



Rules Change Committee 2024 Semestral Report

July to December 2024

January 2025

This Report is prepared by the
Philippine Electricity Market Corporation –
Market Assessment Group for the
Rules Change Committee



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I. INTRODUCTION

In compliance with its mandate under the WESM Rules¹ and the WESM Manual on the Procedures for Changes to the WESM Rules (“Rules Change Manual”), the Rules Change Committee (RCC) submits this Report, covering the period July to December 2024. This report sets out the following:

- i. All proposals to amend the Market Rules and Manuals which have been submitted or remanded to and deliberated upon by the RCC for the covered period; and
- ii. Status of RCC priorities outlined in the 2024 RCC Work Plan.

II. ACCOMPLISHMENTS AND WORK PROGRESS

The RCC held nine (9) meetings² to discuss and deliberate proposed amendments to the Market Rules and Manuals. These amendments aim to enhance market governance and improve the dispatch of renewable energy resources.

In the second half of 2024, the RCC approved five (5) of the seven (7) proposals processed within the period, which were submitted by the Philippine Electricity Market Corporation (PEMC), Independent Electricity Market Operator of the Philippines (IEMOP), and GN Power Kauswagan Ltd. Co. These include the proposal which the RCC prepared regarding its rules change process. The table below shows the tally of the received and resolved proposals per proponent.³

Table 1: Proposals Received and Resolved by RCC per Proponent (July to December 2024)

Proponent	Proposals carried over from Previous Periods	Proposals Received	Proposals Resolved
Market Participants / WESM Stakeholders	1 ⁴	-	-
Market Operator	-	1	-
PEMC / WESM Governance Committees (WGCs)	1	4	5
TOTAL	2	5	5

The details of the received and resolved proposals are described in *II.A Summary of Proposals*, *II.B Summary of Processed Proposals by RCC (July to December 2024)*, and *II.C Deferred Proposals and Discussions (July to December 2024)*.

¹ WESM Rules, Clause 8.6.5.

² Six (6) regular meetings, two (2) special meetings, and one (1) caucus.

³ Proposals that are not yet approved are undergoing review as of this writing.

⁴ Proposed General Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule

As part of its consultation process, the RCC posts all general amendment proposals in the PEMC website to solicit comments from interested parties for a period of thirty (30) working days. Representatives of the organizations who submit comments as well as resource persons are invited to participate in RCC deliberations on the proposals. The agreements reached by the RCC are then endorsed to the PEM Board for approval.

Related to the approved proposals for the second half of 2024, the RCC issued five (5) rules change related resolutions and submitted the same to the PEM Board for endorsement to the DOE and ERC for approval. The topics covered by these resolutions include:

1. Amendments to the Rules Change Manual regarding the Effectivity of the Urgent Amendment and Processing of General Amendments;
2. Guidelines on the Constitution of the WESM Governance Committee regarding Terms of Office;
3. Revisions on Reserve Conformance Standards and related Enforcement Action;
4. Guidelines on Dispatch Schedules below Minimum Stable Load (Pmin); and
5. Further revisions to the timeline and procedures for monitoring of compliance for Reserve Conformance Standards and its technical considerations.

The foregoing amended four (4) Market Rules and Manuals. Details of the revised Market Rules and Manuals per approved amendments can be found in the Annex A of this report.

During the period covered, the PEM Board approved four (4) of the submitted rules change proposals while one (1) rules change proposal was denied. The table below shows the tally of approved proposals per proponent.

Table 2: Proposals approved by the PEM Board per proponent (July to December 2024)

Proponent	Carried over from Previous Periods	Covered Period
Market Participants / WESM Stakeholders	-	-
PEMC / WESM Governance Committees (WGCs)	1 ⁵	3
TOTAL	1	3

The details of the PEM Board's approved proposal are described in *II.D Summary of Proposals Approved by the PEM Board (July to December 2024)*.

As requested by the respective proponents, the RCC deferred the processing of two (2) proposals: (1) the proposal regarding the amendments to the must-offer rule to await results of the proponent's consultation with the DOE, and (2) the proposal about the implementing

⁵ Proposed Amendments to the WESM Rules and WESM Manual on Rules Change on the Effectivity of Urgent Amendments and Processing of General Amendments

guidelines related to the participation of Energy Storage Systems in view of the impending issuance by Energy Regulatory Commission of its rules regarding Energy Storage Systems.

A summary of the proposed amendments deliberated by the RCC during the period July to December 2024 is provided in the succeeding sections. All the proposals, minutes of the RCC's deliberations, and resolutions can be found in the PEMC website.⁶

⁶ [Rules Change | Philippine Electricity Market Corporation \(wesm.ph\)](https://www.wesm.ph)

II.A. Summary of Proposals

The tables below present the status of rules change proposals submitted to RCC. Brief discussions on the proposals, both completed and on-going, are further provided in Sections II.B and II.C of this Report.

Table 3: Summary of Proposals Resolved by RCC (July to December 2024)

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board	PEM Board Resolution	Date Submitted to DOE
1.	RCC	ORCP-WR-WM-24-01	Proposed Amendments to the WESM Rules and WESM Manual on Rules Change on the Effectivity of Urgent Amendments and Processing of General Amendments	N/A	27-Mar-2024	03-Apr-2024	16-May-2024	Meralco	Approved	2024-04 (02 July 2024)	Approved	2024-75-01 (28 Aug 2024)	25-Sep-2024
2.	PEMC	ORCP-WR-WM-24-04	Proposed Urgent Amendment to the WESM Manual on Guidelines on the Constitution of WESM Governance Committees regarding Terms of Office	09-Sep-2024	N/A	N/A	N/A	N/A	Approved	2024-06 (22 Aug 2024)	Disapproved	2024-76-08 (25 Sep 2024)	01-Oct-2024
3.	PEMC	ORCP-WR-WM-24-05	Proposed Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	13-Aug-2024	N/A	N/A	N/A	N/A	Approved	2024-05 (27 Aug 24)	Approved	2024-75-04 (28 Aug 2024)	17-Oct-2024
4.	PEMC	ORCP-WR-	Proposed Urgent Amendments on WESM	02-Oct-2024	N/A	N/A	N/A	N/A	Approved	2024-07 (21 Oct 24)	Approved	2024-77-05 (23 Oct)	29-Oct-2024

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board	PEM Board Resolution	Date Submitted to DOE
		WM-24-07	Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load									2024)	
5.	PEMC	ORCP-WR-WM-24-06A	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	19-Nov-2024	N/A	N/A	N/A	N/A	Approved	2024-08 (06 Dec 2024)	Approved	2024-79-01 (10 Dec 2024)	17-Dec-2024

Table 4: Summary of On-going Proposals with RCC

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board
1.	GNPower Kauswagan Ltd. Co.	ORCP-WR-WM-24-02	Proposed Amendments to the WESM Rules regarding Must-Offer Rule	05-Apr-2024	21-Jun-2024	26-Jun-2024	06-Aug-2024	PEMC, IEMOP, WGC-TC, WGC-MSC, MEI-PEI, SNAP, APC, NGCP	-	-	-
2.	IEMOP	ORCP-WR-WM-24-03	Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Energy Storage Systems	19-July-2024	16-Aug-2024	22-Aug-2024	07-Oct-2024	MERALCO, MEI/PEI, SPC/SIPC, MGEN, SNAP, APC, NGCP, ACEN, PEMC, TC	-	-	-
3.	PEMC	ORCP-WR-WM-24-05	Proposed Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	13-Aug-2024	N/A	N/A	N/A	N/A	Approved	2024-05 (27 Aug 24)	Approved
4.	PEMC	ORCP-WR-WM-24-06	Proposed General Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	N/A	N/A	06-Sep-2024	18-Oct-2024	MERALCO SPC/SIPC, SNAP, APC, NGCP, ACEN, MEI/PEI, & MSC	“Terminated” due to the submission of ORCP-WR-WM-24-06A	2024-08 (06 Dec 2024)	-
5.	PEMC	ORCP-WR-WM-24-06A	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and	19-Nov-2024	N/A	N/A	N/A	N/A	Approved	2024-08 (06 Dec 2024)	Approved

			Related Enforcement Actions								
6.	PEMC	ORCP-WR-WM-24-06B	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	N/A	N/A	16-Dec-2024	03-Feb-2025	-	-	-	-
7.	PEMC	ORCP-WR-WM-24-07	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	02-Oct-2024	N/A	N/A	N/A	N/A	Approved	2024-07 (21 Oct 2024)	Approved
8.	PEMC	ORCP-WR-WM-24-08	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	N/A	N/A	30-Oct-2024	11-Dec-2024	ACEN, NGCP, & MSC	-	-	-
9.	IEMOP	ORCP-WR-RR-WM-RM-22-11	Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program	11-Nov-2022	N/A	23-Nov-2022	09-Jan-2023	ACEN, MERALCO, NGCP, PEMC	As of 20 September 2024: Deferred. Awaiting IEMOP's submission of the revised proposal per ERC Resolution No. 13 Series of 2024 (Omnibus Rules for Retail Market)	-	-

10.	IEMOP	ORCP-RR-RM-23-06	Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures on No Outstanding Balance (Harmonization with ERC Resolution No. 01, Series of 2023)	N/A	N/A	30-Mar-2023	17-May-2023	MERALCO, NGCP, PEMC	As of 20 September 2024: Deferred. Awaiting IEMOP's submission of the revised proposal per ERC Resolution No. 13 Series of 2024 (Omnibus Rules for Retail Market)	-	-
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II.B. Summary of Processed Proposals by RCC (July to December 2024)**1) Proposed Amendments to the WESM Rules and WESM Manual on Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals (ORCP-WR-WM-24-01)**

The RCC reviewed the procedures for changes to the WESM Rules, Retail Rules and Market Manuals concerning the period of effectivity of urgent amendments and the process of general amendments. During the 229th RCC (Regular) Meeting last 15 March 2024, the RCC deliberated on the draft proposal to revise the period of validity and implementation of urgent amendments, as well as the deliberation period on general amendments. They agreed to publish the proposal on the PEMC website for solicitation of comments from WESM Members and stakeholders.

Following the 30 working-day commenting period from 03 April 2024 to 16 May 2024, comments were received from Manila Electric Company (Meralco). During the 231st (17 May 2024) and 232nd (21 June 2024) Meetings, the RCC discussed the comments received and provisionally approved the proposal.

On 16 July 2024, the RCC endorsed the proposal to the PEM Board by way of RCC Resolution No. 2024-04.

The PEM Board approved the proposal through PEM Board Resolution No. 2024-75-01 and forwarded the proposal to the DOE for approval on 25 September 2024.

2) Proposed Urgent Amendment to the WESM Manual on Guidelines on the Constitution of WESM Governance Committees regarding Terms of Office (ORCP-WR-WM-24-04)

The PEMC submitted an urgent rules change proposal on 09 August 2024 amending the WESM Manual on Guidelines Governing the Constitution of the WESM Governance Committee (WGC). This amendment aimed to address the simultaneous expiration of terms of office of WGC Members particularly on the membership of the PEM Audit Committee (PAC), Market Surveillance Committee (MSC), and Compliance Committee (CC).

During 234th RCC Meeting on 16 August 2024, the RCC certified the proposal as an urgent amendment, as presented, and approved the endorsement of the proposal to the PEM Board by way of RCC Resolution No. 2024-06 on 27 August 2024.

During the 75th PEM Board Meeting on 28 August 2024, the PEM Board decided to forward the proposal to the Board Selection Committee for further discussion regarding the appointment and extension of terms for WGC members.

On 01 October 2024, the RCC received a letter from the PEM Board concerning its decision on the proposal. The PEM Board, through PEM Board Resolution No. 2024-76-08 issued on 25 September 2024, denied the urgent proposal, stating that the intention to implement staggered terms of office for members of the relevant committees is already reflected in the current Guidelines Governing the Constitution of the WESM Governance Committee.

3) Proposed Urgent and General Amendments to the Ancillary Services Monitoring Manual and Penalty Manual regarding the Reserve Conformance Standards and related Enforcement Actions (ORCP-WR-WM-24-05)

The PEMC submitted the urgent rules change proposal to the RCC on 13 August 2024 that aims to amend the the provisions of the Ancillary Services Monitoring Manual (ASMM) and Penalty Manual relative to:

- i. Correction and Clarity on some formula/criteria;
- ii. Streamlining the monitoring functions of Market Operator (MO) and Enforcement and Compliance Office (ECO);
- iii. Breach determination and averaging horizon;
- iv. Clarity on the basis for Request for Reassessment; and
- v. Harmonization of Penalty for Breach of Reserve Offer Capacity Compliance (ROCC)

The proposal was presented to the RCC during the 234th RCC Meeting on 16 August 2024. During the meeting, it was emphasized that the urgency of proposal was based on the resumption of the Reserve Market on 05 August 2024. Additionally, it was highlighted that the proposal intends to (1) address the impact of the incorrect formula in the ASM Manual Issue No. 1, (i.e., dispatchable reserve formula, measures for determining the metrics in RCS), (2) revise administrative structure, (3) resolve the conflict concerning the discrepancy on the penalty amount, and (4) harmonizes the penalty mechanism. The RCC certified the proposal as urgent amendment.

On 22 August 2024, the RCC, through RCC Resolution No. 2024-05, endorsed the proposal to the PEM Board. The proposal, along with additional suggested amendments from the IEMOP, was approved by the PEM Board during its 75th meeting on 28 August 2024. The revised market documents were posted in the PEMC website on 29 August 2024 and took effect beginning 30 August 2024 for a period of six (6) months or until the corresponding general amendment is promulgated by the DOE, whichever is earlier.

Following the procedures for processing the approved urgent amendments, the PEM Board-approved amendments were posted in the PEMC website on 06 September 2024 to solicit comments. During the thirty (30) working-day commenting period from 06 September 2024 to 18 October 2024, the proposal received comments from Aboitiz Power Corporation (APC), ACEN Corporation (ACEN), Meralco, Millenium Energy Inc./Panasia Energy Inc. (MEI/PEI), National Grid Corporation of the Philippines

(NGCP), SN Aboitiz Power (SNAP), SPC Power Corporation/SPC Island Power Corporation (SPC/SIPC), and the MSC.

Although the proposal was initially deliberated on during the RCC's 239th (Regular) meeting on 15 November 2024, it was superseded by a subsequent revision proposed by PEMC (see item no. 5) which was deemed necessary based on operational and technical issues identified during this proposal's implementation from the 26 August 2024 to 25 October 2024 billing periods.

4) Proposed Urgent and General Amendments on WESM Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load (ORCP-WR-WM-24-07)

With the cessation of effectivity of the WESM Manual on Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserve (PCSD) upon commencement of the Reserve Market⁷, the PEMC submitted urgent rules change proposal amending the WESM Manual on Dispatch Protocol to:

- i. ensure the Trading Participant's ability to react accordingly when its generating unit/s are dispatched below Pmin or the System Operator's (SO) ability in maintaining grid stability and reliability from such consequent and permitted actions made by generating units; and
- ii. implement the order of the DOE, as contained in DOE Advisory 2024-08-SEC, for the Governance Arm, the Market Operator and the System Operator to perform all action required to ensure the alignment of rules, systems and procedures for the successful commercial operations of the co-optimized energy and reserve market

The proposal was presented to the RCC during the 237th RCC Meeting on 10 October 2024. During the meeting, it was clarified that the proposal pertains only to generator dispatch compliance for energy Real-time Dispatch (RTD) schedules below minimum stable load (Pmin) since the Supplemental Operating Guidelines, as provided in DOE Advisory No. 2024-08-001 SEC issued on 02 August 2024, covers the guidelines for Ancillary Service Providers (ASP) with combined energy and reserve schedule.

In the same meeting, the RCC certified the proposal as an urgent amendment and approved the endorsement of the proposal to the PEM Board through the RCC Resolution No. 2024-07.

The proposal was endorsed to the PEM Board on 22 October 2024 and approved by the PEM Board through the PEM Board Resolution No. 2024-77-05 on 23 October 2024.

⁷ Per Section 1.3.1 of WESM-PCSD: *"This Protocol shall apply to the Market Operator, the System Operator and all WESM Members, including intending WESM Members, and WESM Participants in the electric power industry for a limited period and shall immediately cease upon commencement of the commercial operation of the WESM reserve market pursuant to the provisions of the DOE Department Circulars Nos. DC2014-03-0009 and DC2019-12-0018"* (Emphasis supplied)

The revised market documents were posted in the PEMC website on 24 October 2024 and took effect beginning 25 October 2024 for a period of six (6) months or until the corresponding general amendment is promulgated by the DOE, whichever is earlier.

Following the procedures for processing the approved urgent amendments, the PEM Board-approved proposal was published in the PEMC Website from 30 October 2024 until 11 December 2024 to solicit comments from the stakeholders and WESM participants.

The PEM Board-approved proposal received comments from ACEN, MSC and NGCP. The RCC is set to proceed deliberating on the proposal during its 242nd RCC (Regular) meeting on 17 January 2025.

5) Proposed Revisions to the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions (ORCP-WR-WM-24-6A)

The PEMC submitted the subject rules change proposal to the RCC on 19 November 2024. The proposal aims to address several operational and technical challenges identified in the implementation of the Reserve Conformance Standards (RCS) monitoring and enforcement process.

The proposal was initially discussed during the 239th RCC Meeting on 15 November 2024. During the meeting, PEMC's Enforcement and Compliance Office (ECO) discussed various issues and concerns encountered during the implementation process of the first urgent amendment approved by the PEM Board on 28 August 2024⁸. ECO emphasized the need of filing an urgent amendment relative to:

- i. data collection particularly due to completeness and volume of data resulting to delayed creation and issuance of Non-Compliance Notice;
- ii. tight timeline in responding by ASPs to the issued Non-Compliance Notice;
- iii. complex transaction adjustments; and
- iv. adjustments leading to negative purchases.

Since the newly-submitted urgent proposal intends to revise a previous urgent proposal that is still in effect, the RCC requested the PEMC-Legal to provide its opinion on whether it is allowed to revise a PEM Board-approved urgent amendment and its effectivity.

On 22 November 2024, the RCC held its 240th RCC (Special) Meeting. During this meeting, PEMC-Legal confirmed that an original urgent amendment (ORCP-WR-WM-24-06) may be further revised through another urgent amendment and the six-month

⁸ PEM Board Resolution No. 2024-75-04

effectivity of the first set of urgent amendments shall be refreshed. Additionally, PEMC-Legal pointed out that upon adoption of the second urgent amendment, the original urgent amendment will be deemed superseded and all processes under which the original urgent amendment was assessed and deliberated will be terminated, including deliberations of the corresponding general amendment of the original urgent amendment.

During the same meeting, the RCC certified the proposal as an urgent amendment and approved the endorsement of the proposal to the PEM Board by way of RCC Resolution No. 2024-08.

The proposal was endorsed to the PEM Board on 06 December 2024 and approved by the PEM Board through the PEM Board Resolution No. 2024-79-01 on 10 December 2024. The revised market documents were posted in the PEMC website on 10 December 2024 and took effect beginning 11 December 2024 for a period of six (6) months or until the corresponding general amendment is promulgated by the DOE, whichever is earlier.

Subsequently, the PEM Board-approved proposal was published in the PEMC Website on 16 December 2024 and is open to receive comments from stakeholders and WESM participants until 03 February 2024.

II.C. Deferred Proposals and Discussions (July to December 2024)

During the period covered, the RCC likewise discussed the following proposals which were deferred awaiting further developments:

1) Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol Manual regarding Must-Offer Rule (ORCP-WR-WM-24-02)

The proposal was initiated by GN Power Kauswagan Ltd. Co (GNPK) to amend the guidelines on submission of bids and offers in the market and to incorporate the technical conditions of coal-fired and thermal generating units.

The proposal was initially endorsed to the RCC on 11 April 2024. During the 230th RCC Meeting on 19 April 2024, the proposal was presented to the RCC for the approval of its publication in the PEMC Website to solicit comments from the WESM Members and stakeholders. The RCC determined that the proposal is not yet refined due to concerns about the proposed exemption to the 'must-offer rule' and grid limitations. The RCC therefore suggested GNPK to further review and revise the proposed amendment and the corresponding technical discussion. The RCC likewise deferred the approval of the publication. During its 231st (Regular) Meeting (17 May 2024), the RCC, having reviewed the revised proposal, again deferred the approval of the proposal's publication due to the pending submission of the revised technical write-up with updated assumptions on the grid status in Mindanao, among others.

During the 232nd (Regular) Meeting on 21 June 2024, GNPK presented the revised proposed amendment highlighting the consideration of the comments and suggestions from the previous discussions and omitted the amendments in relation to transmission-related constraints. The RCC approved the publication of GNPK's Proposed General Amendments to the WESM Rules regarding Must-Offer Rule to solicit comments.

During the thirty (30) working-day commenting period from 26 June 2024 to 06 August 2024, the proposal received comments from APC, IEMOP, MEI/PEI, NGCP, PEMC, SNAP, the WESM Technical Committee (TC) and MSC.

The RCC deliberated the proposal along with the comments received and the corresponding response of the proponent during the 234th RCC Meeting on 16 August 2024. Further discussions took place during the 235th RCC Meeting on 03 September 2024. The RCC suggested GNPK consider either one of the following options: (1) write a letter to the DOE to conduct a visitation for better appreciation of GNPK's concern, or (2) discuss with IEMOP the MDOM's scheduling of generating plants below the minimum stable load (P_{min}).

The RCC acknowledged the updates from GNPK on 16 October 2024, informing the committee of its intention to meet with the DOE to discuss the issues and concerns related to the subject proposal, and requesting to defer the inclusion of the subject proposal in the agenda of the following RCC meetings until after they receive feedback

from the DOE. The RCC noted the updates and approved GNPk's request during the 238th RCC Meeting on 18 October 2024.

2) Proposed General Amendments to the WESM Rules and various WESM Manuals regarding Energy Storage Systems (ORCP-WR-WM-24-03)

The IEMOP submitted rules change proposal on 19 July 2024 to provide implementing procedures and guidelines related to the participation of Energy Storage Systems (ESS) in the WESM in view of the DOE Department Circular DC2023-04-0008.

The RCC approved the publication of the proposal in the PEMC Website to solicit comments from stakeholders and WESM participants during the 234th RCC Meeting on 16 August 2024.

During the thirty (30) working-day commenting period from 22 August 2024 to 07 October 2024, the proposal received comments from APC, ACEN, MERALCO, Meralco PowerGen Corporation (MGen), MEI/PEI, NGCP, PEMC, SNAP, SPC/SIPC, and the TC.

IEMOP requested deferral of the deliberations on the proposal, first on 11 October 2024 and again on 15 November 2024 to afford them more time to respond to, and address the comments received. The RCC approved these requests during its 238th and 239th RCC Meetings on 18 October and 15 November 2024, respectively.

During the 241st RCC Meeting on 13 December 2024, the RCC acknowledged and approved further deferral of the deliberations on the proposal as requested by IEMOP through a letter to the RCC dated 12 December 2024. This request was made in light of the upcoming issuance by the Energy Regulatory Commission of the rules regarding Energy Storage Systems, which IEMOP shall consider in refining their proposal and mitigate the possibility of conflicting guidelines

II.D. Summary of Proposals Resolved by the PEM Board (July to December 2024)

The table below presents the status of rules change proposals submitted to the PEM Board for approval.

Table 5: Summary of Proposals Resolved by the PEM Board (July to December 2024)

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board	PEM Board Resolution	Date Submitted to DOE
1.	RCC	ORCP-WR-WM-24-01	Proposed Amendments to the WESM Rules and WESM Manual on Rules Change on the Effectivity of Urgent Amendments and Processing of General Amendments	N/A	27-Mar-2024	03-Apr-2024	16-May-2024	Meralco	Approved	2024-04 (02 July 2024)	Approved	2024-75-01 (28 Aug 2024)	25-Sep-2024
2.	PEMC	ORCP-WR-WM-24-04	Proposed Urgent Amendment to the WESM Manual on Guidelines on the Constitution of WESM Governance Committees regarding Terms of Office	09-Sep-2024	N/A	N/A	N/A	N/A	Approved	2024-06 (22 Aug 2024)	Disapproved	2024-76-08 (25 Sep 2024)	01-Oct-2024
3.	PEMC	ORCP-WR-WM-24-05	Proposed Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	13-Aug-2024	N/A	N/A	N/A	N/A	Approved	2024-05 (27 Aug 24)	Approved	2024-75-04 (28 Aug 2024)	17-Oct-2024

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board	PEM Board Resolution	Date Submitted to DOE
4.	PEMC	ORCP-WR-WM-24-07	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	02-Oct-2024	N/A	N/A	N/A	N/A	Approved	2024-07 (21 Oct 24)	Approved	2024-77-05 (23 Oct 2024)	29-Oct-2024
5.	PEMC	ORCP-WR-WM-24-06A	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	19-Nov-2024	N/A	N/A	N/A	N/A	Approved	2024-08 (06 Dec 2024)	Approved	2024-79-01 (10 Dec 2024)	17-Dec-2024

II.E. Status of Proposals Submitted to the DOE

Of the four (4) proposals pending the DOE’s approval, two (2) were approved and two (2) had undergone public consultation (i.e., virtual mode).

Table 6: Status of Proposals Submitted to the DOE

	RCC Resolution No.	Proposals	DOE Approval
1	2023-06	Proposed amendments to the WESM Rules and WESM Manual regarding Enhancements and Updating of the System Operator’s Re-Dispatching, Reporting and Market Intervention/Suspension Procedures	Approved DOE DC2024-10-0030 (07 Oct 2024)
2	2023-13	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program (ILP) Implementation	Ongoing <i>(Public consultations – Min: 03 April 2024, Vis: 17 April 2024, Luz: 23 April 2024)</i>
3	2023-15	Proposed General Amendments to the WESM Manual on Enforcement and Compliance Manual in Alignment with the Penalty Manual Revisions	Ongoing <i>(Public consultations – Min: 03 April 2024, Vis: 17 April 2024, Luz: 23 April 2024)</i>
4	2023-14	Proposed General Amendments to Refine the Procedures During Market Intervention and Suspension	Approved DOE DC2024-10-0030 (07 Oct 2024)

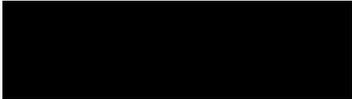
III. STATUS OF 2024 WORK PLAN

The 2024 RCC Work Plan (Annex D) was developed to align with PEMC's corporate vision, mission, and desired outcomes towards 2025.

For the second half of the year, the RCC has convened nine (9) times⁹ and issued five (5) rules change-related resolutions. Notably, the Committee discussed topics including guidelines on the Constitution of WESM Governance Committees regarding Terms of Office, revisions on Reserve Conformance Standards, enhancement on the WESM implementing guidelines related to Energy Storage System, guidelines for Trading Participants having dispatch schedules below the minimum stable load, timeline and procedures for monitoring compliance for Reserve Conformance Standards, and Must-Offer Rule.

As the RCC strives to attain a timely and responsive resolution of proposed amendments, it has approved the pilot implementation of refinements to rules change review process. The Committee consistently directs its efforts and resources to realize PEMC's priority activities as reflected in pertinent DOE and ERC directives and PEMC's Corporate Plan, which necessitates continuing review of the Market Rules and Manuals and crafting of new market documents, if necessary.

⁹ Six (6) regular meetings, two (2) special meetings, and one (1) caucus

Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 Rachel Angela P. Anosan	 Jesusito G. Morallos
 Jordan Rel C. Orillaza	 Emmanuel Genesis T. Andal
Generation Sector Members:	
 Dixie Anthony R. Banzon Masinloc Power Partners Co. Ltd. (MPPCL)	 Cherry A. Javier Aboitiz Power Corp. (APC)
 Carlito C. Claudio Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI)	 Mark D. Habana Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
 Virgilio C. Fortich, Jr. Cebu III Electric Cooperative, Inc. (CEBECO III)	 Ryan S. Morales Manila Electric Company (MERALCO)
 Nelson M. Dela Cruz Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)	 Russel S. Alabado Angeles Electric Corporation (AEC)

Supply Sector Member:



Gian Karla C. Gutierrez
First Gen Corporation/First Gen Energy Solutions, Inc.
(FGEN)

Market Operator Member:



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

System Operator Member:



Darryl Lon A. Ortiz
National Grid Corporation of the Philippines
(NGCP)

ANNEX A: Number of Proposed Amendments (July to December 2024)
Table 7: Number of Approved/Disapproved Amendments per Market Document

Market Documents		Number of Times Amended (Jul – Dec 2024)
WESM Rules		2
WESM Manuals		
1. WM – BS	Billing and Settlement	
2. WM – CVC-PR	Constraint Violation Coefficients and Pricing Re-runs	
3. WM – DP	Dispatch Protocol	3
4. WM – DR	Dispute Resolution	
5. WM – ECM	Enforcement and Compliance Manual	
6. WM – FASMD	Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating	
7. WM – GSV	Guidelines on Significant Variations In and Between Trading Intervals	
8. WM – IDC	Market Operator Information Disclosure and Confidentiality	
9. WM – LFM	Load Forecasting Methodology	
10. WM – MNMCP	Market Network Model Development and Maintenance-Criteria and Procedures	
11. WM – MSM	Market Surveillance Manual	1
12. WM – MSP	Metering Standards and Procedures	
13. WM – PCSD	Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserves	
14. WM – PDM	Price Determination Methodology	
15. WM – PEMAUD	PEM Audit Market Manual	
16. WM – PM	Penalty Manual	
17. WM – RCM	Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals	
18. WM – RSDCP	Registration, Suspension and De-Registration Criteria and Procedures	
19. WM – SSRG	System Security and Reliability Guidelines	
20. WM – TCMM	Technical Committee Market Manual	
21. WM – WCR	WCO Certification and Registration	
22. WM – WGC	Guidelines Governing the Constitution of the WESM Governance Committees	
23. WM – ASM	Ancillary Service Monitoring	3
Retail Rules		
Retail Manuals		
1. RCOA – DCRCI	Disclosure and Confidentiality of Retail Customer Information	
2. RCOA – GEOPP	Green Energy Option Program Procedures	
3. RCOA – MSP	Metering Standards and Procedures	
4. RCOA – MTP	Market Transactions Procedures	
5. RCOA – RCP	Registration Criteria and Procedures	

ANNEX B: Members of the RCC as of December 2024

Sector	Representative Organization	Name	Membership
Independent	-	Rachel Angela P. Anosan ¹⁰ <i>(Chairperson, 01 Nov 2024 to present)</i>	-
	-	Jesusito G. Morillos ¹¹ <i>(Chairperson, 01 Jul 2024 to 31 Oct 2024)</i>	-
	-	Jordan Rel C. Orillaza	-
	-	Emmanuel Genesis T. Andal ¹²	-
Market Operations	Independent Market Operator of the Philippines (IEMOP)	Isidro E. Cacho, Jr.	Principal
		Kristoffer Monico S. Ng	Alternate
System Operations	National Grid Corporation of the Philippines (NGCP)	Darryl Lon A. Ortiz	Principal
		Clark N. Agustin	Alternate
Generation	Aboitiz Power Corporation (APC)	Cherry A. Javier	Principal
		Angeli A. Parcia	Alternate
	Masinloc Power Partners Co. Ltd. (MPPCL)	Dixie Anthony R. Banzon	Principal
		Rose Ann O. Alfaro	Alternate
	Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI)	Carlito C. Claudio	Principal
		Jessie B. Victorio	Alternate
Vivant Corporation – Philippines (Vivant)	Mark D. Habana	Principal	
	Michelle S. Tuazon	Alternate	
Distribution	Manila Electric Company (MERALCO) – Private Distribution Utility	Ryan S. Morales	Principal
		Manuel Luis N. Zagala	Alternate
	Angeles Electric Corporation (AEC) – Private Distribution Utility	Russel S. Alabado	Principal
	Cagayan Electric Power and Light Co., Inc. (CEPALCO) – Private Distribution Utility	Alfredo C. Sanaga, Jr.	Alternate
	Cebu III Electric Cooperative, Inc. (CEBECO III) – Electric Cooperative	Virgilio C. Fortich, Jr.	Principal
	Cebu I Electric Cooperative, Inc. (CEBECO I) – Electric Cooperative	Getulio Z. Crodua	Alternate
	Nueva Ecija II Area 1 Electric Cooperative, Inc.	Nelson M. Dela Cruz	Principal
	Agusan del Norte Electric Cooperative, Inc.,	Darwin T. Daymiel	Alternate
Supply	First Gen Corporation/First Gen Energy Solutions, Inc. (FGEN)	Gian Karla C. Gutierrez	Principal
	TeaM (Philippines) Energy Corporation (TPEC)	Dennis R. Paragas	Alternate

¹⁰ Atty. Rachel Angela P. Anosan was appointed as RCC Chairperson effective 01 November 2024.

¹¹ Atty. Jesusito G. Morillos was reappointed as RCC Independent Member effective 01 November 2024.

¹² Prof. Emmanuel Genesis T. Andal was appointed as RCC Independent Member effective 23 October 2024.

ANNEX C: DOE and ERC Observers as of December 2024

Organization	Observers
DOE ¹³	1) Luningning G. Baltazar 2) Antonio S. Barcelona 3) Noriel Christopher R. Reyes 4) John Paulo O. Castro 5) Jhannelyn D. Marasigan 6) Chrismah Joy D. Quinones 7) Jane May M. Mea
ERC ¹⁴	1) Sharon O. Montañer 2) Antoinette M. Badillo

¹³ Designation of DOE observers per DOE letter to PEMC dated 06 February 2024.

¹⁴ Designation of ERC observers per ERC letter to PEMC dated 06 December 2022.

ANNEX D: Status of the Rules Change Committee Work Plan for 2024

The Rules Change Committee strives to attain a timely resolution of all rules change proposals it receives and shall continuously direct its efforts to work on priority activities for further enhancements to the Market Rules and Manuals. The activities in the Work Plan are aligned with PEMC’s 2023-2025 Corporate Strategic Plan and shall be updated as necessary as more contributions are received from industry sectors and stakeholders or as directed by the DOE or ERC.

Legend: Submission/Completion of Report/Inputs/Comments
 Regular Activity

ACTIVITIES		OUTPUTS	2024				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance							
Objective 4: Availability of Adequate Support to the PEM Board and its Committees							
1	Conduct of monthly and urgent meetings	Minutes of meetings					<i>Completed</i> The RCC convened the following: a. Twelve (12) Regular Meetings 1. 227 th (2024-01) 2. 228 th (2024-02) 3. 229 th (2024-03) 4. 230 th (2024-04) 5. 231 st (2024-05) 6. 232 nd (2024-06) 7. 233 rd (2024-07) 8. 234 th (2024-08) 9. 236 th (2024-10) 10. 238 th (2024-12) 11. 239 th (2024-13)

ACTIVITIES		OUTPUTS	2024				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							12. 241 st (2024-15) b. One (1) Caucus 1. 235 th (2024-09) c. Two (2) Special Meetings 1. 237 th (2024-11) 2. 240 th (2024-14)
Objective 5: Availability of Accurate and Updated Market Reports, Rules, Manuals, and Other Relevant Public Information About the WESM and REM							
2	Approve Annual Committee Work Plan aligned with PEMC Corporate Strategic Plan	2024 RCC Work Plan submitted to the PEM Board by March 2024					<i>Completed</i> 2024 RCC Work Plan was transmitted to PEM Board on 20 March 2024.
3	Facilitate submission of Sectoral Certifications	Sectoral Certifications submitted to the RCC/PEM Board					<i>Completed</i> Certifications were reported to the PEM Board on 24 April 2024.
4	Approve Semestral Reports	RCC Semestral Reports submitted to the PEM Board in January and July 2024					<i>Completed (with the submission of this report)</i> RCC Semestral Report for Jul-Dec 2023 was transmitted to PEM Board on 30 January 2024 and published 31 January 2024.

ACTIVITIES		OUTPUTS	2024				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							RCC Semestral Report for Jan-Jun 2024 was transmitted to PEM Board on 30 July 2024 and published 30 July 2024.
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness							
5	Participate in WESM events, as requested or scheduled	Attendance to the WESM events					<p><i>Completed</i></p> <p>Participated in the following WESM Events:</p> <ul style="list-style-type: none"> • Annual General Membership Meeting (19 Jun 2024, Mandaluyong City) • Market Participants' Townhall (04 September 2024, Mandaluyong City) • Electricity Market Exchange (04 September 2024, Mandaluyong City) • WESM Compliance Officer (WCO) Summit 2024 (24 October 2024, Mandaue City)

ACTIVITIES		OUTPUTS	2024				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
Objective 8: Responsive market rules and manuals							
6	Assess market rules and manuals and propose amendments ¹⁵	RCC Resolutions on rules change proposals submitted to the PEM Board					<p><i>Completed</i></p> <p>RCC submitted the following resolutions:</p> <ol style="list-style-type: none"> 1. RCC Reso 2024-01 (31 Jan 2024) 2. RCC Reso 2024-03 (22 May 2024) 3. RCC Reso 2024-04 (02 Jul 2024) 4. RCC Reso 2024-05 (27 Aug 2024) 5. RCC Reso 2024-06 (22 Aug 2024) 6. RCC Reso 2024-07 (21 Oct 2024) 7. RCC Reso 2024-08 (06 Dec 2024)
7		Presentation during the Board Review Committee (BRC) and PEM Board meetings					<p>The RCC presented various rules change proposals in the following meetings:</p> <ol style="list-style-type: none"> a. BRC Meeting <ol style="list-style-type: none"> 1. 25 January 2024 2. 22 August 2024

¹⁵ See Lists A and B for the lists of possible rules change proposals

ACTIVITIES		OUTPUTS	2024				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							3. 15 October 2024 b. PEM Board Meeting 1. 31 January 2024 (68 th) 2. 28 August 2024 (75 th) 3. 24 October 2024 (77 th) 4. 10 December 2024 (79 th) Note: No scheduled BRC meeting in December 2024.
8	Participate in DOE/ERC public consultations on market rules and manuals and propose amendments	Attendance to the DOE/ERC public consultations					RCC Sectoral Representatives attended the virtual public consultations conducted on 03 April 2024 (Mindanao), 17 April 2024 (Visayas), and 23 April 2024 (Luzon).
9	Enhance rules change process	Updated RCC Internal Rules highlighting the need for a more stringent admission of third-party attendees to RCC meetings and as well as other improvements Proposed amendments to the Rules Change Manual					<i>Completed</i> RCC Approved RESO-24-02: Amendments to Internal Rules (25 April 2024) and RCC RESO-24-04: Amendments to RCM (02 July 2024).
10	Provide comments on PEMC rules change effectiveness study	Comments on rules change effectiveness study					<i>No activities/actions yet are required from the RCC.</i> Rules Change Effectiveness study regarding the implementation of Enhanced WESM Design and

ACTIVITIES		OUTPUTS	2024				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							Operations (EWDO) including the Reserve Market will be undertaken in 2026, based on the approved PEMC's Corporate Strategic Plan 2024-2026.
GOAL 3: Achieve Organizational Excellence and Operational Efficiency							
Objective 5: Clear Corporate Targets and Performance Measures							
11	Timely approval of Corporate and Departmental Strategic Plan by the PEM Board and PEMC Management, respectively	Inputs to Corporate and Departmental Strategic Plan					<i>No activities/actions yet are required from the RCC.</i> Dependent on PEMC's strategic planning activities.
Objective 6: Continuing Improvement in the Delivery of Service to Internal and External Clients							
12	Respond to survey on the provision of technical and administrative support to the RCC	Response to survey on WESM Governance Committee (WGC) Support by PEMC					<i>Completed</i> Survey on the Performance Monitoring and Evaluation of Governance Committee period Jan to Dec 2023.
13	Participate in activities related to ISO 37000:2021 - Governance of Organizations Training / Certification	Attendance to trainings/discussions and provide inputs, as requested by PEMC					<i>No activities/actions yet are required from the RCC.</i> This activity is not yet commenced by PEMC, subject to the approved timeline and budget availability.