:

Resource Type	Number of Generator-Dispatch Intervals
Oil-based plants	1,565,067 intervals
Hydro Power Plants	137,847 intervals
Natural Gas Plants	76,125 intervals
Geothermal Plants	39,143 intervals
Coal Plants	38,406 intervals
Biofuel Plants	17,568 intervals
Region	
Luzon	412,555 intervals
Visayas	837,736 intervals
Mindanao	623,865 intervals

- 2) **Section 11.4.4 of DPM:** Implementation of Section 11.4.4 of DPM is contingent on occurrences when the RTD schedules of the generating units are below Pmin.

The generating units' MW output deviations from their RTD schedules were categorized into different ranges. Considering the total number of generator-dispatch intervals within each range, MW deviation within the range of -10MW<X≤0MW contained the highest number of intervals.

<sup>1</sup> <https://www.erc.gov.ph/Files/Render/issuance/17640>

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Deviation Range (MW)	Generator Dispatch Intervals
-10MW<X<=0MW	1,677,626

Where: X is the MW Deviation between the Generating Unit's actual MW Output and the Real-time Dispatch (RTD) below Minimum Stable Load (Pmin) per Generator Dispatch Intervals.

This deviation was further analyzed in terms of compliance with Section 11.4.4 (a) (i) and Section 11.4.4 (a) (ii), which exhibited the highest and second-highest number of total generator-dispatch intervals, as shown in the following table:

Deviation Range (MW)	Generator Dispatch Intervals				
	Pursuant to Section 11.4.4 (a)(i) of DPM Actual MW = Pmin	Pursuant to Section 11.4.4 (a)(ii) of DPM Actual MW = 0MW	Actual MW Output above Pmin	Actual MW Output below Pmin & >0MW	Total
-10MW<X<=0MW		1,599,319		78,307	<b>1,677,626</b>
0MW<X<=10MW	55,781		87,598	38,268	<b>181,647</b>

Where: X is the MW Deviation between the Generating Unit's actual MW Output and the Real-time Dispatch (RTD) below Minimum Stable Load (Pmin) per Generator Dispatch Intervals.

Data showed that generating units can be scheduled below their Pmin under specific circumstances, such as when their offer block is at a low offer price with an offer quantity below or covering Pmin, during start-up and shut-down operations, when providing contingency or dispatchable reserves, or when approaching the end of pumping operations (0 MW RTD schedules). Generators' response to RTD schedules below Pmin is influenced by factors such as plant status (e.g., tripping) and System Operator (SO) re-dispatch instructions for reserve provision or Merit Order Table (MOT).

The ECO monitored generators' actions that were consistent with Section 11.4.4 of the WESM Dispatch Protocol Manual. In its monitoring, ECO considers factors such as schedule duration, SO re-dispatch instructions, and lead time for coordination. Despite instances of output deviation, the SO has maintained grid security and stability.

### Recommendations:

1. The SO may conduct a comprehensive study to assess the impact of MW deviations resulting from the application of this rule on grid security.
2. To ensure continuous compliance monitoring by the ECO, it is recommended that the urgent amendments' effectivity period be extended while general amendments are processed.
3. The ECO should continue implementing the urgent amendment, contingent upon a decision by the PEM Board and the approval of recommendations from the Rules Change Committee (RCC).



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Ms. Rachel Angela P. Anosan (Chairperson – Independent) inquired whether the study examines other parameters or metrics beyond the number of affected trading interval. In addition, Mr. Ryan S. Morales (Principal – Distribution) asked whether the study includes cost-impact analysis. Ms. Bisnar confirmed that other parameters are considered, with further clarification by Ms. Karen A. Varquez (Secretariat), explaining that simulations addressing costs were conducted but only insofar as the impact on the final settlement prices.

Mr. Claudio requested a copy of the report and emphasized that similar reports or presentations should be transmitted to the RCC at least three (3) days prior the next RCC meeting.

Mr. Morales inquired whether specific criteria were considered in formulating the conclusion regarding SO's maintaining grid security and stability. Ms. Varquez responded that this could be concluded based on the low number of Market Interventions attributed to the SO during the covered period. One of the report's recommendations is for SO to further study the impact of the rule to the grid security and stability, as the rule effectively allows the generators not to comply with their RTD schedule.

Mr. Darryl Lon A. Ortiz (Principal – Transmission) sought clarification regarding the deviations in the MW output when generating units were scheduled as contingency or dispatchable reserve. Ms. Varquez explained that, in terms of MW deviation, the study compared the actual MW output to the RTD. When units are called to generate based on their contingency or dispatchable reserve schedule, a significant discrepancy between RTD and the actual MW output occurred.

Ms. Cherry A. Javier (Principal – Generation) inquired about the current rule governing the effectivity and extension of approved urgent amendments. Ms. Bisnar responded that the current rule stipulates that the effectivity of an urgent amendment lasts up to six (6) months and can be extended for another six (6) months. The RCC's proposal regarding the proposed amendment on the effectivity and extension of urgent amendment is still under review and approval by the Department of Energy (DOE).

Mr. Morales asked what prompted the assessment report, given that the urgent amendment does not alter any outstanding rules but merely transfers the provisions from an obsolete WESM Manual to a more appropriate manual. Ms. Anosan reiterated that the Secretariat is mandated to conduct an assessment report on urgent amendments, as specified on the WESM Rules Change Manual<sup>2</sup>.

Section 7.4 (f) of the WESM Rules Change Manual:

“xxx

*After one (1) billing period but no later than ninety (90) calendar days from the PEM Board's approval, the Market Assessment Group shall prepare and submit to the Rules Change Committee, copy furnished the PEM Board and the DOE, an assessment report on the implementation of the approved urgent amendments.*

xxx”

<sup>2</sup> [WESM Rules Change Manual](#)



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### Agreements:

- The Secretariat to send similar report or presentations to the RCC three (3) days prior to the RCC meeting and provide a copy of the report being discussed, for possible discussion by the RCC.
- In the assessment report, include cost implications in the study (i.e. WESM settlement prices) and identify observations at plant level, e.g. frequency of RTD schedules below Pmin

### Proceedings on the Draft RCC Resolution:

The RCC agreed to proceed with the review of the draft resolution of the proposal, notwithstanding the aforementioned RCC directives regarding the assessment report.

Ms. Bisnar presented the draft RCC Resolution 2025-01: *Proposed General Amendments to the WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load*, highlighting the respective timelines related to the approval and posting of the proposal, details of the comments received, deliberations done during the 242<sup>nd</sup> RCC (Regular) Meeting, and the approval of the RCC on the further revisions to the proposal as discussed during the same meeting. Ms. Bisnar also discussed the need to request for the extension of the effectivity of the urgent amendment, as its expiration is on 25 April 2025.

In consideration of the additional comments received and the email exchanges regarding the proposal, the RCC discussed the specific concerns related to the wordings of the matrix, particularly the following:

1. Section 11.4.4 (a) sub-item (i), correctness of the phrase "the generator is currently running and is being dispatched"
2. The consideration of start-up and shut-down operations, whether it applies to sub-item (i) only or both sub-items (i) and (ii)

### Agreements:

- The RCC approved the proposal, as amended; including the new definition of "in service", and additional consideration of start-up and shut-down operations in Section 11.4.4 (a) for generating plants that are in service and offline.
- RCC approved the extension of effectivity of the urgent amendments for another 6 months.
- The Secretariat will provide the revised resolution.



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## 6.1 Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions

- Presenter/s: Ms. Kassandra Fleur Elaine D. Parnacio (Proponent – ECO)
- Action Requested: For deliberation and approval
- Material/s: Annex A – Implementation Status Report Presentation Material  
Annex B – Matrix of the Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions Proposed Amendments

Ms. Cassandra Fleur Elaine D. Parnacio (Proponent – ECO) presented the timeline of events related to the Reserve Market, noting that prior the creation of the WESM Manual on Ancillary Services Monitoring (ASMM)<sup>3</sup>, the market operated under a set of provisional guidelines, including the Supplemental Operating Guidelines for the Commercial Operations of the Reserve Market issued by the DOE. During this interim phase, ECO conducted simulations and series of coordination meetings with the Market Operator (MO) and the SO, which revealed gaps in the monitoring and enforcement mechanisms. These findings led to a series of refinements to the compliance framework.

Upon resumption of the commercial operations of the Reserve Market on 05 August 2024 and effectivity of the ASMM, ECO is mandated to conduct the compliance monitoring of ASPs relative to Reserve Offer Compliance (ROC) and the Reserve Conformance Standards (RCS). To ensure more efficient and effective compliance and enforcement proceedings, the ASMM has undergone two urgent amendments.

<b>Urgent Amendments on ASMM</b>	<b>Date of Effectivity</b>
WESM Manual on Ancillary Services Monitoring Issue 1.1	30 August 2024
WESM Manual on Ancillary Services Monitoring Issue 1.2	12 December 2024

ASMM Issue 1.2 superseded the provisions and the RCC's general amendment deliberations of the earlier version. It includes five (5) major changes as follows:

1. Reference for Rated Capacity
2. Consideration to be a frequency-driven event (FDE)
3. Additional tolerance for FDE

<sup>3</sup> WESM Manual on Ancillary Services Monitoring

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4. Capping of Expected MW Response to Reserve Schedule
5. Single Reserve Amount Adjustment

Regarding the implementation of ASMM Issue 1.2, Ms. Parnacio provided the following updates:

Area of Implementation	Remarks
On Additional Technical Considerations in Monitoring Response Accuracy on Governor Control Mode (GCM) <b>(Sec. 5.6.2)</b>	<p>The monitoring tool has been operating smoothly and is able to flag potential breaches based on the revised formula outlined in ASMM 1.1 and additional technical considerations specified in ASMM 1.2. These enhancements ensure that compliance monitoring is accurate, effective, and consistent with the current rules. No issues encountered during implementation</p> <p>Status: Implemented</p>
Revisions in the Timeline and Procedure	<p>First RCS Non-Compliance List utilizing the single-layer settlement deduction or adjustment was applied to the November 2024 Billing Period</p> <p>Final RCS Results: Submitted to IEMOP on 24 January 2025 for Reserve Trading Amount (RTA) Adjustments <b>through a single settlement deduction.</b></p> <p>Status: Implemented</p>

Ms. Parnacio then proceeded to discuss the General Observations:

Area of Implementation	Remarks
Breach Count	<p>A notable decrease in breach findings has been observed, which can be attributed to the following:</p> <ol style="list-style-type: none"> <li>1. The revised formula has improved the assessment process and implemented fairer parameters</li> <li>2. Market participants have gained familiarity with the compliance rules over the past 6 months since the RM's resumption, leading to better compliance.</li> <li>3. ASPs have been proactive in submitting explanations and full documentation, demonstrating their commitment to compliance with the ASMM.</li> <li>4. PEMC's intensive information and education campaign has effectively promoted RM Compliance among stakeholders.</li> </ol>

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Area of Implementation	Remarks
RTA Adjustments	It was observed that the number of breaches did not directly correlate with the magnitude of RTA adjustments. This discrepancy can be attributed to the significant increase in spot reserves, both in terms of reserve quantity and reserve trading prices, during the October and November 2024 billing periods

The Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions (i.e. corresponding amendments of ASM Issue 1.2) was posted in the PEMC Website on 16 December 2024 to solicit comments which ended on 03 February 2025. Comments were received from the following:

1. ACEN Corporation (ACEN)
2. Aboitiz Power Corporation (APC)
3. Millenium Energy Inc./Panasia Energy Inc. (MEI/PEI)
4. Manila Electric Company (MERALCO)
5. Market Surveillance Committee (MSC)
6. San Miguel Global Power Holdings Corp. (SMCGP)
7. SN Aboitiz Power Group (SNAP)
8. SPC Power Corporation/SPC Island Power Corporation (SPC/SIPC)

Ms. Parnacio then facilitated the line-by-line discussion on the comments, with highlights as follows:

- General Comments on RCS review and penalty imposition:

In reference to the MSC's general comments regarding the need for comprehensive testing (e.g., simulations, sensitivity analyses) to validate the robustness of the amendments and ensure that these do not lead to computational errors, misclassification of compliance statuses, or unjustified penalties, Ms. Anosan strongly suggested ECO to consider these comments as part of the regular review of the standards.

In reference to the imposition of penalty for RCS breach, APC commented that ECO should account for the technical nature of the non-compliance as an exempting circumstance and should not be an automatic consequence parallel to the "non-payment" sanction. Ms. Parnacio emphasized that with the recent lifting of the relaxation period for penalty impositions, ECO would begin assessing who should be penalized. As part of their current assessment procedure, ECO already takes technical constraints into consideration.

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- Pursuant to the proposed revisions to the definition of Reserve Amount Adjustment in Section 2.1 Definitions:

In reference to the SPC/SIPC's comment on the possibility of adding another layer of validation, such as a venue for a motion for reconsideration or notice of dispute regarding the results of the Request for Reassessment (RRA), Ms. Parnacio provided the following clarifications:

- Pursuant to ASMM Section 7.6.8, once a reassessment has been conducted on RCS findings in response to the filing of RRA, no further requests for reconsideration or appeal will be entertained.

*"Section 7.6.8: No request for reconsideration or appeal of the findings concerning compliance with the Reserve Conformance Standards shall be filed with, or entertained by, the Enforcement and Compliance Office"*

- Allowing a request for reconsideration would result to 30 to 40 days delay in implementing the Reserve Trading Amount (RTA) Adjustment. Furthermore, A reversion to the two-layer settlement mechanism, will undermine the streamlined process introduced in the recent urgent ASMM amendment
- The subject provision (Sec. 2.1 [k]) pertains to a definition of terms, whereas the recommendation is procedural in nature. Therefore, alternatively suggesting placing the proposed revision in Section 7.5.2, instead.
- ECO proposes incorporating a final review process, where ECO and the Ancillary Service Provider (ASP) jointly review the results prior to release of the RRA results.

Mr. Richard O. Arcenal (Commenter – SPC/SIPC) sought clarification on the connotation of the specifics of the term WESM, asking if it encompasses the Energy, Renewable, and Reserve markets as whole. He also suggested to further study or test the proposed revision, as there may be concerns regarding the deadlines. Ms. Anosan emphasized that the provision in question is purely for definition and concerns regarding the timeline will be discussed separately in the relevant section.

- On Section 5.2.1, which provides the data and reports from the System Operator:

In reference to MEI/PEI's comment requesting clarification why the Market Operator is the source of data for the generation mode of operation, deadband settings and speed droop characteristic when these data are submitted by the Ancillary Services Providers (ASPs) to the System Operator,<sup>4</sup> Ms. Parnacio clarified that the mode of operation data is one of the

<sup>4</sup> In accordance with Section 3.4.1, which states- "Ancillary Services Providers shall submit to the System Operator the following real-time data for purposes of monitoring compliance with the Reserve Conformance Standards."

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inputs provided by the ASPs via the Market Management System (MMS) during the reserve offer submission process. As part of the data exchange protocol, the MO will submit reserve market data, including mode of operation data, to PEMC.

Mr. Claudio reiterated that the owner of the data is still the SO. Any discrepancies or inconsistencies, the SO can confirm such concerns. Mr. Paolo C. Alegre ECO further explained that ECO's reference for the speed droop characteristics and dead band settings are from the AS Certifications which are issued by the SO. Even if those data, as stipulated on Section 3.4.1, are submitted to the SO, it is the SO that will provide the data to the MO, which will then relay said data to ECO through the data exchange protocol.

- On Section 5.3.3, which provides requirements for regulating reserves:

In reference to MEI/PEI's comment, the RCC approved the proposed revision on the WESM Manual on Dispatch Protocol

Original Provision	Proposed Modification
Section 15.6 Deadband Settings	Section 15.6 Deadband Settings <b>for GCM</b>

- On Section 5.3.5, which describes breaches to RCS for regulating reserves:

In reference to the MERALCO's comments, Mr. Morales sought further clarification on the basis of the standards used by the SO in monitoring reserve facilities under Automatic Generation Control (AGC), as well as the practice of incorporating rules from established standard practices. Ms. Parnacio clarified, with Mr. Ortiz concurring, that it is consistent with the standard practice by the SO in Ancillary Service (AS) testing and in monitoring its contracted reserve facilities. This practice aligns with the Philippine Grid Code (PGC). Ms. Anosan added that the values used are based on actual implementation and aim to provide a numerical interpretation of the current practice, making it measurable. Mr. Alegre further explained that ECO adopted the same metrics with the SO for two reasons: First, for practicality, as the SO has already tested the same Ancillary Service Facilities; and second, because these metrics reflect outcomes of the series of coordination meetings between ECO, the MO, and the SO, ensuring that the ASPs are measured based on the parameters for which they have been tested and certified.

In reference to the APC's comments, Mr. Alegre clarified that further studies should be conducted to verify the impact of changing the threshold of the standard on the available

- 
- a. Generator mode of operations  
 b. Dead band setting  
 c. Speed droop characteristic



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capacity. He acknowledged the possibility for the threshold to be made stricter based on these studies.

- On Section 5.4.4, which provides RCS for contingency reserves:

Mr. Claudio sought clarification regarding the revised deadband setting for Contingency Reserve (CR), specifically whether the range of -0.15 Hz to -0.30 Hz is inclusive of the extremes or if it lies strictly between the two limits. He noted that if the extremes are included, there would be an overlap with the current deadband settings of Regulating Reserve (RR), which is 0Hz to +/- 0.15 Hz. Mr. Alegre agreed that this is also a point of clarification for ECO since according to the WESM Manual on Dispatch Protocol<sup>5</sup> the deadband settings for CR are defined as being between the two limits. Mr. Alegre also added that Section 5.8 of ASMM introduces an additional parameter of “as per certification,” meaning that the ASPs are measured according to the certified settings. Based on ECO’s experience, there are ASPs whose deadband setting is certified as -0.15 Hz.

For Contingency Reserves	
Deadband Setting on GCM	<u>-0.15 - 0.15 Hz to - 0.30 Hz or as per certification</u>

Mr. Ortiz concurred that the overlap between the deadband settings of CR and RR is not an issue. He also confirmed that the settings are inclusive of the extremes and the determining factor is the certified settings.

- On Section 5.5.3, which provides the RCS for dispatchable reserves:

In reference to the APC’s comments, Mr. Jayson A. Francisco (Commenter – APC) further clarified that the focus of their comment was on the sustained dispatch duration of Dispatchable Reserves (DR). The concern is ensuring the DR do not remain online longer than necessary to prioritize the efficiency and appropriateness of the dispatch utilization over time. Mr. Francisco emphasized that they are not against the nature of the DR but rather the need to balance the rapid response requirement with the efficient utilization. Mr. Alegre reiterated that the RCS prioritizes rapid response to frequency deviations in the grid to ensure grid stability. Given the time-sensitive nature of grid stability requirements, the RCS takes precedence over the DCS.

- On Section 5.5.4, which requires dispatchable reserves to comply with SO real-time dispatch instructions:

In reference to the SNAP’s comment, Ms. Anosan sought clarification on the assumption that once a DR facility becomes non-dispatchable in real-time or is unable to deliver the required

<sup>5</sup> [WESM Manual on Dispatch Protocol](#)



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MW capacity due to an outage or other causes of unavailability, it presupposes that it was also unavailable in the prior intervals (while it was offline). Mr. Alegre noted that this practice aligns with the current approach of the SO in their contracted reserves. Mr. Ortiz explained that the SO's rationale is that DR providers must always be available when called upon, and any failure to meet that expectation constitutes a failure to deliver the intended service.

In reference to the SPC/SIPC's comment, Mr. Arcenal sought clarification regarding a scenario where a plant was given an RTD but could not deliver due to constraints, meaning the plant was given the opportunity to generate. He wanted to know how the assessment would be conducted on that scenario. Ms. Parnacio clarified that this scenario is already addressed in Section 5.5.3 of the ASMM, which provides guidelines for handling active or varying instructions issued by the SO. Mr. Arcenal further asked if the intervals prior to the unsuccessful delivery of power would still be paid in cases where there was no RTD or Reserve Dispatch Schedule (RDS). Ms. Anosan and Ms. Parnacio confirmed that the proposed wording in the document covers such scenario, allowing facilities to provide proof (e.g., logbooks containing the details of the outage) to justify their case.

Ms. Anosan pointed out that the overall comments aim at introducing an additional criterion to limit the application of the presumption. Mr. Alegre suggested that ECO can issue a Compliance Bulletin and submit a revised provisions to address concerns raised by ASPs.

- On Section 5.6.2 (Measuring Reserve Response Compliance of Generators on Governor Control Mode):

In reference to the SMCGP's comments, Mr. Rolando P. Ponsica Jr. (Commenter – SMCGP) raised a concern in relation to the accuracy of their plant meter, noting a discrepancy with the frequency meter used by the SO. Mr. Ortiz acknowledged the concern and clarified that ECO's reference for compliance is based on the meter from the SO. Ms. Anosan addressed the issue by suggesting that ECO could consider SMCGP's concern regarding the standardization of frequency deviation at 0.02 Hz. She also mentioned that ECO could gather more information from the metering services provider to further address the discrepancy and ensure accuracy in the measurement process.

### Agreements:

The RCC agreed to continue the deliberations in the next RCC meeting, starting from Section 5.6.2 and on the comments of SMCGP regarding the concern about deviations in the accuracy of the plant meters and the discrepancies between the SO's frequency meter.

## 6.2 Proposed General Amendments to the WESM Manual on Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report

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- Presenter/s: Ms. Divine Gayle C. Cruz (Secretariat), Mr. Ermelindo R. Bugaoisan Jr. (Proponent-NGCP), and Mr. Christian J. Del Rosario (Proponent-NGCP)
- Action Requested: For discuss and approval for publication on the PEMC Website
- Material/s: Annex C – Presentation Material of the Proposed General Amendments to the WESM Manual on Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report  
 Annex D – Matrix of the Proposed General Amendments to the WESM Manual on Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report

### Proceedings:

Mr. Ermelindo R. Bugaoisan, Jr. (Proponent-NGCP) and Mr. Christian J. Del Rosario (Proponent-NGCP) presented NGCP's proposal to the WESM Manual on Dispatch Protocol (DPM) regarding enhancements to the validation process of reported discrepancies in the Dispatch Instruction Report (DIR). Their main points included:

- The rationale for the proposal, which stems from the requests for revalidation received from generating plants after the DIR had already been published.
- The proposal suggests updating and adding provisions in Section 14.4.9 and Section 17.5.3 of the DPM to provide the SO an additional seven (7) working days for the revalidation of discrepancy claims.

Mr. Bugaoisan, Jr. explained that the request for revalidation would go through the MO, following the normal validation process, where trading participants could provide additional justification or supporting information. This would ensure transparency and a clear process for resolving any discrepancies.

Mr. Kristoffer Monico S. Ng (Market Operator) sought clarification on the standards the MO would use to determine if the revalidation request has merit. Mr. Bugaoisan Jr. affirmed that the process is within the scope of the MO. Furthermore, Mr. Ng sought confirmation if the intention is for the MO to consider the submitted discrepancies by the Generator as valid if it has not received any validation from the SO within the prescribed timeline, both during the initial validation and revalidation of the discrepancies from trading participant. Mr. Bugaoisan affirmed the comment.

Ms. Divine Gayle C. Cruz (Secretariat) presented the Secretariat's Preliminary Assessment on the proposed amendments, highlighting clarifications to the SO and the Market Operator, revision of other section of the DPM for consistency, and the potential need to revise other provisions of the WESM Rules and WESM Dispute Resolution Manual to ensure consistency with the proposed changes. Additionally, Ms. Cruz also discussed the possible consideration of extending the validation period from two (2) weeks to fifteen (15) days, instead of implementing a 2<sup>nd</sup> validation (revalidation) period that extends the process to approximately 42 working days or 2 months, as proposed.

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### Agreements:

- The Secretariat shall provide NGCP with copy of the Preliminary Assessment
- The RCC approved posting the proposal in the PEMC website, as submitted for commenting of WESM Members and stakeholders.

## 7.0 New Business

### 7.1 RCC Membership Updates

- Presenter/s: Ms. Andrea J. Mendiola (PEMC-Legal)
- Action Requested: For information
- Material/s: Annex E – 243<sup>rd</sup> RCC Meeting Presentation Material

### Proceedings:

Ms. Andrea J. Mendiola (PEMC-Legal) provided the following updates on the appointment of RCC Members and related PEM Board directives on the appointment of alternate members.

REAPPOINTED PRINCIPAL MEMBERS			
MEMBER	SECTOR	TERM	PERIOD
Atty. Jesusito Morillos	Independent	2 <sup>nd</sup>	01 March 2025 to 28 February 2028
Mr. Virgilio Fortich, Jr.	Distribution	3 <sup>rd</sup>	
Mr. Dixie Anthony Banzon	Generation	3 <sup>rd</sup>	

NEW APPOINTMENT: PRINCIPAL MEMBERS			
MEMBER	SECTOR	TERM	PERIOD
Atty. Jayson Francisco (to replace Ms. Cherry Javier)	Generation	1 <sup>st</sup>	01 March 2025 to 28 February 2028

Ms. Mendiola updated that the PEM Board has decided to streamline the process for appointing Alternate Members, wherein the appointment of Alternate members will no longer require decision from the PEM Board; instead, it will be left to the discretion of the Committee Chairperson. The following alternate members will be officially endorsed to the RCC Chairperson, for approval and appropriate action:

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ALTERNATE MEMBERS (FOR CONFIRMATION OF RCC CHAIRPERSON)			
MEMBER	SECTOR	TERM	PERIOD
<b>Mr. Getulio Zamoras Crodua</b>	<b>Distribution</b> Alternate of Mr. Virgilio Fortich	2 <sup>nd</sup> (co-term)	01 March 2025 to 28 February 2028
<b>Atty. Charm Krizzia Medina</b> (to replace Ms. Angeli Abad Parcia; former alternate of Ms. Cherry Javier)	<b>Generation</b> Alternate of Atty. Jayson Francisco	1 <sup>st</sup> (co-term)	
<b>Mr. Michael Valer Mariano</b> (SMCGP; to replace Ms. Rose Ann Alfaro; resigned alternate of Mr. Dixie Banzon)	<b>Generation</b> Alternate of Mr. Dixie Banzon	3 <sup>rd</sup> (co-term)	
<b>Mr. Bryan Alvin Calasanz</b> (Team Energy; to replace Mr. Dennis Paragas; resigned alternate of Ms. Gian Karla Gutierrez)	<b>Supply</b> Alternate of Ms. Gian Karla Gutierrez	(co-term)	Until 28 March 2026

### Agreements:

- The PEMC-Legal shall email the copy of the signed appointment letters for the reappointed Principal Members and create a memorandum with the endorsement of the Alternate Member Nominees for the confirmation of their appointment.
- The RCC noted the updates

### 7.2 Update on Proposed Amendments

- Presenter/s: Mr. John Eisendel M. Labay (Secretariat)
- Action Requested: For information
- Material/s: Annex E – 243<sup>rd</sup> RCC Meeting Presentation Material

### Proceedings:

Mr. Labay provided the following status updates on the proposals:

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Status	Topic
Proposed Amendments awaiting DOE's approval	<ol style="list-style-type: none"> <li>1. Interruptible Load Program</li> <li>2. Enforcement and Compliance Manual in alignment with Penalty Manual</li> <li>3. Rules Change Process</li> </ol>
General Amendments under RCC Evaluation or Finalization	<ol style="list-style-type: none"> <li>1. Dispatch Schedules below Minimum Stable Load</li> <li>2. Further revision to the Urgent Amendment to the Ancillary Service Monitoring Manual</li> <li>3. Must Offer Rule (MOR)</li> <li>4. Validation Process of Reported Discrepancies in the Dispatch Instruction Report (DIR)</li> </ol>
Urgent Amendment approved by the PEM Board	<ol style="list-style-type: none"> <li>1. Dispatch Schedules below Minimum Stable Load</li> <li>2. Further revisions to the Urgent Amendment on Ancillary Services Monitoring Manual</li> </ol>
Deferred	<ol style="list-style-type: none"> <li>1. Energy Storage System (ESS) – <i>pending issuance of ERC Rules on ESS</i></li> <li>2. <i>No Outstanding Balance</i></li> <li>3. <i>Electric Retail Aggregation Program</i></li> </ol>

### Agreements:

The RCC noted the updates.

### 7.3 DOE Updates

There are no updates from the DOE, as communicated by the DOE Observers via Viber

### 7.4 Schedule of Activities

- Presenter/s: Mr. John Eisendel M. Labay (Secretariat)
- Action Requested: For information
- Material/s: Annex E – 243<sup>rd</sup> RCC Meeting Presentation Material

### Proceedings:

Mr. Labay informed the body about the schedule of activities, as follows:

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Activity	Date
RCC Meetings	21 March 2025 18 April 2025 16 May 2025
BRC Meeting	17 February 2025 – no RCC agenda 17 March 2025 (Tentative)
PEM Board Meetings	26 February 2025 – no RCC agenda 26 March 2025 (Tentative)

Agreements:

The RCC noted the information.

**8.0 Adjournment**

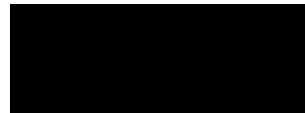
The meeting was adjourned at 03:05 PM.

Prepared by:



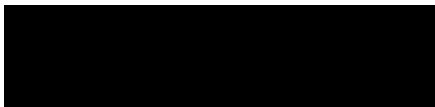
JOHN EISENDEL M. LABAY  
 Rules Review Specialist  
 Market Assessment Group

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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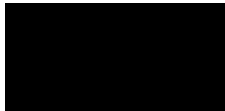
Approved by:



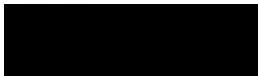
RACHEL ANGELA P. ANOSAN  
 Chairperson, Independent



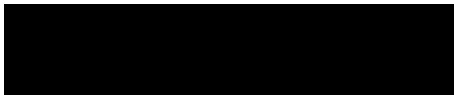
JORDAN REL C. ORILLAZA  
 Member, Independent



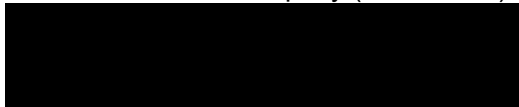
DIXIE ANTHONY R. BANZON  
 Member, Generation Sector  
 Masinloc Power Partners Co. Ltd. (MPPCL)



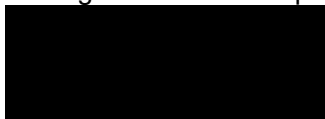
CARLITO C. CLAUDIO  
 Member, Generation Sector  
 Millennium Energy, Inc./Panasia Energy, Inc.  
 (MEI/PEI)



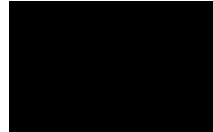
RYAN S. MORALES  
 Member, Distribution Sector  
 Manila Electric Company (MERALCO)



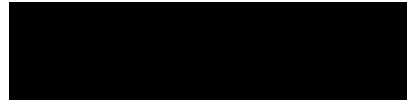
RUSSEL S. ALABADO  
 Member, Distribution Sector  
 Angeles Electric Corporation (AEC)



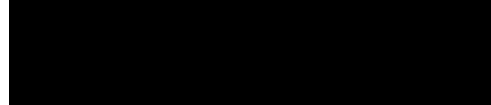
GIAN KARLA C. GUTIERREZ  
 Member, Supply Sector  
 First Gen Corporation (FGEN)



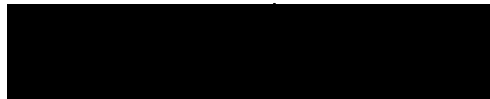
JESUSITO G. MORALLOS  
 Member, Independent



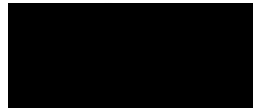
EMMANUEL GENESIS T. ANDAL  
 Member, Independent



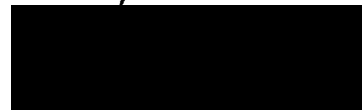
CHERRY A. JAVIER  
 Member, Generation Sector  
 Aboitiz Power Corp. (APC)



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



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



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



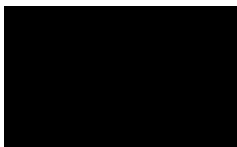
(Attended by: Kristoffer S. Ng (Alternate Member))  
 ISIDRO E. CACHO, JR.  
 Member, Market Operator  
 Independent Electricity Market Operator of the  
 Philippines (IEMOP)





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




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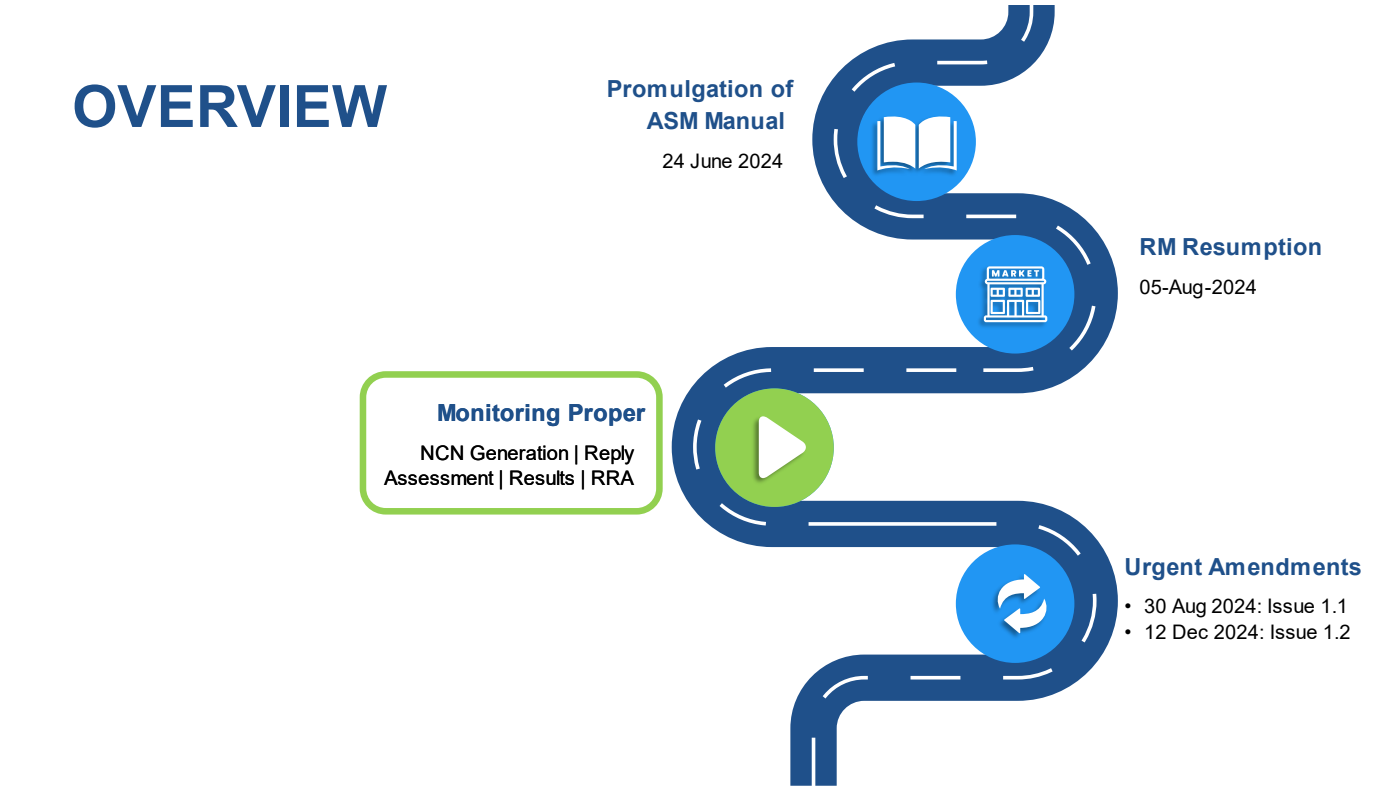
ANNEX A – Implementation Status Report Presentation Material



# IMPLEMENTATION STATUS REPORT

ASM Manual 1.2

21 February 2025 | RCC Regular Meeting | MS Teams



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## ANNEX A – Implementation Status Report Presentation Material

## SUMMARY OF CHANGES IN ASM MANUAL

EFFECTIVE 12-DEC-2024



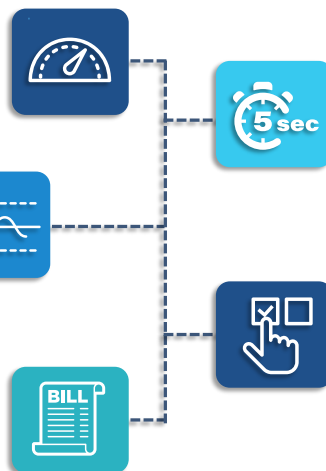
Reference could be either (a) the WESM registration records or (b) capacity as tested during A/S certification. The latter shall prevail in case of discrepancy.

### Additional Tolerance for FDE

An event is considered FDE if the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for BESS.

### Single Reserve Amount Adjustment

Settlement adjustments by IEMOP (for breach of RCS) will be made only after the RRA is completed or the period for RRA has lapsed.



### Short-lived events – not considered FDE

An event is considered FDE if the event lasts for more than 5 seconds

### Capping Expected MW Response to Reserve Schedule

If *Expected MW Response Capacity* > *Reserve Schedule*, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to System Operator's re-dispatch instructions

SUBJECT OF RULE AMENDMENT	IMPLEMENTATION UPDATES
<p>1. On Additional Technical Considerations in Monitoring Response Accuracy on GCM (Sec. 5.6.2)</p> <div> <math display="block">\text{Static Gain} = \frac{\text{Rated Capacity}}{\text{Droop Setting} \times \text{Nominal Frequency}} \times 100\%</math> </div> <p>For purposes of computing static gain, the determination of rated capacity shall be established by reference to:</p> <p>(a) the rated capacity as appearing in <u>WESM registration records</u> or</p> <p>(b) the declared capacity from which the reserve facility <u>was tested</u> during the ancillary services certification.</p> <p>In the event of any discrepancy, <b>the latter shall prevail</b> for this purpose.</p>	<ul style="list-style-type: none"> <li>ECO obtained an official list from the System Operator of the declared rated capacities used for purposes of A/S certification / test</li> <li>ECO also received documentation from certain ASPs verifying the rated capacities employed for A/S certification and testing</li> <li>The monitoring tool has already taken into account these validated rated capacity references in computing the static gain.</li> <li>Status: IMPLEMENTED</li> </ul>



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SUBJECT OF RULE AMENDMENT	IMPLEMENTATION UPDATES
1. On Additional Technical Considerations in Monitoring Response Accuracy on GCM (Sec. 5.6.2)	
<p>The event will qualify as <b>Frequency-Driven Event</b>, for this purpose, if:</p> <p>a) The event lasts for <b>more than five (5) seconds</b></p> <p>b) The frequency deviation exceeds the deadband setting by <b>0.02 Hz</b> for conventional generating units and <b>0.01 Hz</b> for battery energy storage systems.</p>	<ul style="list-style-type: none"><li>Conventional power plants and BESS have been adhering to the revised frequency deviation (deadband setting of 0.02 Hz for conventional generating units and 0.01 Hz for BESS) and capping guidelines.</li><li>The monitoring tool has been operating smoothly, flagging potential breaches <b>based on the revised formula</b> outlined in ASM 1.1 and additional technical considerations specified in ASM 1.2. These enhancements ensure that our compliance monitoring is accurate, effective, and consistent with the current rules. No issues encountered during implementation.</li><li>The scenarios envisioned in these rules <b>actually occurred</b> during the billing periods following the rule's effectivity, thereby requiring their application.</li><li>Status: IMPLEMENTED</li></ul>
<div><div><math display="block">\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%</math></div><p>"In cases where the Expected MW Response Capacity, as calculated based on the formula, <b>exceeds the Reserve Schedule</b>, reserve facilities are authorized to operate <b>within their scheduled reserves for ancillary service provision</b>, subject to <i>System Operator's</i> re-dispatch instructions<sup>13</sup>. In such instances, the <i>System Operator</i> shall include details of re-dispatch instructions in its dispatch instruction report."</p></div>	



ILLUSTRATION					
Certified Capacity	Reserve Schedule	Actual MW Response	Expected Response	Response Accuracy % 1	Response Accuracy % 2
30	10	25	50	50%	250%

Response Accuracy % 1:

= (25 / 50) × 100 = **50%**

Response Accuracy % 2:

(Capping the Expected MW Response Capacity to Reserve Schedule)

= (25 / 10) × 100 = **250%**



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SUBJECT OF RULE AMENDMENT	IMPLEMENTATION UPDATES
2. Revisions in the Timeline and Procedure	
a) The RCS results are no longer sent to the System Operator for any feedback or confirmation of the results or findings and no more consolidation of findings of ECO and SO, if any. <i>(Deletion of 7.2.3 and 7.2.4 in ASMM 1.1)</i>	<ul style="list-style-type: none"><li>The SO did not submit its own results for ECO's consolidation, and no feedback or confirmation was received on the RCS results throughout the monitoring period.</li><li>The removal of this responsibility has resulted in a more efficient and simplified monitoring process.</li></ul> Status: IMPLEMENTED
b) Additional data to be provided by the Market Operator and System Operator <ul style="list-style-type: none"><li>Rated Capacity (Based on declared/tested capacity) – to be provided by the System Operator as necessary</li><li>Final RBCQ – to be provided by the Market Operator every 15<sup>th</sup> of the following month</li></ul> Ref: Sec. 5.2.1 of ASMM 1.2 (Summary Table)	<ul style="list-style-type: none"><li>On 06 December 2024, the SO furnished the list of rated capacities utilized for A/S certification testing of reserve facilities.</li><li>The Final RBCQ is regularly transmitted by MO.</li><li>Although some delays in transmission were observed, these were promptly communicated to the SO and resolved within the monitoring period.</li></ul> Status: IMPLEMENTED

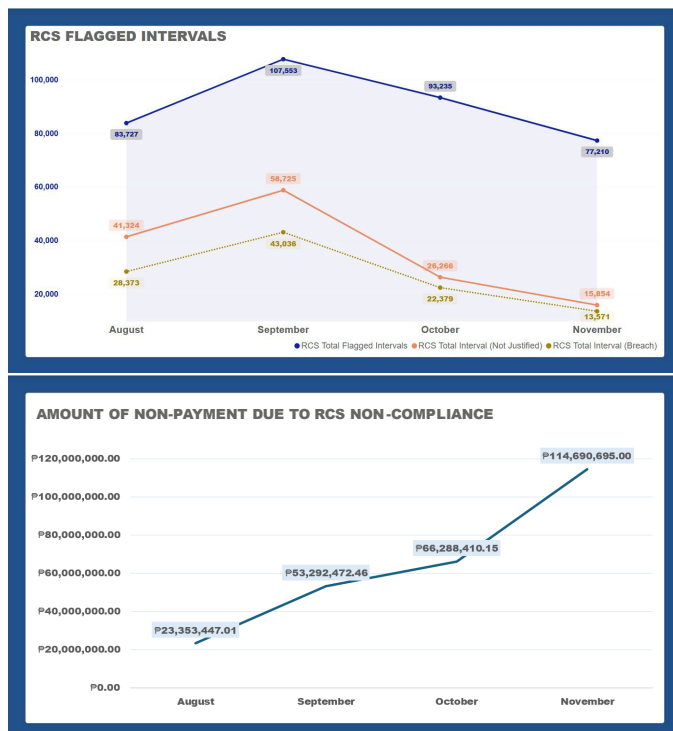
SUBJECT OF RULE AMENDMENT	IMPLEMENTATION UPDATES
2. Revisions in the Timeline and Procedure	
c) Single Reserve Amount Adjustment	<p>Following the implementation of the revised rules on RTA Adjustments (effective 12DEC-2024), the first RCS Non-Compliance List utilizing the <b>single-layer settlement deduction or adjustment</b> was applied to the November 2024 Billing Period.</p> <p>Key milestones for the <b>November 2024 Billing Period</b> include:</p> <ul style="list-style-type: none"><li>Initial RCS Results: Released by ECO on 02 January 2025, <b>with no deductions or adjustments applied yet.</b></li><li>RRA Filing: Accepted until 12 January 2025.</li><li>Final RCS Results: Submitted to IEMOP on 24 January 2025 for RTA Adjustments <b>through a single settlement deduction.</b></li><li>RTA Adjustments: Reflected by the IEMOP in the <b>Preliminary Settlement Statements</b> issued on 01 February 2025.</li></ul> Status: IMPLEMENTED

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### ANNEX A – Implementation Status Report Presentation Material

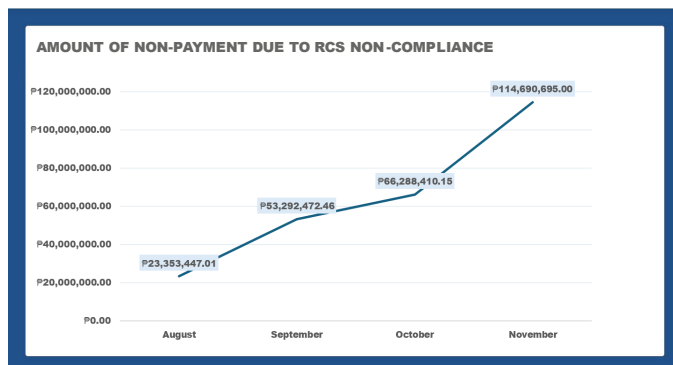


#### General Observations

**Breach Count.** A notable decrease in breach findings has been observed, which can be attributed to several factors:

- The revised formula has **improved the assessment process** and implemented **fairer parameters**, ensuring a more accurate and equitable evaluation of compliance.
- Market participants have gained **familiarity** with the compliance rules over the past 6 months since the RM's resumption, leading to better compliance.
- ASPs have been **proactive** in submitting explanations and full documentation, demonstrating their commitment to compliance with the ASMM.
- PEMC's **intensive information and education campaign** has effectively promoted RM Compliance among stakeholders.

**RTA Adjustments.** It was observed that the number of breaches did not directly correlate with the magnitude of RTA adjustments. This discrepancy can be attributed to the significant increase in spot reserves, both in terms of **reserve quantity** and **reserve trading prices**, during the October and November 2024 billing periods.

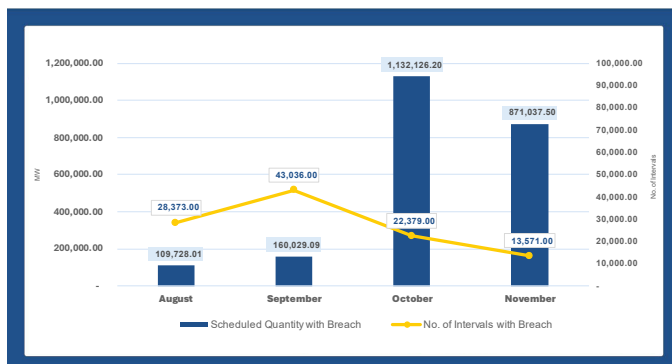


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#### REQUESTED ACTION

FOR INFORMATION

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The graphic features a hand holding a smartphone with a blue screen displaying a white electrical plug icon. The background is a light gray with a large yellow diagonal stripe. The PEMC logo is in the top right corner. The text 'Connect with PEMC' is prominently displayed in the center-right. At the bottom, contact information is provided for email, phone, and location, along with social media links for Facebook, LinkedIn, Twitter, and YouTube.

**Connect with  
PEMC**

pemc.info@wesm.ph +63 2 8631 8734 18F Robinsons Equitable Tower, ADB Avenue  
Ortigas Center, Pasig City 1600, Philippines

pemcinfo pemcinfo PEMC\_Info PEMC Info

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ANNEX B – MATRIX OF THE PROPOSED REVISION TO URGENT AMENDMENTS TO THE ANCILLARY SERVICES MONITORING MANUAL REGARDING RESERVE CONFORMANCE STANDARDS AND RELATED ENFORCEMENT ACTIONS

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WESM Manual on ASM Issue 1.1								
Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment <sup>6</sup> (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent's Response	RCC Decision
<p><b><u>MSC:</u></b></p> <p>The MSC notes that the proposed amendments are running smoothly as per report by PEMC – Enforcement and Compliance Department. Furthermore, there is also an assurance that the proposed standards / metrics in the proposals are consistent with the Philippine Grid Code. With this, the MSC poses no objection to the proposal.</p> <p>While the proposed formulas and assumptions appear sound, the MSC strongly recommends conducting comprehensive testing (e.g., simulations, sensitivity analyses) under current market conditions to validate their robustness. This step is critical to ensuring the amendments do not inadvertently result in computational errors, misclassification of compliance statuses, or unjustified penalties.</p>							<p>ECO:</p> <p>We acknowledge the importance of conducting comprehensive testing, including simulations or further studies. The metrics and standards are aligned with and adopted from the System Operator's practices for monitoring its contracted reserves, ensuring consistency with established protocols for Grid Operations.</p> <p>Our current in-house flagging tool strictly adheres to the outlined formulas in the ASMM, and we have received no feedback from the Ancillary Services Providers (ASPs) regarding any discrepancies or erroneous flagging results.</p>	<p>RCC's suggestion to consider the comments of the MSC regarding the regular review of the RCS standards.</p>

<sup>6</sup> Mark-ups in black – proposed amendments approved in August 2024 (ORCP-WM-24-06); mark-ups in blue – proposed amendments approved in December 2024 (ORCP-WM-24-06B)  
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							Additionally, a new and enhanced system, CPEMS 1.1, is being developed to streamline compliance monitoring processes, including flagging, communication with ASP, and penalty calculations, through a web interface, and reinforce/further ensure accuracy in flagging.	
<p><b><u>APC:</u></b></p> <p><b>General query:</b> Will this be applied retroactively? Will these proposed regulations be applied to batteries that already exist?</p> <p><b>General comment:</b> The imposition of “penalty” for RCS breach should still consider the technical nature of the non-compliance as an exempting circumstance and should not be an automatic consequence parallel to the “non-payment” sanction. While we understand that PEMC does not consider the technical circumstances experienced by the Ancillary Services Provider (ASP) in the “non-payment” sanction because the very nature of compensating the ASPs is its availability, we strongly believe that the “penalty” portion of the RCS breach should not be evaluated using the same parameter for non-payment.</p> <p>If this practice of using the same parameters persists, during periods of unavailability, an ASP will be subjected to non-payment. The facility will not receive compensation, which is reasonable under these circumstances. However, if the very reason for this unavailability is due to technical issues beyond the control of the ASP, in the very same dispatch intervals, this uncompensated ASP will still be subjected to another deduction in the form of penalty under a different compliance parameter. In effect, this will result in negative net receivables against the ASP, which is patently unfair.</p>							ECO:  The urgent amendments to ASMM 1.2 came into effect on 12 December 2024, and are generally applied prospectively, unless explicitly stated otherwise in the Manual. The Manual does not contain any retroactive provisions.  Regarding the general comment on imposition of penalties for breaches of the Reserve Conformance Standards (RCS), we	



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We maintain that the technical nature of the non-compliance should be an exempting circumstance. Penalties should not be automatic and must only be imposed if the unavailability is due to error or negligence on the part of the ASP.							recognize that there may be instances where technical constraints, which are unforeseen and beyond the control of the unit, may lead to non-delivery of ancillary services. In such cases, while non-payment of RTA may still be warranted due to non-delivery of reserves, imposing penalties may not be reasonable in certain circumstances. ECO will need to assess technical constraints and penalties on a case-by-case basis to ensure fairness and impartiality.	





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				Notice of Breach based on its RCS Monitoring Results.				
Section 2 – Definition, References, and Interpretation  2.1 Definitions	g. Enforcement Related Notices -	Notice of Reserve Amount Adjustment –  A notice issued by the <i>WESM Governance Arm</i> to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> that serves as a directive to, and basis of the <i>Market Operator</i> to cause the revision or adjustment in the settlement statement on account of the findings of the <i>Enforcement and Compliance Office</i> concerning compliance with the <i>Reserve Conformance Standards</i> .	<del>Notice of Reserve Amount Adjustment –</del>  <del>A notice issued by the <i>WESM Governance Arm</i> to the <i>Market Operator</i>, the <i>System Operator</i>, and the <i>Ancillary Services Provider</i> that serves as a directive to, and basis of the <i>Market Operator</i> to cause the revision or adjustment in the settlement statement on account of the findings of the <i>Enforcement and Compliance Office</i> concerning compliance with the <i>Reserve Conformance Standards</i>.</del>	For deletion.  As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of reserve amount adjustments will be necessary after revalidation/ reassessment, as initial RCS monitoring results did not trigger any deductions.				
Section 2 – Definition, References, and Interpretation  2.1 Definitions	g. Enforcement Related Notices -	Notice of Confirmation of Breach –  A notice issued to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> by the <i>WESM Governance Arm</i> after due assessment and verification by the <i>Enforcement and Compliance Office</i> which contains confirmation of the finding/s of breach as initially flagged by the <i>Market Operator</i> .	<del>Notice of Confirmation of Breach –</del>  <del>A notice issued to the <i>Market Operator</i>, the <i>System Operator</i>, and the <i>Ancillary Services Provider</i> by the <i>WESM Governance Arm</i> after due assessment and verification by the <i>Enforcement and Compliance Office</i> which contains confirmation of the finding/s of breach as initially flagged, assessed, and reported by the <i>Enforcement and Compliance Office</i> to the <i>Market Operator</i>.</del>	For deletion.  As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of breach confirmation will be necessary after revalidation/reassessment, as initial RCS monitoring				



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				results did not trigger any deductions.				
	i.	(NEW)	<b><u>i. Rated Capacity - The full-load continuous gross capacity of a unit under the specified conditions, as calculated from the electric generator nameplate based on the rated Power Factor.</u></b>	Reference: <ul style="list-style-type: none"><li>PGC (2016 Ed.)</li><li>Resolution No. 17, Series of 2023 “A Resolution Adopting the 2023 Revised Rules for the Issuance of Certificates of Compliance (COCs) For Generation Facilities”</li></ul>				
Section 2 – Definition, References, and Interpretation  2.1 Definitions	i.	<b>i. Request for Reassessment with Notice of Claim</b> – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i> , accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.	<del>i. <b><u>Request for Reassessment</u></b> <del>with Notice of Claim</del> – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i>, accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.</del>	The proposed revision removes the phrase ‘ <i>With Notice of Claim</i> ’ since deductions are deferred until the RRA process is completed. Consequently, ASPs seeking reassessment, under the current proposal, are merely	<b><u>MEI&amp;PEI:</u></b>  Why is the requested action called “independent or separate” evaluation, validation, and assessment of the claim when the same will still be conducted by ECO as provided for in	<b><u>MEI&amp;PEI:</u></b>  <b>Request for Reassessment</b> <del>with Notice of Claim</del> – refers to a request of an Ancillary Service Provider for <del>an independent or separate</del>	ECO:  We agree to remove the words "separate" and "independent" from the definition. Historically, the definition was based on the original ASMM version, where the System Operator	Approved the proposed wordings of ECO



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			j. <del>k.</del> Reserve - xxx	requesting reconsideration of breach findings, without claiming payment adjustments or add-backs.  Renumbering due to insertion of new term	Section 7.5.1? We suggest to remove the words independent and separate.	<del>another round of</del> evaluation, validation, and assessment of its claim relative to a finding of breach of Reserve Conformance Standards, <del>accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.</del> <b><u>based on supporting data, information, records and documents that it provided to ECO.</u></b>	(SO) should provide its own assessment to the Market Operator (MO) for consolidation. The term "independent evaluation" referred to ECO's separate assessment of the SO's findings, if reassessment was requested by ASP. However, following the revisions to the ASMM, the SO's initial findings are no longer submitted to MO, thereby rendering the concept of a separate and independent review obsolete/ inapplicable.  Concur <i>with modification</i> :  <b>Request for Reassessment</b> – refers to a request of an Ancillary Service Provider for an <del>independent or separate</del> <b><u>review, re-</u></b> evaluation, <b><u>re-</u></b> validation, and <b><u>re-</u></b> assessment of its claim <del>relative to a</del> <b><u>the initial</u></b>	



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							finding of breach of <i>Reserve Conformance Standards</i> .	
Section 2 – Definition, References, and Interpretation	k.	<b>k. Reserve Amount Adjustment</b> – the amount to be debited or credited to/from a <i>WESM Member</i> as a line-item adjustment to the <i>reserve trading amount</i> in connection with the results of the monitoring and assessment of the compliance of the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i> .	<del>k</del> <b><u>I. Reserve Amount Adjustment</u></b> – the amount to be debited <del>or credited to/</del> from a <i>WESM Member</i> as a line-item adjustment to <u>or deduction from</u> the <i>reserve trading amount</i> in connection with the <u>final</u> results <u>or findings of breach</u> of the <del>monitoring and assessment of the compliance of the</del> <u><i>Reserve Conformance Standards</i></u> <del>the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i>.</del>  ↳ <b><u>m.</u></b> Reserve Conformance Standards - xxx	The term “final” is added to signify that the proceedings have completed the initial RCS monitoring and assessment, as well as any subsequent revalidation or reassessment. Only thereafter will IEMOP apply the reserve amount adjustment in the Preliminary Settlement Statement, based on the finalized results.  Renumbering due to insertion of new term.	<b><u>SPC/SIPC:</u></b>  Are the results of the Request for Reassessment can be further elevated to Motion for Reconsideration or Notice of Dispute by the Ancillary Service Providers?	<b><u>SPC/SIPC:</u></b>  <b><u>I. Reserve Amount Adjustment</u></b> – the amount to be debited <del>or credited to/</del> from a <i>WESM Member</i> as a line-item adjustment to <u>or deduction from</u> the <i>reserve trading amount</i> in connection with the <u>final</u> results <u>or findings of breach</u> of the <del>monitoring and assessment of the compliance of the</del> <u><i>Reserve Conformance Standards</i></u> <del>the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i>.</del> <u><i>which can be further subjected to Motion for Reconsideration or Notice of Dispute by the Ancillary Service Providers.</i></u>	Pursuant to ASMM Section 7.6.8, once a Reassessment has been conducted on RCS findings in response to the filing of RRA, no further requests for reconsideration or appeal will be entertained. Also, dispute resolution is a separate process, exclusively applicable to market transaction-related disputes.  Allowing the Request for Reconsideration (RR) would have the following implications: <ul style="list-style-type: none"><li>A 30-40 day delay in implementing the Reserve Trading Amount (RTA) Adjustment.</li><li>A reversion to the two-layer settlement mechanism, which could undermine the</li></ul>	RCC agreed with the proponent’s comment to retain the definition since the concern is procedural  Deliberation of the concern on the timeline will be on the correct provision

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							<p>streamlined process introduced in the recent urgent ASMM amendment.</p> <p>Counterproposal:</p> <p>We propose incorporating a final review process where ECO and the Ancillary Service Provider (ASP) jointly review the results prior to release of the RRA results.</p> <p>As the subject provision (Sec. 2.1 [k]) pertains to a definition of terms, whereas the recommendation is procedural in nature, we alternatively suggest placing the proposed revision in <b>Section 7.5.2</b>, which reads:</p> <p>“7.5.2 The <i>Enforcement and Compliance Office</i>, during verification and assessment, may also consult the <i>Market Operator</i>, the <i>System</i></p>	



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							<i>Operator</i> , or the <i>Metering Service Provider</i> , as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Ancillary Services Provider</i> . The <i>Enforcement and Compliance Office</i> shall perform the recalculation, as may be appropriate, <u>and facilitate a joint review with the <i>Ancillary Services Provider</i> of the reassessment results, prior to issuance of the final monitoring results to serve as the basis for the Reserve Trading Amount adjustments. Provided that, should no confirmation or feedback be received from the <i>Ancillary Services Provider</i> within three (3) business days from receipt of the results, the same shall be deemed confirmed, and the</u>	

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							<u>Enforcement and Compliance Office shall be authorized to submit Reserve Conformance Standards Non-Compliance List to the Market Operator pursuant to Section 7.6.7 of this Manual.”</u>	
Section 2 – Definition, References, and Interpretation  2.1 Definitions	n.	(new)	<u>n. Reserve Conformance Standards Non-Compliance List – contains a list of all intervals with breach of the Reserve Conformance Standards occurring within a specified billing period, including date and dispatch interval with breach, affected resource unit, reserve type and other relevant details pertaining to the non-compliance.</u>	To include in the “Definition of Terms” the type of report required for submission to IEMOP after considering RRA results and final RCS monitoring findings, serving as the basis for definitive one-time settlement adjustments.				
Section 2 – Definition, References, and Interpretation  2.1 Definitions		m. Reserve Facility - xxx n. Reserve Offer - xxx o. Reserve Offer Capacity Compliance - xxx p. Reserve Schedule - xxx q. WESM Reserve Market - xxx	<del>m. o.</del> Reserve Facility - xxx <del>n. p.</del> Reserve Offer - xxx <del>o. q.</del> Reserve Offer Capacity Compliance - xxx <del>p. r.</del> Reserve Schedule - xxx <del>q. s.</del> WESM Reserve Market - xxx	Renumbering of the succeeding terms in the “Definition of Terms” in view of the inserted / new defined term.				



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Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment <sup>7</sup> (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent’s Response	RCC Decision
Section 3 – Responsibilities  3.1 Market Operator	3.1.1	The <i>Market Operator</i> shall establish a procedure for the monitoring or flagging of <i>breach</i> in accordance with the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i> through the use of an appropriate facility.	The <i>Market Operator</i> shall establish a procedure for the <b><u>timely gathering and provision of available market data to the WESM Governance Arm that are necessary for the monitoring of compliance</u></b> <del>monitoring or flagging of <i>breach</i> in accordance with the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i> through the use of an appropriate facility.</del>	In reference to revision in Section 7.2 where the responsibility of flagging the probable breach is removed from MO. ECO will <u>flag</u> the breach, validate, assess, and <u>report</u> the results to MO.  MO will instead be in charge of the timely collection and gathering of data, and provision thereof to PEMC for the Reserve Market compliance monitoring purposes.				
Section 3 Responsibilities  3.4 Ancillary Services Provider	3.4.1	3.4.1 Ancillary Services Providers shall submit to the System Operator the following real-time data for purposes of monitoring compliance with the Reserve Conformance Standards.  a. Generator mode of operations  b. Dead band setting	3.4.1 Ancillary Services Providers shall submit to the System Operator the following <del>real-time</del> data for purposes of monitoring compliance with the Reserve Conformance Standards.  a. Generator mode of operations  b. Dead band setting  <b><u>c. Speed droop characteristic</u></b>	Deletion of the term “real-time” to describe the required data of the System Operator from the Ancillary Services Providers that will be used for monitoring compliance with the Reserve Conformance Standards.  Addition of Speed Droop characteristic to the required data from the Ancillary Services Providers (ASPs)				





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		<u>Dispatch instructions</u>	By 1200H of the next day for all instructions of the current trading day	<u>(Based on certification)</u>			For clarity.	WESM registration data based on the original and authentic records (i.e. COC - also reliant on NGCP dox such as the GUCT). As observed at one instance, the data provided by the SO to PEMC is not consistent with the said available records.		ECO: We concur to include the notation "D-1" in the footnote, signifying the day
		<u>Outages</u>	By 1200H of the next day for all instructions of the current trading day	<u>Rated Capacity (Based on declared/tested capacity)</u>	<u>As necessary</u>	<u>System Operator</u>				
		<u>Power System Frequency</u>	Real-Time	Generator Status	<u>Real-Time D+1</u>	<u>System Operator</u>				
		<u>Control Dead band</u>	Real-Time	Dispatch instructions	By 1200H of the next day for all instructions of the current trading day	<u>System Operator</u>				
				Outages	By 1200H of the next day for all instructions of the current trading day	<u>System Operator</u>				
				Power System Frequency	<u>Real-Time D+1</u>	<u>System Operator</u>				
				Control Dead band	Real-Time					





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		For other data or reports not enumerated in the foregoing table, the <i>Market Operator</i> and the <i>System Operator</i> shall, from time to time, agree on the manner and schedule of submission.	<u>Desired MW/AGC Command</u>	<u>D+1</u>	<u>System Operator</u>		Suggestion to add “D-1” to mean day prior the concerned trading day.		preceding the relevant trading day.	RCC approved the addition of “D-1” in the footnote
			<u>Certified Capacity (Based on certification)</u>	<u>As necessary</u>	<u>Market Operator</u>					
			<u>Day-Ahead Ancillary Service Schedule (DAASS)</u>	<u>D-1</u>	<u>System Operator</u>		<u>SPC/SIPC:</u>  For clarity on the following Timeline of Provision: 1. D-1. 2. D. 3. D+1.	<u>SPC/SIPC:</u>  <u>Add Footnote]</u> <b>“D-1” – Previous Day; “D” – Day; “D+1” – Next Day</b>		RCC approved the addition of “D-1” in the footnote
			<u>BCQ-SO</u>	<u>D+1</u>	<u>System Operator</u>					
			<u>Final BCQ-MO</u>	<u>Every 15<sup>th</sup> of the following month</u>	<u>Market Operator</u>					
			<u>Actual MW Output</u>	<u>D+1</u>	<u>System Operator</u>		<u>MEI&amp;PEI:</u>  Please clarify why the Market Operator is the source of data regarding generation mode of operation, deadband settings and speed droop characteristic, whereas these data are submitted by the Ancillary Services Providers to the System		ECO:  The mode of operation data is one of the inputs provided by the ASP via the MMS during the reserve offer submission process. As part of the data exchange protocol, the MO shall submit reserve market data,	
			<u>Reserve Type (Based on certification)</u>	<u>As necessary</u>	<u>Market Operator</u>					
			For other data or reports not enumerated in the foregoing table, the <i>Market Operator</i> , <b><i>the WESM Governance Arm</i></b> , and the <i>System Operator</i> shall, from time to time, agree on the manner and schedule of submission.							

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			<u>[Add Footnote] “D” - Day; “D+1”: Next Day</u>		Operator in accordance with Section 3.4.1.		including mode of operation data, to PEMC.  We propose retaining the original provision.  (Related Rule Section 3.4.1)	
					<u>NGCP:</u>  Propose to designate the Market Operator as the source of generator status data, aligning with current practice.			
SECTION 5 – Reserve Conformance Standards  5.3 Reserve Conformance Standards for Regulating Reserve	5.3.3	Reserve facilities scheduled to provide regulating reserve shall also ensure that they meet the following requirements during the relevant dispatch interval: a. Dead band is 0.15 Hz or lower if operating on GCM or AGC b. Speed-droop characteristic is 5% or lower; and c. Provision of reserve is sustainable for the entire dispatch interval.	Reserve facilities scheduled to provide regulating reserve shall also ensure that they meet the following requirements <u>based on the certified settings</u> during the relevant dispatch interval: a. Dead band is <u>0 Hz to +/- 0.15 Hz</u> <del>0.15 Hz or lower</del> if operating on GCM <del>or AGC</del> . b. <del>Speed droop</del> <u>Speed droop characteristic</u> is 5% or lower <u>and 1% or lower for Battery Energy Storage System if operating on GCM</u> ; and c. Provision of reserve is sustainable for the entire dispatch interval.	To indicate the correct dead band settings for GCM mode and to delete “or AGC” as there is no dead band requirement for AGC operations. No speed droop characteristic requirement for AGC since it is automatically controlled by a Supervisory Control and	<u>MEI&amp;PEI:</u>  For consistency, Section 15.6.1 of the Dispatch Protocol Manual should also be revised to reflect the proposed amendment.		ECO:  For SO’s comment.  Reference:  From DPM Sec. 15.6.1 Reserve facilities scheduled to provide Regulating Reserve shall ensure that their deadband is set within +/- 0.15 Hz.	RCC approved the proposed amendment on Section 15.6 of the WESM DP  15.6 Deadband Settings <u>for GCM</u>

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				Data Acquisition (SCADA) from the SO Control Center or manual adjustment of load with specific instructions from the SO. To include the speed droop characteristic for Battery Energy Storage System (BESS)				
SECTION 5 – Reserve Conformance Standards  5.3 Reserve Conformance Standards for Regulating Reserve	5.3.4	A reserve facility providing regulating reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 and 5.7.1 or an average response time as set out in Sections 5.6.3 and 5.7.3 in any dispatch interval during the monitoring period shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following:  a) Compliance with the response accuracy for each dispatch interval; and  b) Compliance with the response time for each dispatch interval.	A reserve facility providing regulating reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 <del>and 5.7.1</del> or an average response time as set out in Sections 5.6.3 <del>and 5.7.3</del> <b><u>or Percentage (%) of Compliance as set out in sections 5.7.1</u></b> in any dispatch interval during the <del>monitoring period</del> <b><u>settlement interval</u></b> shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following:  a) Compliance with the response accuracy for each dispatch interval; and  b) Compliance with the response time for each dispatch interval.	To revise the averaging from a monthly period to hourly interval as this proposed approach would calculate the average response accuracy and response time for the reserve facility operating under GCM within each relevant hourly interval, providing a more balanced and granular assessment of compliance.  To distinguish hourly averaging of response accuracy and response time (under GCM) from Percentage of Compliance (under AGC), in relation to the proposed revisions to				

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				Section 5.7 “Measuring Reserve Response Compliance of Generators on Automatic Generation Control”.				
SECTION 5 – Reserve Conformance Standards  5.3 Reserve Conformance Standards for Regulating Reserve	5.3.5	Considering the provisions of Section 5.3.4, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Sections 5.6 and 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards for regulating reserves</i> for that <i>dispatch interval</i> .	Considering the provisions of Section 5.3.4, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or <del>75</del> <u>90</u> % or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Sections 5.6 and 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards for regulating reserves</i> for that <i>dispatch interval</i> .	To be consistent with Section 5.7 and 5.8  90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve facilities operating under AGC	<u><b>MERALCO:</b></u>  We would like to seek clarification on considering 90% compliance as “standard” for the SO in monitoring reserve facilities under AGC.  1. Who and how was the figure determined?  2. Is it consistent with the Philippine Grid Code (PGC)?		ECO:  The response accuracy metric is consistent with the standard practice by the System Operator in Ancillary Service (AS) testing, as well as in monitoring its contracted reserve facilities. While the ideal response is 100%, the 90% threshold is a practical benchmark that acknowledges operational realities while ensuring reliability in the grid.  This requirement aligns with the Philippine Grid Code (PGC), which defines AGC as a system that adjusts generation to maintain dispatch schedule and its share of frequency regulation (through AGC	



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							command). Although the PGC does not specify a 90% compliance level, the SO's implementation reflects a commitment to effective grid operations.  For confirmation by NGCP-SO.	



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					<u>APC:</u>  May we know the wisdom behind the lowering of the required response accuracy from 80% or 75% to 80% or 90%? Based on data, will there be enough capacity that can meet this lower threshold?		ECO:  The required response accuracy of at least 80% for GCM and 90% for AGC is aligned with the current practices from the System Operator during AS capability testing.  Reserve facilities must meet these thresholds to achieve certification.  For AGC, the required response accuracy has actually been tightened from 75% to 90%. Stricter standards can contribute to improve reliability/stability of the grid.	



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					<p><b><u>MEI&amp;PEI:</u></b></p> <p>For clarity, please specify that the required response accuracy of at least 80% is for GCM, while the required response accuracy of at least 90% is for AGC. Similarly, please indicate that the required response time of not more than five seconds is for GCM, while the required response time of not more than twenty-five seconds is for AGC.</p>	<p><b><u>MEI&amp;PEI:</u></b></p> <p>Considering the provisions of Section 5.3.4, the relevant reserve facility that fails to meet either: (a) the required response accuracy of at least 80% <b><u>for GCM</u></b> or <del>75</del> <b><u>90% for AGC</u></b>, or (b) the required response time of not more than five (5) <b><u>seconds for GCM</u></b> or twenty-five (25) seconds <b><u>for AGC</u></b>, as applicable in accordance with Sections 5.6 and 5.7 at any dispatch interval will be considered breach of the reserve conformance standards for regulating reserves for that dispatch interval.</p>	<p>ECO:</p> <p>We concur. The revised wording accurately captures the intended meaning.</p>	<p>Approved the proposed wording from the commenter</p>





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SECTION 5 – Reserve Conformance Standards  5.4 Reserve Conformance Standards for Contingency Reserve	5.4.4	Reserve facilities scheduled to provide contingency reserve shall also ensure that they meet the following requirements during the relevant dispatch interval: a. Dead band is greater than 0.15 Hz but less than 0.30 Hz if operating on GCM or AGC; b. Speed-droop characteristic is 5% or lower; and c. Provision of reserve is sustainable for the entire dispatch interval.	Reserve facilities scheduled to provide contingency reserve shall also ensure that they meet the following requirements <b><u>based on the certified settings</u></b> during the relevant dispatch interval: a. Dead band is <del>greater than 0.15 Hz</del> <b><u>-0.16 Hz to -0.30 Hz</u></b> but less than 0.30 Hz <del>- 0.15 Hz to - 0.30 Hz</del> if operating on GCM or AGC. b. <del>Speed droop</del> <b><u>Speed droop characteristic</u></b> is 5% or lower <b><u>and 1% or lower for Battery Energy Storage System, if operating on GCM;</u></b> and c. Provision of reserve is sustainable for the entire dispatch interval.	To indicate the correct dead band settings for GCM mode and to delete “or AGC” as there is no dead band requirement for AGC operations. No speed droop characteristic requirement for AGC since it is automatically controlled by a Supervisory Control and Data Acquisition (SCADA) from the SO Control Center or manual adjustment of load with specific instructions from the SO. To include the speed droop characteristic for BESS.	<b><u>MEI&amp;PEI:</u></b>  For consistency, Section 15.6.2 of the Dispatch Protocol Manual should also be revised to reflect the proposed amendment.		ECO:  For SO’s comment.  Reference:  From DPM Sec. 15.6.2 Reserve facilities scheduled to provide Contingency Reserve shall ensure that their deadband is set between -0.15 Hz and -0.30 Hz.	Secretariat’s Note: Check harmonization with DPM (the word in between)
SECTION 5 – Reserve Conformance Standards  5.4 Reserve Conformance Standards for	5.4.5	A reserve facility providing contingency reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 and 5.7.1 or an average response time as set out in Sections 5.6.3 and 5.7.3 for the entire monitoring period shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following:	A reserve facility providing contingency reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 <del>and 5.7.4</del> or an average response time as set out in Sections 5.6.3 <del>and 5.7.3</del> <b><u>or Percentage (%) of Compliance as set out in sections 5.7.1</u></b> for the entire <del>monitoring period</del> <b><u>settlement interval</u></b> shall be flagged as non-compliant. Once flagged as non-compliant, a reserve	To revise the averaging from a monthly period to hourly interval as this proposed approach would calculate the average response accuracy and response time for the reserve facility operating under GCM within each relevant hourly interval, providing a more balanced				



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Contingency Reserve		a) Compliance with the response accuracy for each dispatch interval; and  b) Compliance with the response time for each dispatch interval.	facility will be assessed further based on the following:  a) Compliance with the response accuracy for each dispatch interval; and  b) Compliance with the response time for each dispatch interval.	and granular assessment of compliance.  To distinguish hourly averaging of response accuracy and response time (under GCM) from Percentage of Compliance (under AGC), in relation to the proposed revisions to Section 5.7 “Measuring Reserve Response Compliance of Generators on Automatic Generation Control”.				
SECTION 5 – Reserve Conformance Standards  5.4 Reserve Conformance Standards for Contingency Reserve	5.4.6	Considering the provisions of Section 5.4.5, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Section 5.6 and Section 5.7 at any <i>dispatch interval</i> will be considered <i>breach</i> of the <i>reserve conformance standards for contingency reserves</i> for that <i>dispatch interval</i> .	Considering the provisions of Section 5.4.5, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or <del>75%</del> 90% or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Section 5.6 and Section 5.7 at any <i>dispatch interval</i> will be considered <i>breach</i> of the <i>reserve conformance standards for contingency reserves</i> for that <i>dispatch interval</i> .	To be consistent with Section 5.7  90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve facilities operating under AGC	<u><b>MERALCO:</b></u>  Same as our comment in 5.3.5, we would like to seek clarification on considering 90% compliance as “standard” for the SO in monitoring reserve facilities under AGC.  1. Who and how was the figure determined?		ECO:  1. The RCS criteria are derived from the NGCP’s Ancillary Service Procurement Plan (ASPP), which, according to the System Operator, outlines the technical requirements for testing ancillary services.  2. Yes, the PGC establishes the basic	

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					2. Is it consistent with the PGC?		rules, requirements, procedures and standards for grid operations, and mentions ASPP in the context of ancillary services.	
					<u>APC:</u>  May we know the wisdom behind the lowering of the required response accuracy from 80% or 75% to 80% or 90%? Based on data, will there be enough capacity that can meet this lower threshold?		ECO: Same as previous response for Section 5.3.5	
					<u>MEI&amp;PEI:</u>  For clarity, please specify that the required response accuracy of at least 80% is for GCM, while the required response accuracy of at least 90% is for AGC. Similarly, please indicate	<u>MEI&amp;PEI:</u>  Considering the provisions of Section 5.3.4, the relevant reserve facility that fails to meet either: (a) the required response accuracy of at least 80% <b>for GCM</b> or <del>75%</del> <b>90% for AGC</b> , or (b) the	ECO:  We concur. The revised wording accurately captures the intended meaning.	Approved the proposed wording from the commenter



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					that the required response time of not more than five seconds is for GCM, while the required response time of not more than twenty-five seconds is for AGC.	required response time of not more than five (5) <b>seconds for GCM</b> or twenty-five (25) seconds <b>for AGC</b> , as applicable in accordance with Sections 5.6 and 5.7 at any dispatch interval will be considered breach of the reserve conformance standards for regulating reserves for that dispatch interval.		
SECTION 5 – Reserve Conformance Standards  5.5 Reserve Conformance Standards for Dispatchable Reserve	5.5.3	After synchronization, the dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within fifteen (15) minutes from synchronization.	After synchronization, the dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within fifteen (15) minutes from synchronization <b><u>and shall generate within the upper and lower dispatch thresholds of +/-1% of the dispatch instruction, or +/- 0.5 MW, whichever is higher. The facility shall sustain and maintain generation in accordance with the active instruction and any succeeding instructions from the System Operator until instructed to shut down.</u></b> <b><u>Footnote: (See Illustration 1 of Appendix IV)</u></b>	To add a criterion that in addition to the requirement for DR to generate within 15 minutes from the SO instruction, the reserve facility must follow a dispatch tolerance of +/- 1% (based on SO’s standard practice for monitoring) or +/- 0.5 MW (based on the survey results conducted with DR-ASPs) for the given period and to clearly establish that the facility must sustain/continue to	<b><u>APC:</u></b>  We suggest that PEMC ECO's flagging process be aligned with the Dispatch Conformance Standards (“DCS”) by introducing a tolerance period/probationary period. In the DCS framework, a Trading Participant is only flagged for potential breach after exceeding four intervals of non-compliance. However, under the current RCS, a single dispatch	<b><u>APC:</u></b>  Proposed additional provision, to wit: <b><u>For purposes of flagging the concerned Ancillary Services Provider, the generating unit shall be flagged for possible breach of the reserve conformance standards if the non-compliance count for a generating unit exceeds four (4) intervals for deviations beyond the error threshold.</u></b>	ECO:  The DCS (for energy) and the RCS (for reserve) serve distinct purposes. While the DCS focuses on energy dispatch, the RCS prioritizes rapid response to frequency deviations in the grid, ensuring grid stability.  Due to the time-sensitive nature of grid stability requirements, the RCS takes precedence over the DCS, emphasizing the critical importance of timely reserve response. This is	Approved to retain the provision

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				generate to meet the SO instruction until it receives a specific directive to stop generating. <b>(See Illustration 1 in Annex C)</b> Clerical revision to specify reference to the relevant illustration in Appendix IV.	interval, despite meeting the other dispatch interval during the synchronization period, not meeting the dispatch threshold is considered a potential breach and will be included in the flagging issued by PEMC ECO.. Given the integrated nature of the energy and reserve markets in the Philippines' co-optimization framework, we recommend applying similar or identical flagging standards to both. This is justified as both markets utilize the same generating units and are exposed to similar operational risks and technical challenges. Consistent standards will ensure fair treatment and competition.		why the rules for RCS are stricter, as the swift and accurate provision of reserve capacity is crucial to maintaining grid reliability and preventing potential power disruptions.  We propose retaining the original provision.	



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					<p><b><u>ACEN:</u></b></p> <p>Addition of paragraph</p> <p>In case the dispatch instruction is sustained even the reserve schedule is already lower than the active dispatch instruction, the MW in excess shall be tagged as an MOT run and shall be subject to Additional Compensation</p>	<p><b><u>ACEN:</u></b></p> <p>After synchronization, the dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within fifteen (15) minutes from synchronization <b><u>and shall generate within the upper and lower dispatch thresholds of +/-1% of the dispatch instruction, or +/- 0.5 MW, whichever is higher. The facility shall sustain and maintain generation in accordance with the active instruction and any succeeding instructions from the System Operator until instructed to shut down.</u></b></p> <p><b><u>Any dispatch instruction higher than the Reserve Schedule, the capacity in excess of the Reserve Schedule shall be tag as</u></b></p>	<p>ECO:</p> <p>The concerns and proposed rewording in the last paragraph regarding additional compensation are likely addressed by Sections 10.1 and 10.2 of the Billing and Settlement Manual, which provides separate guidelines on this matter.</p>	<p>Approved to retain the provision</p>



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						<i><b>MOT run and subject to to Additional Compensation</b></i>		
SECTION 5 – Reserve Conformance Standards  5.5 Reserve Conformance Standards for Dispatchable Reserve	5.5.4	[NEW]	<b><u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules.</u></b>	<p>It covers instances where a facility (that is required to be offline) offers for DR but it is, in fact, not available when called to run. It will only be ascertained during the time that it is asked to run by SO.</p> <p>The dispatchable reserve facility that becomes non-dispatchable real-time or is unable to deliver the MW capacity in real-time due to an outage or other cause/s of unavailability presupposes that it is not also available in the prior intervals (while it was offline).</p>	<p><b><u>SNAP:</u></b></p> <p>We suggest aligning this provision with the current practice of NGCP. If there is an intra-day spot and AS operation (either, spot, RR, CR or DR utilized) utilization, the preceding intervals with DR should no longer be tagged as NCs.</p> <p>Furthermore,</p> <p>1. It is a spot reserve market not a contractual obligation, NC's should be applicable only to the trading intervals that are affected by the outage.</p>		<p>ECO:</p> <p>ECO is currently implementing the suggested procedures during the validation and assessment process. This ensures that assessments consider any evidence of plant operation or availability during the previous intervals.</p> <p>Note that a reserve facility's unavailability during a specific interval is intended to create a <u>presumption</u> of unavailability in previous intervals, which can be</p>	Review the appropriate wording. (what is proven otherwise).





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				By being unable to run as DR, it does not serve its purpose, i.e., assuring the grid that it is indeed readily available for dispatch (when needed) in order to replenish the CR whenever a generating unit trips or a loss of a single transmission interconnection occurs.	2. It generalizes that whenever a generating unit trips, all preceding intervals of the same trading day that have DR schedules will be tagged as NC regardless if it is available or not.  3. It includes the part of being unable to provide DR due to loss of a single transmission which is sometimes not a fault on the supplier's side. If it is indeed the supplier's side fault, it is unfair to assume that all preceding DR schedules are unable to be delivered.  4. It seems illogical to apply the NC retroactively, as we declare outages to NGCP and ERC whenever we are in an outage state, and a separate standard (reliability standard) applies in this case		disputed with credible evidence.  To clarify this point, we propose the following rewording:  “5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time dispatch instruction of the <i>System Operator</i> based on the <i>Reserve Schedule</i> due to an outage or unavailability shall be considered in breach of the <i>reserve conformance standards</i> for the <i>dispatch interval</i> that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable <i>Reserve Schedules</i> ., <u>unless proven otherwise by the concerned Ancillary Service Provider.</u>	



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					<b><u>MERALCO:</u></b>  In our 18 October 2024 submission, we inquired on the treatment of preceding intervals of the same trading day, wherein the dispatchable reserve facility was able to comply to the real-time dispatch instruction. In the proponent’s response circulated by the Rules Review Division via email on 14 November 2024, PEMC-ECO responded that “[t]he facility will not be flagged in the preceding intervals”.	<b><u>MERALCO:</u></b>  <b><u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day where the dispatchable reserve facility has failed</u></b>	ECO:  Same response as previous.	Review the appropriate wording. (what is proven otherwise).



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					For clarity, we suggest that PEMC-ECO’s response be reflected in the provision.	<del>to comply with that have</del> <u>Dispatchable Reserve Schedules.</u>		
					<u>SPC/SIPC:</u>  We can cluster the intervals that can be consider as breach of the reserve conformance standards, let us take the following scenario:  Scenario 1: from Hour 0100H to 0300H (all the 5-minute dispatch intervals) had RDS (on its available, dependable or certified DR capacity).  the dispatch call was given at 0240H (cut-in should be within 15 minutes or until	<u>SPC/SIPC:</u>  <u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules. No breach of the reserve</u>		Review the appropriate wording. (what is proven otherwise).



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					<p>0255H), but the DR facility was not able to cut-in, thus</p> <p>non-payment of RTA for hour 0100H to 0300H.</p> <p>Scenario 2: from Hour 0100H to 0255H (all the 5-minute dispatch intervals) had RDS (on its available, dependable or certified DR capacity).</p> <p>the dispatch call was given at 0245H (cut-in should be within 15 minutes or until 0300H), however the SO gave another instructions at 0249H to cancel the cut-in/synchronization, with the above incident/instruction, we suggest that RTA for hour 0100H to 0255H should be paid.</p> <p>Scenario 3: from Hour 0100H to 0300H (all the 5-minute dispatch intervals) had RDS (on its</p>	<p><u>conformance standards will be imposed on the following scenarios:</u></p> <p><u>1. Whenever the system operator had another dispatch instructions (i.e. cancel the cut-in/synchronization, etc.).</u></p>	<p>ECO:</p> <p>Propose to retain original provision:</p> <p>1) This scenario is already addressed in Section 5.5.3 of the ASM Manual, which provides guidance on <u>active or varying</u> instructions issued by the System Operator (SO).</p> <p>Reference:</p> <p>“5.5.3 After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System Operator</i> within fifteen (15) minutes from synchronization and shall generate within the upper and lower dispatch thresholds of +/-1% of the dispatch</p>	



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					<p>available, dependable or certified capacity).</p> <p>Starting 0305H, the DR facility now has RTD (energy market) participation (on its available, dependable or certified DR capacity), and is able to deliver the RTD and its applicable compliances, thus</p> <p>Payment of RTA for hour 0100H to 0300H (reserve transaction) should be made since the facility is able to prove is availability. Also, RTD transaction should be paid.</p> <p>Scenario 4: Same scenario as Scenario 3 with another revised RDS for Scenario 1 starting at 0500H to 0700H, the dispatch call was given at 0640H (cut-in should be within 15 minutes or until 0755H), but the DR facility</p>	<p><u>2. The preceding RDS is not dispatched and the succeeding dispatch intervals are RTD that is compliant with the applicable compliances on energy market.</u></p>	<p>instruction, or +/- 0.5 MW, whichever is higher. The facility shall sustain and maintain generation <u>in accordance with the active instruction and any succeeding instructions</u> from the <i>System Operator</i> until instructed to shut down.”</p> <p>2) The proposed rewording suggested above may address this issue, as it provides a more comprehensive solution that would cover scenarios where evidence indicates the plant was operating or available, thereby challenging or disputing the presumption of unavailability in previous intervals.</p> <p>“5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time</p>	



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					this time was not able to cut-in, thus  Payment of RTA for hour 0100H to 0300H (reserve transaction) should be made since the facility is able to prove is availability. Also, RTD transaction should be paid. But non-payment of RTA for hour 0500H to 0700H.		dispatch instruction “x x x <u>unless proven otherwise by the concerned Ancillary Service Provider.”</u>	
					<u>ACEN:</u>  Breach of the reserve conformance standards for the preceding intervals shall only start from the succeeding interval from the last compliant interval with Dispatchable reserve schedule and corresponding instruction from the System Operator.  This is aligned with the Implementing Guidelines on our ASPA DR contract.	<u>ACEN:</u>  <b><u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs, as well as for all preceding</u></b>	ECO:  The proposed rewording suggested above may address this issue, as it provides a more comprehensive solution that would cover scenarios where evidence indicates the plant was operating or available, thereby challenging or disputing the presumption of unavailability in previous intervals.  “5.5.4 A dispatchable reserve facility that fails to	Review the appropriate wording. (what is proven otherwise).



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						<u>intervals of the same trading day that have Dispatchable Reserve Schedules. The breach of reserve conformance standards for preceding intervals shall only begin from the interval immediately following the last compliant interval with a Dispatchable Reserve Schedule and corresponding instruction from the System Operator.</u>	comply with the real-time dispatch instruction “x x x <u>unless proven otherwise by the concerned Ancillary Service Provider.</u> ”	
					<b><u>MEI&amp;PEI:</u></b>  Considering the dispatch reserve facility to be outright in breach of the reserve conformance standards <u>in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules</u> may not be valid in some cases. Suppose a reserve facility has RTD DR schedules for intervals 0005H to 1300H. Because of a generator tripping, it	<b><u>MEI&amp;PEI:</u></b>  <b><u>A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all</u></b>	ECO:  The proposed rewording suggested above may address this issue, as it provides a more comprehensive solution that would cover scenarios where evidence indicates the plant was operating or available, thereby challenging or disputing the presumption of unavailability in previous intervals.	





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					was dispatched by SO to provide DR service for intervals 0805H to 0900H. It successfully synchronized to the grid, ramped up to its DR schedule within the allowable time, and maintained its output until ordered by SO to shut down. Again, the reserve facility was called upon by SO to provide DR service for interval 1205H, but this time, it failed to start up and was declared on forced outage due to plant equipment problem. In this instance, the reserve facility can rightfully be considered in breach of the RCS for interval 1205H and in the preceding intervals 0905H to 1200H. However, the reserve facility should not be considered in breach of the RCS for intervals 0005H to 0900H, and should be compensated accordingly.	<u>preceding intervals of the same trading day that have Dispatchable Reserve Schedules, following the last successful provision of dispatchable reserve service on the same trading day, if any.</u>	“5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time dispatch instruction “x x x <u>unless proven otherwise by the concerned Ancillary Service Provider.”</u>	



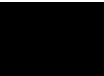
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SECTION 5 – Reserve Conformance Standards  5.5 Reserve Conformance Standards for Dispatchable Reserve	5.5.4	A <i>reserve facility</i> that fails to comply with the provisions set out in Sections 5.5.1, 5.5.2, or 5.5.3 at any <i>dispatch interval</i> shall be considered in breach of the <i>reserve conformance standards</i> for <i>dispatchable reserves</i> for that <i>dispatch interval</i> .	<del>5.5.4</del> <b>5.5.5</b> A <i>reserve facility</i> that fails to comply with the provisions set out in Sections 5.5.1, 5.5.2, or 5.5.3 at any <i>dispatch interval</i> shall be considered in breach of the <i>reserve conformance standards</i> for <i>dispatchable reserves</i> for that <i>dispatch interval</i> .	Renumbered to <u>5.5.5</u> due to inserted new provision (see above Sec. 5.5.4)				
Section 5 – Reserve Conformance Standards  5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.1	A <i>reserve facility</i> responding to a <i>frequency-driven event</i> through GCM shall maintain a response accuracy of at least 80% for the entire monitoring period.	A <i>reserve facility</i> responding to a <i>frequency-driven event</i> through GCM shall maintain <u>an average</u> response accuracy of at least 80% for the <del>entire monitoring period</del> <b>relevant settlement interval</b> .  <u>For purposes of averaging under Sections 5.3.4 and 5.4.5, the response accuracy for a dispatch interval shall be capped at 120%.</u>	To revise the requirement from being measured over the entire monitoring period, to being measured within relevant settlement interval. This provides for a more granular and balanced assessment.  Rationale for Capping at 120%:  The 120% capping on the average response accuracy is intended to manage outliers (e.g. overshoot in response accuracy by 200-300%) and setting an upper	<b>SNAP:</b>  We suggest aligning the proposed cap with the current practice of NGCP in which response accuracy for a dispatch interval is being capped at 130%	<b>SNAP:</b>  A <i>reserve facility</i> responding to a <i>frequency-driven event</i> through GCM shall maintain <u>an average</u> response accuracy of at least 80% for the <del>entire monitoring period</del> <b>relevant settlement interval</b> .  <u>For purposes of averaging under Sections 5.3.4 and 5.4.5, the response accuracy for a dispatch interval shall be capped at 120 130%.</u>	ECO:  To clarify, there are distinct differences between “capping” and “tolerance” in this context.  Specifically, the 120% capping limit applies to the hourly averaging of response accuracy for GCM. This means that if the actual response exceeds 120%, it shall be capped at 120% when calculating the hourly average.  In contrast, the 130% tolerance level mentioned in Section <u>5.7.2.2</u> refers to the	Approved to retain the provision



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				limit or fixed threshold value of 120% as the reasonable metric in determining accuracy within a settlement interval.			allowable range for actual generation of a reserve facility in response to an AGC command. This tolerance level requires the facility to generate within ±0.5 MW or 130% of the Desired Generation (whichever is higher) within 32 seconds.  The said 130% tolerance is specific to AGC responses and serves a different purpose than the 120% capping, which is used to limit response accuracy for dispatch intervals on GCM.	
					<b><u>MERALCO:</u></b>  1. In our 18 October 2024 submission, we inquired on the RCS compliance of the reserve facility if it was called to provide energy in the WESM. In the proponent’s response circulated on 14 November 2024, PEMC-ECO stated that “[w]hile ASP may be		ECO:  1. Operating in accordance with the energy schedule has no impact on RCS because the energy schedule effectively serves as the reference setpoint from which the plant – operating under GCM – is expected to automatically respond.	



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ANNEX B – MATRIX OF THE PROPOSED REVISION TO URGENT AMENDMENTS TO THE ANCILLARY SERVICES MONITORING MANUAL REGARDING RESERVE CONFORMANCE STANDARDS AND RELATED ENFORCEMENT ACTIONS

WESM Manual on ASM Issue 1.1								
Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment <sup>7</sup> (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent’s Response	RCC Decision
					<p>flagged for DCS non-compliance, the provision of ancillary service will be considered an exempt circumstance, taking precedence over DCS requirements”. We would like to reiterate our request for clarification on the impact on RCS compliance if the reserve facility was called to provide energy in the WESM.</p> <p>2. We would like to seek clarification on the basis for considering 120% as a “reasonable metric in determining accuracy within a settlement interval”.</p> <p>a. Who and how was the figure determined?</p> <p>b. Why was the cap not set, for example, at 110%?</p>		<p>However, if a plant has reserve schedules that need to be utilized, its compliance with the energy schedule may be affected, potentially resulting in non-compliance flagging by the DCS. In such cases, prioritizing reserve market compliance provides a valid justification for any energy-related non-compliance issues flagged by the DCS.</p> <p>2. The RCS criteria are derived from the NGCP’s Ancillary Service Procurement Plan (ASPP) which, according to the System Operator, outlines the technical requirements for testing ancillary services.</p> <p>*For confirmation by SO</p>	



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WESM Manual on ASM Issue 1.1								
Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment <sup>7</sup> (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent’s Response	RCC Decision
Section 5 – Reserve Conformance Standards  5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.2	<p>A reserve facility’s response accuracy via GCM shall be calculated as follows.</p> $ResponseAccuracy = \frac{ActualMWResponseCapacity}{ExpectedMWResponseCapacity} \times 100\%$ <p>Where:</p> <p>Actual MW Response Capacity</p> <p>= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p>Expected MW Response Capacity</p> <p>= Static Gain <math>\times</math> Frequency Change</p> <p>Frequency Change</p>	<p>A reserve facility’s response accuracy via GCM shall be calculated as follows.</p> $ResponseAccuracy = \frac{ActualMWResponseCapacity}{ExpectedMWResponseCapacity} \times 100\%$ <p><u>Footnote: (See Illustration 2 of Appendix IV)</u></p> <p><b><u>a. When System Frequency falls below the lower deadband:</u></b></p> <p>Actual MW Response Capacity</p> <p>= Highest_Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p><b><u>Where: The Highest Actual MW Output is the value obtained 20 seconds after the Lowest frequency that occurred during the Frequency-Driven Event</u></b></p> <p><b><u>Frequency Change</u></b></p> <p><b><u>= Frequency Prior to Frequency-Driven Event - Lowest Frequency During Frequency-Driven Event</u></b></p> <p><b><u>Frequency Prior to Frequency-Driven Event</u></b></p> <p><b><u>= Nominal Frequency - Dead band Setting</u></b></p>	<p>Clerical revision to specify reference to the relevant illustration in Illustration 2 of Appendix IV in Annex C.</p> <p>Modification of the formula (i.e., addition of the “lowest” Actual MW output on the formula) for Actual MW Response Capacity to use both the highest and lowest actual MW output values, in order to reflect the correct response accuracy for any given Frequency Driven-Event, whether it requires an upward or downward response from Ancillary Services Providers (ASPs).</p> <p>Rationale for the 20 seconds time reference: 20 seconds is a time frame that is typically critical for a reserve facility to respond to control signals being sent from SO’s energy management system (EMS).</p>	<p><b><u>SMGP:</u></b></p> <p>We observed FDEs that lasted for more than 30 minutes, and our AS provider facility has varying quantities of reserve schedules during that period. This affects the response accuracy for specific intervals.</p>		<p>ECO:</p> <p>We recognize that this may impact response accuracy, but the recent revision in this section provides a potential solution. Specifically, it allows reserve facilities to operate within their scheduled reserves for ancillary service provision when the Expected MW Response Capacity exceeds the Reserve Schedule, subject to the System Operator's re-dispatch instructions.</p> <p><i>“In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the Reserve Schedule, reserve facilities are authorized to operate within their scheduled reserves for ancillary service</i></p>	

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WESM Manual on ASM Issue 1.1								
Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment <sup>7</sup> (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent’s Response	RCC Decision
		<p>= Worst Frequency Highest/Lowest – Frequency Prior to Frequency-Driven Event</p> <p>Frequency Prior to Frequency-Driven Event</p> <p>= Nominal Frequency ± Dead band Setting</p> <p><i>StaticGain</i> <math display="block">= \frac{ScheduledMWCapacity}{DroopSetting \times NominalFrequency} \times 100\%</math></p>	<p><b><u>b. When System Frequency breaches the upper deadband:</u></b></p> <p><b><u>Actual MW Response Capacity</u></b></p> <p><b><u>= Lowest Actual MW Output – MW Output Prior to Frequency-Driven Event</u></b></p> <p><b><u>Where: The Lowest Actual MW Output is the value obtained 20 seconds after the highest frequency that occurred during the Frequency-Driven Event</u></b></p> <p><b>Frequency Change</b></p> <p><b>= <u>Frequency Prior to Frequency-Driven Event - Highest Frequency During Frequency-Driven Event</u></b></p> <p>Expected MW Response Capacity</p> <p>= Static Gain X Frequency Change</p> <p>Frequency Change</p>	<p>NGCP-SO suggested retaining this practice (20-second horizon) for the Reserve Market to maintain consistency with the assessment of the ASPA based on current practice. NGCP may study this further and consider it for inclusion in another amendment, if warranted.</p> <p>Transposition in the formula for Frequency Change. This is to ensure consistency with the sign of the resulting Expected Response with the Actual MW Output and to have a non-negative Response Accuracy.</p> <p>Addition of the word “during” to clarify that the frequency referenced should be the value observed during the frequency-driven event.</p> <p><b><u>(See Illustration 2 of Appendix IV in Annex C)</u></b></p>			<p><i>provision, subject to System Operator's re-dispatch instructions. In such instances, the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.”</i></p> <p>During assessment, ECD will evaluate this on a case-by-case basis, considering the specific facts and circumstances.</p>	









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WESM Manual on ASM Issue 1.1								
Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment <sup>7</sup> (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent’s Response	RCC Decision
			<p><b><u>Actual MW Output, as the case may be, and the MW Output prior to the Frequency-Driven Event.</u></b></p> <p><b><u>The event will qualify as <i>Frequency-Driven Event</i>, for this purpose, if</u></b></p> <p><b><u>(a) the event lasts for more than five (5) seconds; and</u></b></p> <p><b><u>(b) the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage systems.</u></b></p> <p><b><u>In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the Reserve Schedule, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to System Operator's re-dispatch instructions. In such instances, the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.</u></b></p> <p><b><u>Footnote: (See Illustration 3 of Appendix IV)</u></b></p>	<p><b><u>Certified Capacity and the Reserve Schedule, it is crucial that the <i>Response Accuracy</i> should be calculated using the Reserve Schedule as reference in such cases, acknowledging that the reserve facilities are only required to operate within their reserve schedule when providing ancillary service. (See Illustration 3 of Appendix IV in Annex C)</u></b></p>	<p>Since all AS providers, regardless of technology, share the common purpose of ensuring grid stability, it is suggested to standardize the frequency deviation at 0.02 Hz</p>		<p>existing practices and is especially well-suited for BESS due to the intrinsic characteristics of batteries, which allow them to respond swiftly to fluctuations in grid conditions.</p>	





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### ANNEX C – PRESENTATION MATERIAL OF THE PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT

## PROPOSED AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL ISSUE 21

(ENHANCEMENT OF THE VALIDATION PROCESS OF  
REPORTED DISCREPANCIES IN THE DISPATCH  
INSTRUCTION REPORT)

February 21, 2025

Via MS Teams

### THE PROPONENT

- *The proponent is the National Grid Corporation of the Philippines as the System Operator.*



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### ANNEX C – PRESENTATION MATERIAL OF THE PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT

#### OUTLINE



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#### ACTION REQUESTED

- Approval of the Proposed Amendments to the WESM Manual on Dispatch Protocol Issue 21.0 re enhancement to the validation process of reported discrepancies in the Dispatch Instruction Report.

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### ANNEX C – PRESENTATION MATERIAL OF THE PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT

#### RATIONALE OF THE PROPOSAL

- To include a provision for the revalidation process of data contained in the Dispatch Instruction Report, specifically for data that has already undergone prior validation by the System Operator, should the Generator Companies submit a request for further validation of the System Operator's submitted report on the discrepancy claims.

5

#### SUMMARY OF THE PROPOSAL

- **WESM Manual on Dispatch Protocol Issue 21.0**
- Section 14.4.9 & Section 17.5.3
- Updating and addition of a provision for the revalidation of discrepancy claims and provide the System Operator an additional (7) working days for such process.

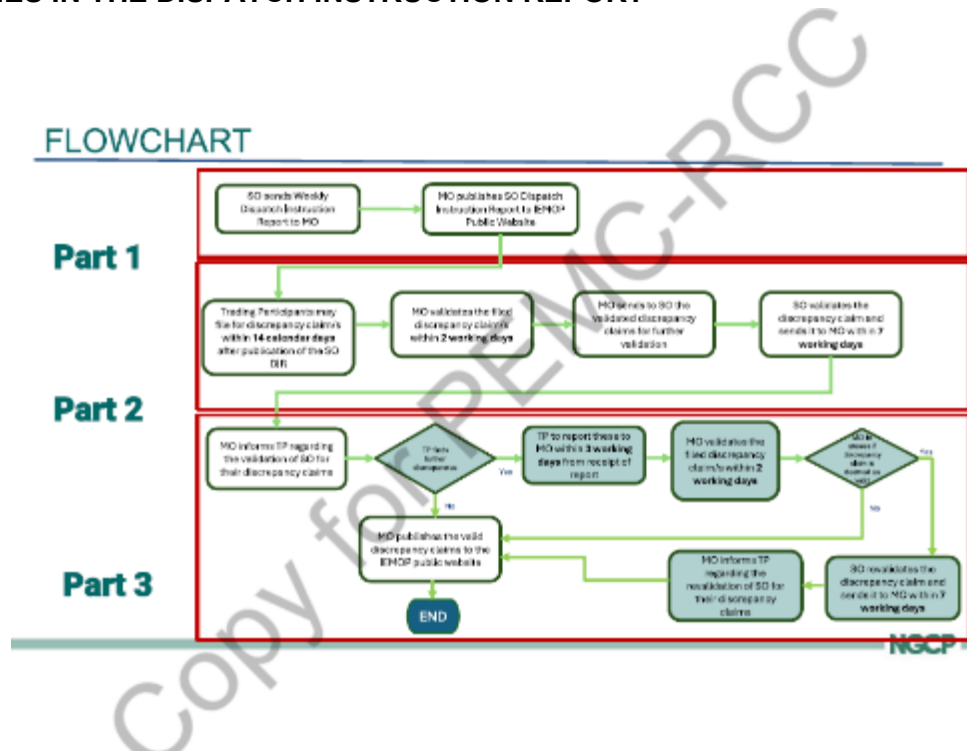
6

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### ANNEX C – PRESENTATION MATERIAL OF THE PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT



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ANNEX D – MATRIX OF THE PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT

Proposed Amendments to the WESM Manual on Dispatch Protocol Issue 21

WESM Manual on Dispatch Protocol Issue 21				
Title	Section	Provision	Proposed Amendment	Rationale
Post-dispatch Reports and Information	WESM DP 14.4.9	14.4.9 The System Operator shall perform reconciliation with the Generation Company and provide the results of its validation of the reported discrepancies within seven (7) working days from the receipt of the request from the Market Operator. If the Market Operator has not received any validation within the prescribed timeline, the published data from the Dispatch Instruction Report shall be maintained. If the Generation Company claims additional compensation related to the reported discrepancies that were not validated within the prescribed timeline, the Generation Company may subject the said claim under the WESM dispute resolution process.	<p>14.4.9 The System Operator shall perform reconciliation with the Generation Company and provide the results of its validation of the reported discrepancies within seven (7) working days from the receipt of the request from the Market Operator.</p> <p><u>If the Trading Participants find any further discrepancies in the submitted report, the Generator Company must report these to the Market Operator within three (3) working days from the receipt of the report. The Market Operator shall review the revalidation request, and if deemed to be with merit, shall then request the System Operator to re-validate the reported discrepancies. The System Operator shall then provide the results of its re-validation within seven (7) working days from receiving the request from the Market Operator.</u></p> <p>If the Market Operator has not received any validation within the prescribed timeline, the published data from the Dispatch Instruction</p>	<p>Rationale of the Proposal</p> <p>To include a provision for the revalidation process of data contained in the Dispatch Instruction Report should the Generator Companies submit a request for further validation of the System Operator's submitted report on the discrepancy claims.</p>

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WESM Manual on Dispatch Protocol Issue 21				
Title	Section	Provision	Proposed Amendment	Rationale
			<p>Report shall be maintained; if the Generation Company claims additional compensation related to the reported discrepancies that were not validated within the prescribed timeline, the Generation Company may subject the said claim under the WESM dispute resolution process.</p>	
Reporting and Publication	WESM DP 17.5.3	17.5.3 The System Operator shall provide the results of its validation of the reported discrepancies within seven (7) working days from receipt of the request from the Market Operator. If the Market Operator has not received any validation within the prescribed timeline, the Market Operator shall consider the submitted discrepancies by the Generator as valid.	<p>17.5.3 The System Operator shall provide the results of its validation of the reported discrepancies within seven (7) working days from receipt of the request from the Market Operator.</p> <p><u>If the Trading Participants find any further discrepancies in the submitted report, the Generator Company must report these to the Market Operator within three (3) working days from the receipt of the report. The Market Operator shall review the revalidation request, and if deemed to be with merit, shall then request the System Operator to re-validate the reported discrepancies. The System Operator shall then provide the results of its re-validation within seven (7) working days from receiving the request from the Market Operator.</u></p>	<p>To include a provision for the revalidation process of data related to MRU contained in the Dispatch Instruction Report should the Generator Companies submit a request for further validation of the System Operator's submitted report on the discrepancy claims.</p>

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ANNEX D – MATRIX OF THE PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT

WESM Manual on Dispatch Protocol Issue 21				
Title	Section	Provision	Proposed Amendment	Rationale
			If the Market Operator has not received any validation within the prescribed timeline, the Market Operator shall consider the submitted discrepancies by the Generator as valid.	

Note: For convenience, please underline and put in bold letters the proposed additions and strikethrough the proposed deletions.

Copy for PEMC





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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL





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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

**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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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

**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

PRESENTATION TITLE



**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	Rachel Angela P. Anosan			
	Jesusito G. Morillos			
	Jordan Rel C. Orillaza			
	Emmanuel Genesis T. Andal			
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

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ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
I. Call to Order		
II. Determination of Quorum		
III. Adoption of Agenda	Secretariat	For approval
IV. Draft Minutes of Previous Meetings <ul style="list-style-type: none"><li>240<sup>th</sup> RCC (Special) Meeting, 22 November 2024</li><li>242<sup>nd</sup> RCC (Regular) Meeting, 17 January 2025</li></ul>	Secretariat	For approval
V. Matters Arising from Previous Meeting		
5.1 Proposed General Amendments to the WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load <ul style="list-style-type: none"><li>Assessment Report of the Urgent Amendment</li><li>Draft RCC Resolution 2025-01</li></ul>	Secretariat	For deliberation
VI. New Business		
6.1 Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions <ul style="list-style-type: none"><li>Status of Implementation</li><li>Proposal and Comments</li></ul>	Secretariat/PEMC (Proponent)	For deliberation and approval
6.2 Proposed General Amendments to the WESM Manual on Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report <ul style="list-style-type: none"><li>Publication in the PEMC Website for comments</li></ul>	Secretariat	For discussion and approval

ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
VII. Other Matters		
7.1 RCC Membership Updates	PEMC Legal / Office of the Corporate Secretary	For Information
7.2 Update on Proposed Amendments	Secretariat	For information
7.3 DOE Updates	DOE Observers	For information
7.4 Schedule of Activities	Secretariat	For information
VII. Adjournment		

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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

#### IV. DRAFT MINUTES OF PREVIOUS MEETING

- 240<sup>th</sup> RCC (Special) Meeting, 22 November 2024
- 242<sup>nd</sup> RCC (Regular) Meeting, 17 January 2025



#### V. MATTERS ARISING FROM PREVIOUS MEETING



## MEETING MINUTES

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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL



#### ACTION REQUESTED

- For deliberation and approval

PRESENTATION TITLE







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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

PROPOSAL UPDATE

- On 242<sup>nd</sup> RCC (Regular) Meeting on 17 January 2025
  - The updates on the implementation of the Urgent Amendment of the subject matter was discussed by PEMC-Enforcement and Compliance Office (ECO). The PEMC-ECO observed that the generating unit:
    - A number of generating units continued operating at their current generation levels even when their real-time dispatch (RTD) schedule fell below their minimum stable load.
    - Some generating units remained offline rather than risk damage by operating below their Pmin.
    - Several generating units complied with the System Operator's re-dispatch instructions, even when initially scheduled below their Pmin. These dispatch instructions take precedence over the RTD schedules and must be followed to maintain the integrity of the grid.
    - Some generating units proactively communicated with the System Operator, informing them of their actions taken or will be taken or seeking clearance to maintain their load at the minimum stable load.
    - While the Trading Participants typically do not revise their megawatt (MW) offers due to limited opportunity, during the covered period, there are Trading Participants that managed their price offer but maintained a static MW value.

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17 PRESENTATION TITLE



PROPOSAL UPDATE

- On 17 January 2025, 242<sup>nd</sup> RCC (Regular) Meeting:
  - The RCC provisionally approved the proposed amendment, as revised.
- On 21 January 2025:
  - Additional comments were received from the RCC on the WESM Dispatch Protocol Manual Section 11.4.4 (a) sub-items (i) and (ii) to either:
    - Rephrase the provisions to add in (i) and (ii) the phrase: **“xxx except when the generating unit is operating in accordance to its start-up and shutdown profile pursuant to Section 13 of this Manual. xxx”**; or
    - Add a third sub-item (iii) to cover the exceptions for both (i) and (ii)

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18 PRESENTATION TITLE





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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

#### PROPOSAL UPDATE

- On 21 January 2025 (cont'd):
  - In relation to the comments, the proposed re-wording:

“ **xxx**

(i) If the generating unit is currently running and is being dispatched, it should operate at its Pmin for that next dispatch interval, and

(ii) If the generating unit is currently offline, it should remain offline for that next dispatch interval.

Provided, however, that if the generating unit is scheduled to start up or shut down in accordance with Section 13 of this Manual, it shall continue to operate in accordance with its start-up and shutdown profile and with the procedures set out in said Section 13.

**xxx”**

19 PRESENTATION TITLE



#### PROPOSAL UPDATE

- On 24 January 2025, one of the MSC Members shared some general knowledge regarding the matter, which is summarized as follows:
  - A generator being "online" means it is connected and ready to provide power, but it might not be actively generating electricity. A generator that is "running" is actively producing and supplying electricity. So, "online" is about readiness, and "running" is about active power generation.
- On 27 January 2025, one RCC member proposed using 'in-service' instead of 'running,' pointing to the definition in IEEE Standard 762-2006 and how it is used in ERC Resolution No. 21 of 2016.

20 PRESENTATION TITLE





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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL



ASSESSMENT REPORT OF URGENT AMENDMENTS TO  
THE WESM MANUAL ON DISPATCH PROTOCOL ON THE  
ISSUANCE AND COVERAGE OF THE DISPATCH  
PROTOCOL BELOW MINIMUM STABLE LOAD  
Subtitle of the Presentation

DD Month YYYY | Venue or Platform

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BACKGROUND

- ❑ On 25 October 2024, the *Urgent Amendment to the WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedule below Minimum Stable Load* took effect and is valid until 25 April 2024.
- ❑ Pursuant to Section 7.4 (f) of the WESM Rules Change Manual, the Market Assessment Group (MAG) shall prepare and submit an assessment report to the RCC on the implementation of the approved urgent amendment.
- ❑ The assessment report provides the:
  - quantitative data during the implementation of the urgent amendment from 26 October 2024 to 25 December 2024 obtained by MAG;
  - summary of the implementation of the urgent amendment to the DCS compliance monitoring by the Enforcement and Compliance Office (ECO); and
  - MAG recommendation in view of the effectivity period of the urgent amendment.

PRESENTATION TITLE



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MEETING MINUTES

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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL  
ASSESSMENT REPORT

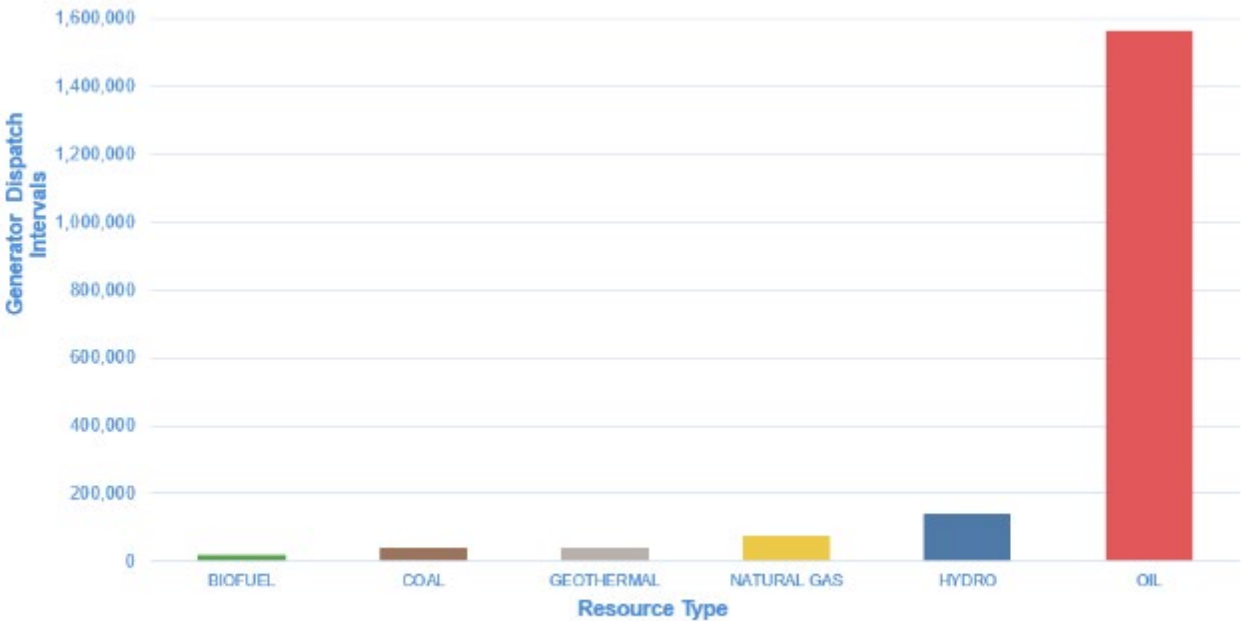
- ❑ Within the two (2) billing periods (November 2024 and December 2024), the total generator dispatch interval is 8,408,397. Of these, 2,973,794 generator dispatch intervals are with real-time dispatch schedules below Minimum Stable Load or Pmin.
- ❑ The implementation of the Section 11.4.4 of DPM is contingent on occurrences when the real-time dispatch (RTD) schedules of the generating units are below their Minimum Stable Load or Pmin.
- ❑ The data used was narrowed down to 1,874,156 generator dispatch intervals considering the following exclusions:
  - Generating units which are under testing and commissioning and under outage; and
  - Non-scheduled Generating Units.
- ❑ By region, the frequency of real-time dispatch schedules below Pmin occurred:
  - 412,555 generating dispatch intervals in Luzon
  - 837,736 in Visayas
  - 623,865 in Mindanao.

PRESENTATION TITLE



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PER RESOURCE TYPE



PRESENTATION TITLE



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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

MW OUTPUT DEVIATION PER GENERATOR DISPATCH INTERVAL

Deviation Range (MW)	Generator Dispatch Intervals
X<=-100MW	57
-100MW>X>=-50MW	90
-50MW<X<=-20MW	778
-20MW<X<=-10MW	378
-10MW<X<=0MW	1,677,626
0MW<X<=10MW	181,647
10MW<X<=20MW	7,591
20MW<X<=50MW	5,587
50MW<X<100MW	350
100MW<X<=200MW	48
200MW<X<300MW	4
Total	1,874,156

Where: X is the MW Deviation between the Generating Unit's actual MW Output and the Real-time Dispatch (RTD) below Minimum Stable Load (Pmin) per Generator Dispatch Intervals.

PRESENTATION TITLE



IMPLEMENTATION OF SECTION 11.4.4 (A) OF WESM DISPATCH PROTOCOL MANUAL  
MW DEVIATION PER GENERATOR DISPATCH INTERVAL

Deviation Range (MW)	Generator Dispatch Intervals				Total
	Pursuant to Section 11.4.4 (a)(i) of DPM Actual MW – Pmin	Pursuant to Section 11.4.4 (a)(ii) of DPM Actual MW – 0MW	Actual MW Output above Pmin	Actual MW Output below Pmin & >0MW	
X<=-100MW		1		56	57
-100MW>X>=-50MW		26		64	90
-50MW<X<=-20MW		102		676	778
-20MW<X<=-10MW		96		282	378
-10MW<X<=0MW		1,599,319		78,307	1,677,626
0MW<X<=10MW	55,781		87,598	38,268	181,647
10MW<X<=20MW	7		7,311	273	7,591
20MW<X<=50MW	21		5,274	292	5,587
50MW<X<100MW	4		261	85	350
100MW<X<=200MW	1		44	3	48
200MW<X<300MW			3	1	4
Total	55,814	1,599,544	100,491	118,307	1,874,156

Where: X is the MW Deviation between the Generating Unit's actual MW Output and the Real-time Dispatch (RTD) below Minimum Stable Load (Pmin) per Generator Dispatch Intervals.



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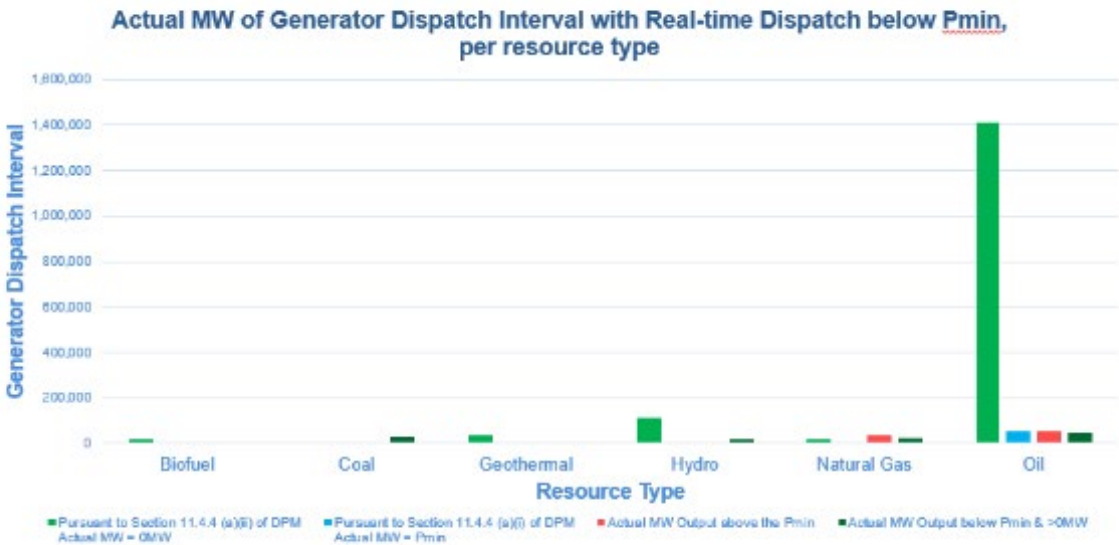
ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL  
IMPLEMENTATION OF SECTION 11.4.4 OF DISPATCH PROTOCOL MANUAL  
GENERATOR DISPATCH INTERVAL, PER RESOURCE TYPE

Resource Type	Generator Trading Intervals				Total
	Pursuant to Section 11.4.4 (a)(i) of DPM Actual MW = Pmin	Pursuant to Section 11.4.4 (a)(ii) of DPM Actual MW = 0MW	Actual MW Output above Pmin	Actual MW Output below Pmin & >0MW	
Biofuel	0	17,568	0	0	17,568
Coal	838	4,761	4,205	28,602	38,406
Geothermal	5	35,171	381	3,586	39,143
Hydro	1,617	114,386	5,857	15,987	137,847
Natural Gas	1	18,092	35,865	22,167	76,125
Oil	53,353	1,409,566	54,183	47,965	1,565,067
Total	55,814	1,599,544	100,491	118,307	1,874,156

PRESENTATION TITLE



IMPLEMENTATION OF SECTION 11.4.4 OF DISPATCH PROTOCOL MANUAL



PRESENTATION TITLE





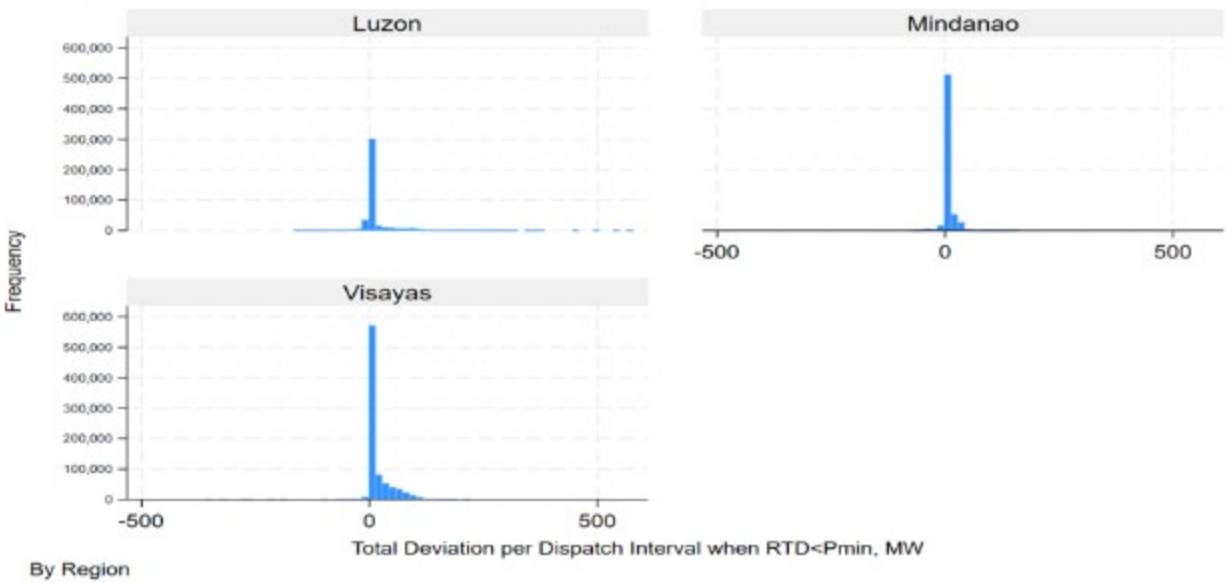


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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

TOTAL MW DEVIATION PER DISPATCH INTERVAL WHEN RTD SCHEDULE IS BELOW PMIN

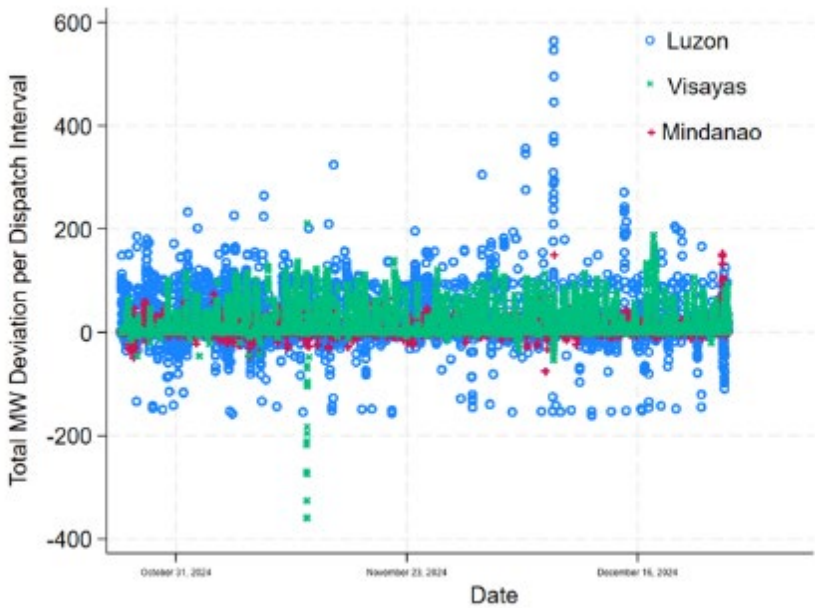


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PRESENTATION TITLE



TOTAL MW DEVIATION PER DISPATCH INTERVAL (26 OCTOBER 2024 TO 25 DECEMBER 2024)



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33 PRESENTATION TITLE



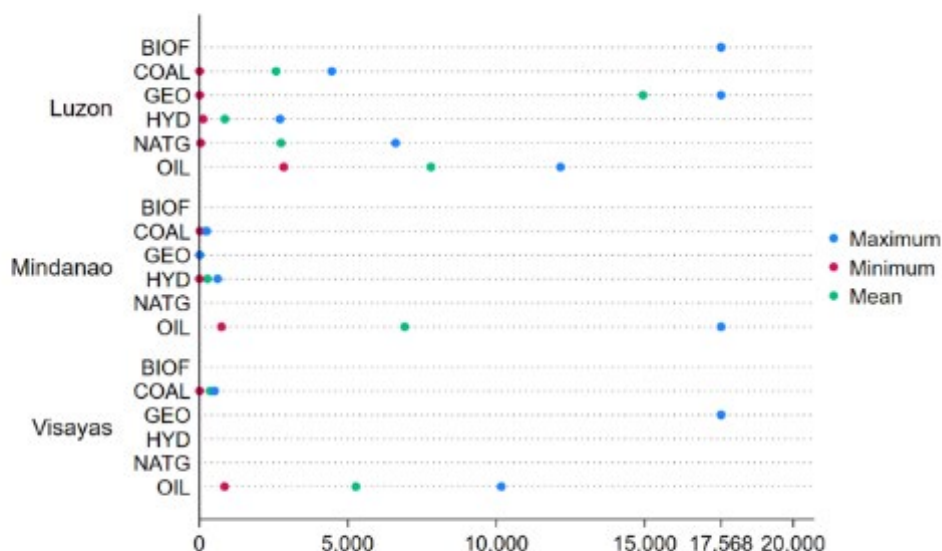


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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

#### **DURATION OF THE OCCURRENCES WHEN RTD SCHEDULE IS BELOW PMIN, BY REGION AND RESOURCE TYPE**



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PRESENTATION TITLE

#### **OBSERVATIONS:**

- ☐ A Generating Unit can be scheduled below its Pmin, when:
  - Offer block is at a low offer price with offer quantity below Pmin
  - Offer block is at a low offer price with offer quantity covering Pmin (i.e. cleared offer is only a portion of the offer quantity)
  - Start-up and shut-down operations
  - Scheduled to provide contingency or dispatchable reserves
  - About to end pumping operation (0 MW RTD schedules)
- ☐ Generator response to RTD schedules below its Pmin is affected, among others, by:
  - Plant status, e.g. tripping
  - SO re-dispatch instructions to provide reserves or MOT

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PRESENTATION TITLE



## MEETING MINUTES

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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

#### CONCLUSIONS AND RECOMMENDATIONS

##### ☐ Implementation of Section 11.4.4 of WESM Dispatch Protocol Manual

- ☐ The PEMC-ECO has implemented the urgent amendment regarding Section 11.4.4 of the WESM Dispatch Protocol Manual in their Dispatch Conformance Standards compliance monitoring

##### ☐ Generator Behavior

- ☐ While generators mostly adhere to their generation output instead of strictly following P<sub>min</sub> rules (running at P<sub>min</sub> or staying offline) when scheduled below P<sub>min</sub>, PEMC-ECO considers factors like schedule duration, System Operator re-dispatch instructions, and lead time for coordination

##### ☐ Grid Security and Stability

- ☐ Despite output deviation such that actual output does not fully comply with the RTD schedule, the System Operator has managed the security and stability of the grid and has required the prior communication by generators of their operational decisions. The System Operator may study the impact of MW deviations caused by this rule to grid security.

38 PRESENTATION TITLE



#### CONCLUSIONS AND RECOMMENDATIONS

##### ☐ Extension of Effectivity Period Needed

- ☐ To maintain continuous compliance monitoring by the PEMC-ECO, the urgent amendments' effectivity period needs to be extended while general amendments are processed.
- ☐ RCC request the PEM Board the extension of effectivity of the urgent amendment in consideration of the current effectivity until 25 April 2025 and the time required for the approval of the corresponding general amendment.

##### ☐ ECO Implementation

- ☐ The ECO to continue implementing the urgent amendment, subject to the PEM Board's decision and approval of the RCC's recommendations.

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## MEETING MINUTES

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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

This is a presentation slide titled 'Connect with PEMC'. On the left, a hand holds a smartphone displaying a graphic of two electrical plugs connected by a line. The background is a bright yellow diagonal stripe. In the top right corner is the PEMC logo. The main title 'Connect with PEMC' is in large blue font. At the bottom, contact information is provided: email (pemc.info@wesm.ph), phone (+63 2 8631 8734), and address (18F Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City 1600, Philippines). Social media icons for Facebook, LinkedIn, Twitter, and YouTube are also present, all labeled 'pemcinfo' or 'PEMC\_Info'.

Philippine Electricity Market Corporation

# Connect with PEMC

[pemc.info@wesm.ph](mailto:pemc.info@wesm.ph) +63 2 8631 8734 18F Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City 1600, Philippines

[f pemcinfo](#) [in pemcinfo](#) [t PEMC\\_Info](#) [v PEMC Info](#)

The slide features a background image of modern skyscrapers. The title is centered in a bold, blue, sans-serif font.

## 6.2 PROPOSED GENERAL AMENDMENTS TO THE WESM MANUAL ON DISPATCH PROTOCOL RELATIVE TO VALIDATION PROCESS OF REPORTED DISCREPANCIES IN THE DISPATCH INSTRUCTION REPORT



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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

#### ACTION REQUESTED

- For discussion and approval of publication of the proposal on the PEMC Website

PRESENTATION TITLE



#### 6.1 PROPOSED REVISION TO URGENT AMENDMENTS TO THE ANCILLARY SERVICES MONITORING MANUAL REGARDING RESERVE CONFORMANCE STANDARDS AND RELATED ENFORCEMENT ACTIONS





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### ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL ACTION REQUESTED

#### • For deliberation and approval

- The proposal was posted in PEMC Website to request for comments from 16 December 2024 to 03 February 2025.
- Comments received are from:
  1. ACEN
  2. APC
  3. MEI/PEI
  4. MERALCO
  5. MSC
  6. SMGP
  7. SNAP
  8. SPC

PRESENTATION TITLE



## VII. OTHER MATTERS



MEETING MINUTES

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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL



FOR INFORMATION: PEM BOARD RESOLUTION NO. 2025-80-08

REAPPOINTED PRINCIPAL MEMBERS			
MEMBER	SECTOR	TERM	PERIOD
1. Atty. Jesusito Morillos	Independent	2 <sup>nd</sup>	01 March 2025 to 28 February 2028
2. Mr. Virgilio Fortich, Jr.	Distribution	3 <sup>rd</sup>	
3. Mr. Dixie Anthony Banzon	Generation	3 <sup>rd</sup>	

NEW APPOINTMENT: PRINCIPAL MEMBER			
MEMBER	SECTOR	TERM	PERIOD
4. Atty. Jayson Francisco (to replace Ms. Cherry Javier)	Generation	1 <sup>st</sup>	01 March 2025 to 28 February 2028



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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL  
FOR INFORMATION: PEM BOARD RESOLUTION NO. 2025-80-08

ALTERNATE MEMBERS (FOR CONFIRMATION OF RCC CHAIRPERSON)			
Member	Sector	Term	Period
1. Mr. Getulio Zamoras Crodua	Distribution Alternate of Mr. Virgilio Fortich	2 <sup>nd</sup> (co-term)	01 March 2025 to 28 February 2028
2. Atty. Charm Krizzia Medina (to replace Ms. Angeli Abad Parcia; former alternate of Ms. Cherry Javier)	Generation Alternate of Atty. Jayson Francisco	1 <sup>st</sup> (co-term)	
3. Mr. Michael Valer Mariano (SMCGP; to replace Ms. Rose Ann Alfaro; resigned alternate of Mr. Dixie Banzon)	Generation Alternate of Mr. Dixie Banzon	3 <sup>rd</sup> (co-term)	
4. Mr. Bryan Alvin Calasanz (TeAm Energy; to replace Mr. Dennis Paragas; resigned alternate of Ms. Gian Karla Gutierrez)	Supply Alternate of Ms. Gian Karla Gutierrez	(co-term)	Until 28 March 2026

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7.2 UPDATE ON THE PROPOSALS





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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL

UPDATES ON THE PROPOSALS

Urgent Amendments

	Proposal	Proponent	Update/Status
1	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below minimum stable load	PEMC	<ul style="list-style-type: none"><li>02 October 2024 – The RCC received PEMC's proposal</li><li>10 October 2024 – 237<sup>th</sup> Special Meeting: The RCC provisionally approved the urgent amendment subject to the incorporation of the agreed-upon wordings</li><li>23 October 2024 – PEM Board approved the urgent amendment by way of PEM Board Resolution No. 2024-77-05</li><li>See corresponding General Amendment</li></ul>
2	Proposed Revision to the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	<ul style="list-style-type: none"><li>10 December 2024 - PEM Board approved the urgent amendment by way of PEM Board Resolution No.2024-79-01</li><li>12 December 2024 – Effectivity of the WESM ASMM Issue 1.2</li><li>See corresponding General Amendment</li></ul>



UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation

	Proposal	Proponent	Update/Status
1	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	PEMC	<ul style="list-style-type: none"><li>Published in PEMC Website to request for comments on 30 October 2024 until 11 December 2024.</li><li>Received comments from ACEN, MSC, and NGCP</li></ul>
2	Proposed General Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	<ul style="list-style-type: none"><li>Published in PEMC Website to request for comments on 06 September 2024 until 18 October 2024.</li><li>Received comments from APC, ACEN, MERALCO, MEI/PEI, NGCP, SNAP, SPC/SIPC, and MSC</li><li>Superseded by the 2<sup>nd</sup> Urgent Amendment (Commenters were informed on 20 December 2024)</li></ul>
3	Proposed Revision to the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	<ul style="list-style-type: none"><li>Published in PEMC Website to request for comments on 16 December 2024 until 03 February 2025</li><li>Comments received from ACEN, APC, MEI/PEI, MERALCO, MSC, SMGP, SNAP, and SPC</li></ul>

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UPDATES ON THE PROPOSALS			
General Amendments – Under RCC Evaluation			
	Proposal	Proponent	Update/Status
4	Proposed Amendment to the WESM Rules and WESM Manual on Dispatch Protocol regarding <b>Must-Offer Rule</b>	GNPK	<ul style="list-style-type: none"> <li>18 October 2024 – The RCC deferred the deliberation of the proposal, pending DOE's response to GNPK</li> <li>25 October 2024 – GNPK brought up its issues and concerns to the DOE</li> </ul>
5	Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures on <b>No Outstanding Balance</b> (Harmonization with ERC Resolution No. 01, Series of 2023)	IEMOP	<ul style="list-style-type: none"> <li>Deferred deliberation pending ERC's Issuance of Omnibus Retail Electricity Market Rules.</li> <li>28 August 2024 – ERC officially released the ERC Resolution No. 13, Series 2024.</li> <li>29 August 2024 – In relation to the ERC Resolution, the RCC sent a letter to IEMOP requesting for the updates on the proposals.</li> <li>05 September 2024 – IEMOP will provide an update to the RCC as soon as they have finalized their action plan.</li> </ul>
6	Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of <b>Electric Retail Aggregation Program</b>	IEMOP	

Philippine Electricity Market Corporation

UPDATES ON THE PROPOSALS			
General Amendments – Under RCC Evaluation			
	Proposal	Proponent	Update/Status
7	Proposed General Amendments to the WESM Rules and various WESM Market Manuals regarding <b>Energy Storage Systems</b> in view of the DOE DC2023-04-0008	IEMOP	<ul style="list-style-type: none"> <li>Published in the PEMC Website to request for comments on 22 August 2024 until 07 October 2024.</li> <li>Received comments from MERALCO, MEI/PEI, SPC/SIPC, MGEN, SNAP, APC, NGCP, ACEN, PEMC, and Technical Committee (TC)</li> <li>Deferred (As requested by proponent) proposal pending the forthcoming issuance of the ERC Rules on Energy Storage Systems</li> <li>Letter to Commenters was transmitted to the Comments on 04 Feb 2025</li> </ul>
8	Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the <b>Validation Process of Reported Discrepancies in the Dispatch Instruction Report</b>	NGCP	<ul style="list-style-type: none"> <li>15 January 2025 – Submission of the proposal (for discussion and approval in the next RCC Meeting on 21 February 2025)</li> </ul>

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UPDATES ON THE PROPOSALS			
General Amendments – For DOE Promulgation			
	Proposal	Proponent	Update/Status
1	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the <b>Interruptible Load Program Implementation</b>	IEMOP	<ul style="list-style-type: none"><li>Jan 31, 2024: Approved by the PEM Board <b>PEM Board Resolution No. 2024-68-03</b></li><li>DOE conducted Public Consultation: 3 April 2024, 17 April 2024 and 23 April 2024</li><li><b>For finalization of DOE</b></li></ul>
2	Proposed Amendments to the WESM Rules and WESM Manuals on <b>Penalty, and Enforcement and Compliance</b>	PEMC	<ul style="list-style-type: none"><li>Jan 31, 2024: Approved by the PEM Board <b>PEM Board Resolution No. 2024-68-06</b></li><li>DOE conducted Public Consultation: 3 April 2024, 17 April 2024 and 23 April 2024</li><li><b>For finalization of DOE</b></li></ul>
3	Proposed Amendments to the <b>Rules Change Process</b>	RCC	<ul style="list-style-type: none"><li>28 August 2024 – PEM Board approved the proposed amendments to the Rules Change Process (PEM Board Reso No. 2024-75-01)</li><li><b>25 September 2024 – Endorsed to the DOE</b></li></ul>



UPDATES ON THE PROPOSALS			
General Amendments – For DOE's Response			
	Proposal	Proponent	Update/Status
1	Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding <b>Non-security Over-riding Constraints</b>	NPC	<ul style="list-style-type: none"><li>17 May 2024 – RCC approved Reso on the conclusion of NPC's Proposal for endorsement to PEM Board</li><li><b>31 July 2024 – PEM Board concurred with the RCC's decision to conclude the National Power Corporation's (NPC) proposed rules change</b></li></ul>



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### 7.3 DOE UPDATES

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### 7.4 SCHEDULE OF ACTIVITIES

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ANNEX E – 243RD RCC MEETING PRESENTATION MATERIAL  
SCHEDULE OF ACTIVITIES

- 21 March 2025
- 18 April 2025
- 16 May 2025

**RCC Meetings**

- 17 February 2025
- 17 March 2025

**BRC Meeting**

- 26 February 2025
- 26 March 2025

**PEM Board Meeting**

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PRESENTATION TITLE

PRESENTATION TITLE

**VII. ADJOURNMENT**

## MEETING MINUTES

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