



**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2017-01

Proposed Amendments to the a) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run and the b) Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM

WHEREAS, on 28 October 2016, the Rules Change Committee (RCC) received the Philippine Electricity Market Corporation's Proposed Amendments to the a) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run ("PEN-MRR Manual") and the b) Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM ("PSM Manual");

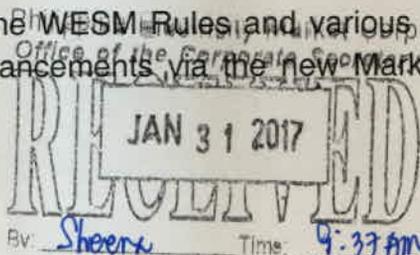
WHEREAS, the proposal sought to reflect the actual timeline of the Market Operator's publication in the Market Information Website of the summary of pricing error notices, proposing to change the publication timeline from within two (2) *business* days to two (2) *working* days;

WHEREAS, the proposal was presented before the RCC during its 121st Meeting held on 09 November 2016, and was thereafter approved for posting in the Market Information Website to solicit comments from Market Participants and interested parties;

WHEREAS, the proposal was published on 14 November 2016 with corresponding notification to the participants, providing for a 30-working day commenting period which lapsed on 28 December 2016;

WHEREAS, the RCC, during its 123rd Regular Meeting held on 13 January 2017, deliberated upon the proposal, giving due consideration to the comments received from the DOE;

WHEREAS, the RCC noted that while the DOE posed no disagreement with the proposal, it nevertheless recommended remanding the same to the proponent since the subject Manuals are due for abolition with the DOE's forthcoming promulgation of the amendments to the WESM Rules and various Manuals for the implementation of market design enhancements via the new Market Management System;



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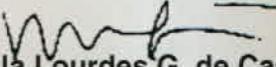
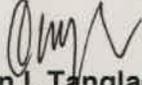
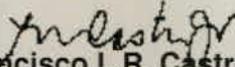
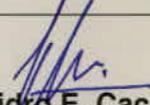
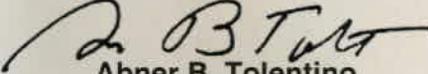
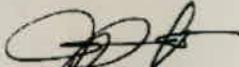
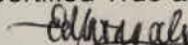
WHEREAS, the RCC acknowledged the practicality of the DOE's suggestion but nevertheless approved the proposed amendments for endorsement to the PEM Board to recognize the merits of the proposal, and leave to the Board Review Committee or the PEM Board the decision whether or not to endorse the proposal to the DOE;

NOW THEREFORE, we, the undersigned and in behalf of the sector we represent, hereby resolve as follows:

RESOLVED, that the Proposed Amendments to the a) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run and the b) Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM are hereby approved by the RCC;

RESOLVED FURTHER, that the attached Annex of the Proposed Amendments to the a) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run and the b) Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM are hereby endorsed to the PEM Board for approval and endorsement to the DOE.

Done this 13 January 2017, Pasig City.

Approved by: RULES CHANGE COMMITTEE	
 Maila Lourdes G. de Castro Chairperson Independent	
Members:	
 Concepcion I. Tanglao Independent	 Francisco L.R. Castro, Jr. Independent
 Allan C. Nerves Independent	 Isidro E. Cacho, Jr. Market Operator Philippine Electricity Market Corporation (PEMC)
Ambrocio R. Rosales Transmission Sector National Grid Corporation of the Philippines (NGCP)	 Abner B. Tolentino Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
Atty. Jose Ildebrando B. Ambrosio Generation Sector NorthWind Power Development Corporation	 Theo C. Sunico Generation Sector Vivant Corporation
Ciprinilo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO)	 Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)
 Juanito Tolentino Distribution Sector Mactan Electric Company (MECO)	 Ludovico D. Lim Distribution Sector Antique Electric Cooperative, Inc. (ANTECO)
 Lorreto H. Rivera Supply Sector TeaM (Philippines) Energy Corporation (TPEC)	Certified True and Correct:  Elaine D. Gonzales RCO Secretary PEMC

Proposed Amendments to the a) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run and the b) Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM

A. Criteria and Guidelines for the Issuance of Pricing Error Notices and conduct of Market Re-run

Title	Section	Provision	Proposed Amendment	Rationale
ISSUANCE AND PUBLICATION OF PRICING ERROR NOTICES AND MARKET RE-RUN RESULTS	9.4	Within two (2) business days after the trading day when the pricing error occurs, the Market Operator shall publish in the market information website a summary of the pricing error notices issued for that trading day pursuant to this Manual.	Within two (2) business working days after the trading day when the pricing error occurs, the Market Operator shall publish in the market information website a summary of the pricing error notices issued for that trading day pursuant to this Manual.	To reflect the actual publication of PEN in the public website (within 2 working days)

B. WESM Manual on Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM

Title	Section	Provision	Proposed Amendment	Rationale
ISSUANCE AND PUBLICATION OF PRICING ERROR NOTICES AND SUBSTITUTE PRICES	4.4.1 (b)	Within two (2) business days after the trading day when the pricing error occurs, upon verification of the Market Operator through a summary of the pricing error notices issued for that trading day; or	Within two (2) business working days after the trading day when the pricing error occurs, upon verification of the Market Operator through a summary of the pricing error notices issued for that trading day; or	To reflect the actual publication of PSM in the public website (within 2 working days)

