

TECHNICAL COMMITTEE WORK PLAN for 2019-2021

I. MISSION: POWER

Desired Outcome: Ensuring Supply of Power: The market is conducive to attracting new resources and investments to meet the growing demand of the Filipino consumers

| Corporate Strategies | Corporate Targets | Committee Activities | Targets & Outputs | Required Resources | Lead Dept./WGC |
|---|--|---|---|-------------------------|----------------|
| P.1. Indicator: Availability of relevant and accurate market signals | | | | | |
| P.1.1 Implement the enhanced market design in Luzon and Visayas | 1. Complete the conduct of necessary activities for the approval of market rules and manuals | Participate in the market readiness assessment audit (as per PAC timeline, 2019) | Comment on the criteria for the readiness assessment audit for the enhanced WESM design | PAC process | MAG/ RCC |
| P.1.2 Provide and promote the relevant market information to potential investors and current market players | 1. Conducted Information campaigns, membership meetings, and trainings | 1. Attend PEMC Membership meetings (as scheduled) 2. Participate in information campaigns (as required / as scheduled) | 1. Attendance to PEMC Membership meetings 2. Participation in information campaigns | CPC Secretariat Support | CPC |
| | 2. Publish relevant reports (e.g. state of the market report, forecast report, etc) on time | Review, approve and submit the Committee Annual Report to the PEM Board (Annual, every Feb-Mar) | TC Annual Report | | MAG |

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|--|---|---|--|--|----------|
| | 3. Glossary of WESM terminologies, aligned with the Philippine Grid Code, Philippine Distribution Code and other relevant documents | Prepare a glossary of WESM terminologies (Q1 & Q2, 2020) | Glossary of WESM Terminologies | | CPC/ TC |
| P.2 Indicator: Commercial operations of WESM Mindanao | | | | | |
| P.2.1 Assess the Market in Mindanao | 1. Assess the market in Mindanao | Review and propose recommendations, as necessary, to the policies on embedded facilities and metering requirements in relation to the implementation of NMMS in Mindanao (Q2-Q3 2019) | Proposed recommendations submitted to the PEM Board | PAC process and timeline | CPC/ TC |
| P.3 Indicator: Co-optimization of energy and reserves market | | | | | |
| P.3.1 Advocate for the approval of the PDM | 1. Harmonized rules and standards on ancillary services | As required, provide inputs in the harmonization of rules and standards on ancillary services (Q2 2020) | Inputs to the harmonized rules and standards on ancillary services | CPC Secretariat Support, OP & OCGO Process | OP/ OCGO |
| P.4 Indicator: Responsive integration of variable renewable energy (VRE) resources and other new technologies | | | | | |
| P.4.1 Conduct a comprehensive analysis on the integration of the variable | 1. Roadmap and proposed recommendations for the integration of VRE and other technologies into the WESM | 1. Prepare the VRE and other technologies roadmap (Q2 2019) 2. Present the proposed VRE and other technologies roadmap to the PEMC Management for | 1. Proposed roadmap for VRE and other technologies by April 2019 | CPC Technical Support; RCC process and support | CPC/ TC |

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| renewable energy (VRE) and other new technologies into the WESM. | | information and comments (June 2019) 3. As identified in the roadmap, review best practices and conduct studies or assessment (Q3 2019 to 2021) | 2. Presentation on VRE roadmap and other technologies to the PEMC Management by May 2019 3. Studies on VRE integration and other new technologies | | |
| | 2. Proposed amendments to market rules and guidelines to mitigate the impact and imbalances caused by the integration of VRE in the market | As necessary, recommend changes to market rules and relevant manuals on the integration of VRE and other technologies, in coordination with PEMC Rules Review Division and CPC (Q4 2020) | Proposed recommendations to rules changes, as necessary | | |

II. MISSION: EFFICIENCY

Desired Outcome: Exceptional Market Operations: The operations of the market, and the performance of the market operator and service providers are among the best in the global electricity markets.

| Corporate Strategies | Corporate Targets | Committee Activities | Targets & Outputs | Required Resources | Lead Dept./WGC |
|--|---|---|--|--|----------------|
| E.2 Indicator: Level of compliance with the Market Rules and relevant Market Manuals by the Market Operator and Service Providers | | | | | |
| E.2.1 Regular conduct of market operations audit | 1. Complete the conduct of MO Audit | 1. Provide comment to the draft TOR for the conduct of MO Audit (Q1 2020) 2. Review the results of the MO Audit (Q1 2021) | 1. Comments to the MO Audit TOR 2. Comments/suggestions to the MO Audit results | PAC Process | MAG/ PAC |
| E.2.2 Regular conduct of Regular conduct of metering arrangements review | 1. Complete the conduct of Metering arrangements review | 1. Provide comments to the TOR for the conduct of metering arrangements review (Q4 2019) 2. Assist the PAC in the engagement of external auditors (Q4 2019) 3. Assist PAC in the conduct of metering site inspection (Q4 2019) 4. Review the External Auditors' Metering Review Report (Q1 2021) 5. | 1. Comments to the RMIA draft TOR 2. Recommendation on the external auditors 3. Assistance to the PAC in the site inspection activities 4. Comments/suggestions to the RMIA reports | MAG/ PAC Process; CPC Secretariat Support | MAG/ PAC |

| Corporate Strategies | Corporate Targets | Committee Activities | Targets & Outputs | Required Resources | Lead Dept./WGC |
|--|--|---|---|--|-----------------------|
| E.3 Indicator: Level of compliance with the Market Rules and relevant Market Manuals by the Market Operator and Service Providers | | | | | |
| E.3.1 Enhance performance and business processes of WGCs. | 1. Performance metrics for the WGCs | Provide inputs to the performance metrics of the WGCs (Q3 2019) | Inputs/comments to the performance metrics for the WGCs. | MAG/ PAC Process; CPC Secretariat Support | MAG/ PAC |
| | 2. Report on the WGC performance in the conduct of their tasks | 1. Regularly review the TC's Market Manual (as necessary) 2. Regularly review the TC Internal Rules (as necessary) | 1. Reviewed TC Market Manual 2. Reviewed TC Internal Rules | | |

III. Mission: MARKET

Desired Outcome Dynamic Market: PEMC conducts the development and appropriate implementation of a responsive market.

| Corporate Strategies | Corporate Targets | Committee Activities | Targets & Outputs | Required Resources | Lead Dept./WGC |
|--|--|--|--|--|----------------|
| M.1. Indicator: Commercial operations of RE Market | | | | | |
| M.1.1 Establish the RE Market | 1. Completed the necessary preparations within PEMC for the operations of the RE Market | As required, provide inputs on documents/manuals related to the establishment of the RE Market (Q2 2019) | Comments/suggestions on the documents/manuals for the RE Market | CPC Process; RE Market TWG draft documents | CPC/ REM GC |
| | 2. Capacity-building activities on the operations of the RE Market for the market participants | Attend trainings on RE Market and other related activities (Q3 2019) | Attendance to trainings and other related activities | | |
| M.2 Indicator: Implementation of demand-side participation | | | | | |
| M.2.1 Propose policies on alternative demand side resources and accounting for demand side resources | 1. Study on the proposed design for the demand-side participation | Study on the proposed design for the demand-side participation (Q4 2019) | Proposed framework including rules change to implement demand side participation | CPC Technical Support | CPC/ TC |
| M.3. Indicator: Decision to implement the Financial Transmission Rights | | | | | |
| M.3.1 Conduct a study on the viability to implement FTRs provider to their audit action plans | 1. Study on the viability to implement FTRs | As required, provide inputs on the study on FTRs (Q4 2019) | Inputs to the study on FTRs | MAG/ MSC process; CPC Technical Support | MAG/ MSC |

| Corporate Strategies | Corporate Targets | Committee Activities | Targets & Outputs | Required Resources | Lead Dept./WGC |
|--|---|--|---|--|----------------|
| M.4. Indicator: Commercial operations of Derivatives Market | | | | | |
| M.4.1 Recommend policies on the effective implementation of derivatives market | 1. Study on the proposed design for the electricity derivatives market in consideration of the previous study with recommended policies and proposed ways forward to the DOE. | As required, provide inputs on the study on the proposed design for the derivatives market (Q2 2019) | Inputs to the study on Derivatives Market | CPC/ PAC Process; CPC Technical Support; Expert member on financial market | CPC/ PAC |

IV. MISSION: GOVERNANCE

Desired Outcome: Empowered Governance: PEM Board and Governance Committees attain timely, responsive and strategic goals that are consistent with the market objectives and the changing electricity landscape

| Corporate Strategies | Corporate Targets | Committee Activities | Targets & Outputs | Required Resources | Lead Dept./WGC |
|--|--|--|--|---|---------------------|
| G.1. Indicator: Timely provision of adequate support and information required by the WESM Governance Committees and PEM Board | | | | | |
| G.1.1 Coordinate the overall operations and activities of the PEM Board, WESM Governance Committees | 1. Timely provision of secretariat and technical support to the PEM Board and Committees relevant to their decision making functions | 1. Regular conduct of TC Meetings (every 2nd Wednesdays of the month) 2. Conduct of other studies/papers, as may be required or requested by the PEM Board, Market Participants or other WESM Governance Committees | 1. Attendance to TC Meetings 2. Completed study/paper, as requested | CPC Secretariat Support | CORSEC/ MAG/ CPC |
| G.3 Indicator: Responsive market rules and manuals | | | | | |
| G.3.1. Assess the effectiveness of market rules and manuals and propose amendments, as necessary | 1. Proposed amendments to WESM Rules, manuals and market processes | 1. Provide comments to the RCC on the proposed amendments to WESM Rules and various Manuals (as scheduled) 2. Submit proposed amendments to the RCC as a result of market studies or best practice recommendations (as scheduled) | 1. Comments to proposed amendments to WESM Rules and various Manuals 2. Proposed amendments, as necessary | RCC process; CPC Secretariat Support | MAG/ RCC |