

**WHOLESALE ELECTRICITY SPOT MARKET  
RULES CHANGE COMMITTEE**

**RESOLUTION NO. 2017-06**

**Proposed Amendments to the WESM Manual on Registration, Suspension and  
De-Registration Criteria and Procedures**

**WHEREAS**, during the Rules Change Committee's (RCC) 123<sup>rd</sup> Meeting on 13 January 2017, the Philippine Electricity Market Corporation – Market Operator (PEMC-MO) presented to the RCC the Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures;

**WHEREAS**, the proposal intends to: (1) streamline the procedures for assessment of applications for WESM Membership and post-registration transactions; and (2) harmonize the provisions with issuances by DOE and ERC (i.e., changes in technical specifications, registration of ancillary services providers and retail market participants);

**WHEREAS**, during the same meeting, the RCC approved the publication of the proposed amendments in the market information website to solicit comments from the Market Participants and WESM stakeholders, giving them 30-working days from publication of said proposal on 18 January 2017 to submit their comments;

**WHEREAS**, the RCC, during its 127<sup>th</sup> meeting held on 17 March 2017, deliberated on the proposed amendments giving due consideration to the comments received from the DOE and SN Aboitiz Power;

**WHEREAS**, after the deliberation, the following instructions were given to the PEMC – MO which required subsequent revisions to the submitted proposed amendments:

- (a) clarify the referencing of provisions to the applicable WESM Rules Clause;
- (b) clarify the amendments related to cessation of registration; and
- (c) request inputs from National Grid Corporation of the Philippines – System Operator (NGCP – SO) on Remote Terminal Unit (RTU) requirements for non-scheduled or preferential dispatch generators;

**WHEREAS**, the RCC finalized and approved the proposed amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures during its 128<sup>th</sup> meeting held on 11 April 2017 with further revisions as follows:

- (a) inclusion of references to applicable WESM Rules Clauses for identified provisions of the manual;
- (b) inclusion of provision defining when the registration requirement for installation of an RTU may be waived for a given period;

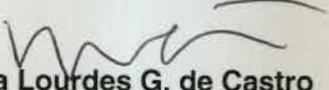
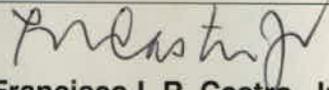
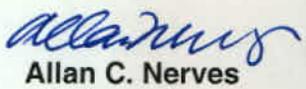
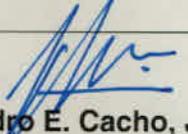
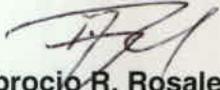
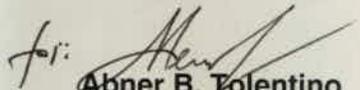
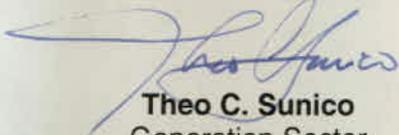
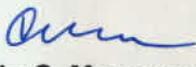
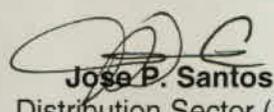
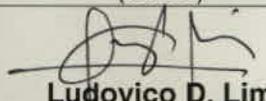
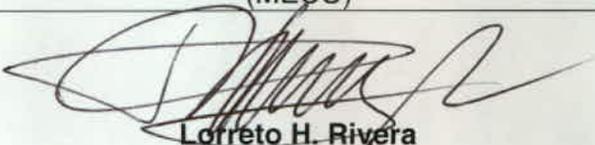
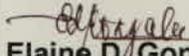
- (c) inclusion a provision defining the validity period for waivers granted with respect to the requirement for an RTU; and
- (d) clerical edits for clarity.

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

**RESOLVED**, that the Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures are hereby approved by the RCC;

**RESOLVED FURTHER**, that the attached Annex of the Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures is hereby endorsed to the PEM Board for approval and endorsement to the DOE.

Done this 19 May 2017, Pasig City.

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

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**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
LEVEL OF PARTICIPATION/DIRECT & INDIRECT WESM MEMBERSHIP	Chapter II, 2.3.2.	A Generation Company may be registered as Indirect WESM Member if the generating units it owns, controls or operates or from which it otherwise sources electricity is or will be transacted in the WESM by a person or entity that is already registered in or is qualified to be registered in the WESM as Generation Company and as Direct WESM Member. If not yet registered, that Generation Company must register and be approved to become a Direct WESM Member - Generation Company, as a pre-requisite to approval of the Applicant's indirect WESM membership.	<p><del>A Generation Company may be registered as Indirect WESM Member if the generating units it owns, controls or operates or from which it otherwise sources electricity is or will be transacted in the WESM by a person or entity that is already registered in or is qualified to be registered in the WESM as Generation Company and as Direct WESM Member. If not yet registered, that Generation Company must register and be approved to become a Direct WESM Member - Generation Company, as a pre-requisite to approval of the Applicant's indirect WESM membership.</del></p> <p><b><u>A Generation Company shall be registered as a Direct WESM Member in order to transact in the WESM all the generating units it owns, controls, operates or from which it otherwise sources electricity.</u></b></p> <p><b><u>In case of a Generation Company which Generating Unit or Generating System is subject of an NPC-IPP contract being managed by an IPPA, the latter shall be registered as the Direct WESM Member instead of the</u></b></p>	<p>Since the start of WESM operations, generating companies (Genco) and IPP administrators (IPPA) are exclusively registered as Direct WESM Members. With this, the Market Management System (MMS) access and the registered capacities of the associated generating resources or units are identified or assigned under the said Genco or IPPA inclusive of those capacities that essentially belong to IPPs (i.e. Strategic Power Development Corporation (SPDC), as IPPA, is registered as a Direct WESM Member on behalf of San Roque Power Corporation (SRPC) which is not registered in the market).</p> <p>In Section 2.4 of the WESM Rules, an Indirect WESM Member is defined as a person or an entity who wishes to indirectly trade in the spot market shall register with the Market Operator as an Indirect WESM Member.</p>

**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>Generation Company under NPC-IPP contract.</u></p>	<p>Particularly, an Indirect WESM Member may only transact through a Direct WESM Member. A Generation Company may be registered as a Direct WESM Member in order to transact in the WESM all the generating units it owns, controls, operates or from which it otherwise sources electricity.</p> <p>The provision on indirect membership has a more practical application to WESM Customers who certainly have an option to indirectly trade or participate in the Market in the WESM through their respective Direct WESM Member Generators to ensure that the bilateral contract quantity transactions are scheduled to meet the former's demand requirements and avert market exposure. But, in case, their demand exceeds the contracted quantities, the Counterparty Suppliers shall be responsible for the Indirect Members' WESM exposure and for the payment of</p>

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				<p>settlement quantities. Disparately, IPPs do not transact or participate at all in the market since its inception in 2006. Their energy injections and even withdrawals (for station use) will always be accounted to the registered Direct WESM Member IPPA. This arrangement appears to be a quandary with the implementation of the reserve market in the WESM since the certification for ancillary service provision is conferred to/named after the unregistered IPP and not the WESM registered IPPA. However, by virtue of co-optimization of energy and reserve trading in the Philippine WESM, the trading of reserves should still be assigned to or fall under the entity that is registered and trades the energy quantities in the WESM which is ostensibly, the IPPA. The MMS registration facility/infrastructure proficiently displays the said co-optimization setting as a resource cannot be registered in any of the reserve</p>

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				<p>market categories unless registered primarily in the real-time energy (RTE) market.</p> <p>There is also no existing firm policy or protocol on membership or participation of generators as indirect WESM Members. Apparently, this provision led to inquiries from investors and other participants to register their plants as indirect under a Direct WESM Member despite their non-association with the said firms. This arrangement may then be counterintuitive to the tenets of competition and business separation that are espoused by the market and the EPIRA.</p>
Registration of Direct WESM Members and Trading Participants	Chapter II, 2.5.1.2.b	<b>Retail Electricity Suppliers</b> that have been authorized to engage in retail electricity supply by the <i>ERC</i> , <i>provided, however</i> , that the RES may only register in the <i>WESM</i> upon declaration of retail competition and open access by and shall transact in the <i>WESM</i> and	<b>Retail Electricity Suppliers</b> that have been authorized to engage in retail electricity supply by the <del><i>ERC</i></del> , <i>provided, however</i> , that the RES may only register in the <del><i>WESM</i></del> upon declaration of retail competition and open access by and shall transact in the <del><i>WESM</i></del> and subject	Proposed to remove the condition requiring registration of RES upon declaration of retail competition and open access since it is already on commercial operation.

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Title	Section	Provision	Proposed Amendment	Rationale
		<p>subject to relevant rules, regulations and issuances of the <i>ERC</i>.</p> <p><b>Bulk Users or End Users</b> that are withdrawing electricity from the <i>transmission system</i> or from the <i>distribution system</i> which are permitted to trade in the <i>WESM</i> pursuant to prevailing rules, regulations and issuances promulgated by the <i>ERC</i>. It is provided, however, that Bulk/End Users connected through a distribution system may only transact in the <i>WESM</i> upon declaration of retail competition and open access by and shall transact in the <i>WESM</i> and subject to relevant rules, regulations and issuances of the <i>ERC</i>. All references to the <i>Bulk or End Users</i> in this Manual are understood to be subject to the foregoing condition. In case of any conflict between this Manual and the provisions of relevant rules, regulations and other issuances of the <i>ERC</i>, the latter shall prevail.</p>	<p>to relevant rules, regulations and issuances of the <i>ERC</i>.</p> <p><b>Bulk Users or End Users</b> that are withdrawing electricity from the <i>transmission system</i> or from the <i>distribution system</i> which are permitted to trade in the <i>WESM</i> pursuant to prevailing rules, regulations and issuances promulgated by the <b>DOE and ERC</b>. <del>It is provided, however, that Bulk/End Users connected through a distribution system may only transact in the <i>WESM</i> upon declaration of retail competition and open access by and shall transact in the <i>WESM</i> and subject to relevant rules, regulations and issuances of the <i>ERC</i>.</del> All references to the <i>Bulk or End Users</i> in this Manual are understood to be subject to the foregoing condition. In case of any conflict between this Manual and the provisions of relevant rules, regulations and other issuances of the <b>DOE and ERC</b>, the latter shall prevail.</p>	

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**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
Technical and Commercial Requirements (Facilities)	Chapter II, 2.5.3.2.a	Remote Terminal Unit (RTU) devices compliant with the requirements of the relevant network service provider, and are capable of being monitored by the facilities of the System Operator.	<p>Remote Terminal Unit (RTU) devices compliant with the requirements of the relevant network service provider, and are capable of being monitored by the facilities of the System Operator. <b><u>This requirement may be subject to review by the Market Operator for generation units below 5MW and classified as either non-scheduled or preferential dispatch.</u></b></p> <p><b><u>In cases where the installation of the RTU has been waived, such waiver shall only be valid for twelve (12) months. The Trading Participant shall be de-registered from the WESM if it fails to comply with the said requirement within the twelve month validity period for such waiver.</u></b></p>	To ensure that an RTU shall be installed within the prescribed period as set in the provision.
Aggregation of Generating Units	Chapter II, 2.5.4.2.	A <i>Generation Company</i> that owns multiple <i>generating units</i> located in a single generating station shall, upon application, inform the <i>Market Operator</i> if it wishes to have an aggregated representation for such <i>generating units</i> in the <i>WESM Market Network Model</i> . The <i>Applicant</i> and the <i>Market Operator</i> shall agree on the manner of	A <i>Generation Company</i> that owns multiple <i>generating units</i> located in a single generating station shall, upon application, inform the <i>Market Operator</i> if it wishes <b><u>intends</u></b> to have an aggregated representation for such <i>generating units</i> in the <i>WESM Network Model</i> . The <i>Applicant</i> , <b><u>the Network Service Providers, Metering Services</u></b>	This clause shall cover all existing and future requirements from the System Operator, the Network Service Provider, and Market Operator such as the modeling of Ancillary Service Providers as provided in the MNM Market Manual.

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Title	Section	Provision	Proposed Amendment	Rationale
		aggregated representation in accordance with the procedures set forth in relevant market manuals.	<u><i>Provider</i></u> and the <i>Market Operator</i> shall agree on the manner of aggregated representation in accordance with the procedures set forth in relevant market manuals. <b><u>It shall also consider the requirements set forth in Section 6.1 in the event where the generation company intends to be an ancillary service provider.</u></b>	
Modeling of Station Use (new)	Chapter II, 2.5.4.5 (new)	NEW	<b><u>A Generation Company shall inform the Network Service Providers and the Market Operator of the provisions of its station use so that it shall may be registered and considered in the WESM Network Model. Any load that is used other than being the Generation Company's station use (or house load) shall have to be registered separately as a Customer.</u></b>	This is to require all generating units to declare the locations of their station use and prohibit them from not declaring embedded facilities in the WESM.
Submission and Preliminary Assessment of Applications	Chapter II, 2.5.5.1.b	Within five (5) business days from receipt of application, the Market Operator shall advise the Applicant of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in WESM Rules clause 2.5.3.2, if the Market	Within five (5) <b>business working</b> days from receipt of application, the Market Operator shall advise the Applicant of any lacking requirement as well as additional information required to enable the proper assessment of the application. If the Market Operator has not received the lacking requirement or	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration.

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Title	Section	Provision	Proposed Amendment	Rationale
		Operator has not received the lacking requirement or additional information that it requires within the next fifteen business days, it may treat the application as withdrawn. The Market Operator shall notify the applicant in writing of the abandonment of the application.	additional information that it requires within the next fifteen business <b>working</b> days, it may treat the application as <b>withdrawn</b> pending or incomplete. The <del>Market Operator shall notify the applicant in writing of the abandonment of the application.</del>	Pending or incomplete applications shall be considered as withdrawn to comply with the period for processing of applications for WESM membership.
Notice of Approval	Chapter II, 2.5.6.2.a	For approved applications, the Market Operator shall send a notice of approval to the Applicant within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.	For approved applications, the Market Operator shall send a notice of approval to the Applicant within fifteen (15) <b>working</b> days from the completion and compliance of the applicant with the required application forms, supporting documents and technical information for Market Management System (MMS) registration modeling. The failure of the Market Operator to act on the application within this period shall not be deemed an approval of the application.	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration.  Completion and compliance with necessary documents and MO processes is integral for the approval of an applicant's registration in the WESM.
Notice of Approval	Chapter II, 2.5.6.2.b	The registration of the Applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) days after the Market Operator sends the notice of approval or on the date when the Applicant complies with all the	The registration of the Applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) <b>working</b> days after the Market Operator sends the notice of approval or on the date when the Applicant complies with all the	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration. A

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Title	Section	Provision	Proposed Amendment	Rationale
		requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the Market Operator, the effective date may be set on another date requested by the Applicant.	requirements provided under Clause 5.6.3 of this Manual, whichever is later. Subject to concurrence by the Market Operator, the effective date may be set on another date requested by the Applicant.	business day is defined in the WESM Rules as any day on which the spot market is open for business.
<b>Other Requirements for Approved Applications</b>	Chapter II, 2.5.6.3	a) <b>Participant Interface Access.</b> The <i>Applicant</i> shall subscribe to and allow relevant digital certificates issued by the Market Operator to be installed in its computers in order for it to be permitted access to the WESM Market Management System.	a) <b>Participant Interface Access.</b> The <i>Applicant</i> shall subscribe to and allow relevant—digital certificates issued by the Market Operator to be installed to <b>apply or install a method employing encryption</b> in its computers to <b>provide secure</b> access to the <i>WESM's Market Management System</i> .	To make the terminologies relevant with the introduction of VPN or other encryption methods for secure access of the MMS.
Non-Approval of Applications/Remedies	Chapter II, 2.5.7.a	If an application is not approved, the Market Operator shall send within fifteen (15) business days from completion of application requirements a written notice to the Applicant advising the latter that its application has been disapproved and the reason for the same.	If an application is not approved, the Market Operator shall send within fifteen (15) <b>business working</b> days from completion of application requirements a written notice to the Applicant advising the latter that its application has been disapproved and the reason for the same.	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration.

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**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
Non-Approval of Applications/Remedies	Chapter II, 2.5.7.b	The ERC shall be given a copy of the written notice within five (5) business days after its issuance to the Applicant.	The <b>DOE and</b> ERC shall be given a copy of the written notice within five (5) <b>business working</b> days after its issuance to the Applicant.	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration.
Qualifications and Requirements of Ancillary Service Providers	Chapter II, 2.6.1.1.	<p>2.6.1.1. Persons or entities wishing to register as WESM member under this category must –</p> <p>a) Be certified by the System Operator as qualified to provide ancillary services in accordance with WESM Rules clause 2.3.5.3. .</p> <p>b) Comply with the membership criteria required of Trading Participants and shall be subject to the same requirements set forth in this Manual.</p> <p>c) Comply with the same technical and commercial requirements required of Trading Participants.</p>	<p>6.1.1. Persons or entities intending to register as WESM member under this category must –</p> <p>a) Be certified by the System Operator as qualified to provide ancillary services in accordance with WESM Rules clause 2.3.5.3.</p> <p>b) Comply with the membership criteria required of Trading Participants and shall be subject to the same requirements set forth in this Manual.</p> <p>c) Comply with the same technical and commercial requirements required of Trading Participants.</p>	This shall cover all requirements that may be set out by the System Operator such as the “per-unit” modeling

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Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>d) Comply with the technical requirements set forth by the System Operator in the provision of ancillary service.</u></p>	
REGISTRATION OF SERVICES PROVIDERS	Chapter II, 2.7.2.4.b	A Trading Participant registered as a Customer as well as a Network Services Provider may not be registered as a Metering Services Provider in respect to any connection points that it owns.	A Trading Participant registered as a Customer as well as a Network Services Provider may not be registered as a Metering Services Provider in respect to any connection points that it owns <b><u>subject to the exception provided for in WESM Rules Clause 4.4.3.</u></b>	WESM Rules Amendment reflecting updates in the WESM Rules and input from RCC. It is proposed to remove the specific clause or numbering to make the statement perpetual regardless of possible changes in the future so as to avoid subsequent revisions.
POST-REGISTRATION TRANSACTIONS AND CHANGES - COVERAGE	Chapter III, 3.1.	This section establishes the requirements and procedures for implementing and approving, if necessary, changes in the registration and in the registered information of WESM members.	This section establishes the requirements and procedures for implementing and approving, if necessary, changes in the registration and in the registered information of WESM <del>m</del> Members.	Capitalization of M in Members
FACILITY-RELATED CHANGES	Chapter III, 3.3.1.1.	The Trading Participant wishing to change the registered capacities of its generating unit/s shall make a request in writing to the Market Operator. Such changes shall be in accordance with	The Trading Participant <del>wishing</del> <b><u>intending</u></b> to change the registered capacities of its generating unit/s shall make a request in writing to the Market Operator. Such changes shall be in	Application for change and certification will be assessed and approved by MO under the new procedures. The requirement of certification to be jointly issued by

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Title	Section	Provision	Proposed Amendment	Rationale
		either the latest Certificate of Compliance (COC) issued by the ERC or a certification of generator capability test to be issued jointly by the DOE, ERC and SO. The conduct of testing shall be based on the internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.	<del>accordance with either the latest Certificate of Compliance (COC) issued by the ERC or a certification of generator capability test to be issued jointly by the DOE, ERC and SO. The conduct of testing shall be based on the internationally-accepted testing procedures as required in the COC, and the cost of testing shall be the responsibility of the applicant.</del> <b><u>by the ERC of the new registered capacity, in accordance with the ERC regulations on issuance of Certificate of Compliance. upon ERC's technical inspection or on through a third-party test pursuant to the ERC regulations.</u></b>	<p>DOE, ERC and SO finds no legal basis under the relevant ERC issuances.</p> <p>The proposed changes are aligned with the latest ERC regulations on change of technical specifications of a generating unit.</p>
FACILITY-RELATED CHANGES	Chapter III, 3.3.1.2.	Changes shall be approved by the Market Operator and confirmed by the PEM Board.	Changes shall be approved by the Market Operator and <del>confirmed by the PEM Board.</del> <b><u>a copy furnished to the PEM Board, DOE &amp; ERC.</u></b>	The confirmation by PEM Board is merely ministerial since the changes in registered capacities are already approved by the Market Operator. With this, we propose streamlining of procedures and that the PEM Board shall still be copy furnished of changes in registered capacities.

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Title	Section	Provision	Proposed Amendment	Rationale
Re-classification of generation units	Chapter III, 3.3.2.3.	The Market Operator shall send a written notice to the WESM member of the approval or disapproval of the reclassification. If approved, the reclassification shall be effective on the date stated in the notice of approval but not earlier than seven (7) days from issuance of the notice of approval by the Market Operator.	The Market Operator shall send a written notice to the WESM Member of the approval or disapproval of the reclassification. If approved, the reclassification shall be effective on the date stated in the notice of approval but not earlier than seven (7) <b>working</b> days from issuance of the notice of approval by the Market Operator.	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration. A business day is defined in the WESM Rules as any day on which the spot market is open for business.
Retirement of Facilities	Chapter III, 3.3.4.1.	The Trading Participant whose facilities will be retired, mothballed, or otherwise will cease operations shall de-register said facilities by written notice to the Market Operator no later than eight (8) days prior to the date such facilities will cease operations.	The Trading Participant whose facilities will be retired, mothballed, or otherwise will cease operations shall de-register said facilities by written notice to the Market Operator no later than eight (8) <b>working</b> days prior to the date such facilities will cease operations.	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of participant registration. A business day is defined in the WESM Rules as any day on which the spot market is open for business.
Transfer of Registration of Facilities	Chapter III, 3.3.5.4.	The parties to the transfer shall submit a copy of the assignment or equivalent agreement to the Market Operator, together with the respective amended registration if applicable. If the transferee is not yet registered as a	The parties to the transfer shall submit a copy of the assignment or equivalent agreement to the Market Operator, together with the respective amended registration if applicable. If the transferee is not yet registered as a	This was based on the DOE Circular DC 2013-03-0005 on adopting further amendments to the WESM rules on the use of working day instead of business day for the processing of

**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
		<p>WESM member, the transfer shall become effective on the date of approval of the registration of the latter as a WESM member. If the transferee is already registered as a WESM member, the transfer shall be effective on the date to be notified by the Market Operator which shall not be earlier than seven (7) days from receipt by the Market Operator of the amended registration from both the transferor and the transferee.</p>	<p>WESM Member, the transfer shall become effective on the date of approval of the registration of the latter as a WESM Member. If the transferee is already registered as a WESM Member, the transfer shall be effective on the date to be notified by the Market Operator which shall not be earlier than seven (7) <b>working</b> days from receipt by the Market Operator of the amended registration from both the transferor and the transferee.</p>	<p>participant registration. A business day is defined in the WESM Rules as any day on which the spot market is open for business.</p>
<p>CHANGE IN LEVEL OF PARTICIPATION AND CHANGE OF COUNTERPARTY OF INDIRECT WESM MEMBERS</p>	<p>Chapter III, 3.4.3.1.</p>	<p>The change of the Direct Member counterparty of an Indirect Member may effected by any of the following means –</p> <p>By joint notice to the Market Operator stating the effective date of the change by the following -</p>	<p>3.4.3 The change of the Direct Member counterparty of an Indirect Member may <b>be</b> effected by any of the following means -</p> <p>3.4.3.1 <b><u>By submission of Notice in the form prescribed by the Market Operator stating the effective date of the change by the following -</u></b> <del>By joint notice to the Market Operator stating the effective date of the change by the following-</del></p>	<p>Removal of 3.4.3.1.c since the notice is not required for customer switching in the retail market so the same shall apply in the WESM.</p> <p>Effective date of contracts as much as possible should start at the beginning of the succeeding billing month similar to the customer switching process in order to standardize the process and obviate difficult reconciliations or adjustments in settlement calculations.</p>

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Title	Section	Provision	Proposed Amendment	Rationale
		a) Indirect WESM member  b) New Direct WESM member/Trading Participant counterparty signifying its agreement to transact for and in behalf of the Indirect WESM member, and  c) Previous counterparty that it will no longer trade on behalf of the Indirect Member.  The change shall be effective on the date stated by the parties in the notice to the Market Operator or, if not stated, on the start of the immediately succeeding WESM billing month following receipt of the notice by the Market Operator.  xxx	a) Indirect WESM Member  b) New Direct WESM member/Trading Participant counterparty signifying its agreement to transact for and in <b>on</b> behalf of the Indirect WESM member, and  e) <del>Previous counterparty that it will no longer trade on behalf of the Indirect Member.</del>  The change shall be effective on the date stated by the parties in the notice to the Market Operator or, if not stated, on the start of the immediately succeeding WESM billing month following receipt of the notice by the Market Operator.  Xxx	
CHANGE IN LEVEL OF PARTICIPATION AND CHANGE OF COUNTERPARTY OF	3.4	3.4.1 A <i>Direct WESM member</i> that wishes to become an <i>Indirect WESM member</i> shall file a new application and be approved by the <i>Market Operator</i> as such in accordance with the requirements and procedures for	3.4.1 A <del><i>Direct WESM member</i></del> that wishes to become an <del><i>Indirect WESM member</i></del> shall file a new application and be approved by the <del><i>Market Operator</i></del> as such <del>in accordance with the requirements and procedures for</del> <i>Indirect</i>	For clarity

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Title	Section	Provision	Proposed Amendment	Rationale
INDIRECT WESM MEMBERS		<p><i>Indirect WESM members</i> set forth in this Manual.</p>	<p><del>WESM members</del> set forth in this Manual.  <u>The notice to the Market Operator shall be made at least 2 weeks prior to the effectivity of any change or termination.</u></p>	
		<p>3.4.3. The change of the <i>Direct Member</i> counterparty of an <i>Indirect Member</i> may effected by any of the following means –</p> <p>3.4.3.1. By joint notice to the <i>Market Operator</i> stating the effective date of the change by the following –</p> <ul style="list-style-type: none"> <li>a) Indirect WESM Member</li> <li>b) New Direct WESM member/Trading Participant counterparty signifying its agreement to transact for and in behalf of the Indirect WESM member, and</li> <li>c) Previous counterparty that it will no longer trade on behalf of the Indirect Member.</li> </ul> <p>The change shall be effective on the date stated by the parties in the notice to the Market Operator or, if not</p>	<p><del>3.4.3 The change of the Direct Member</del> <u>The counterparty of an Indirect Member may be changed be effected by any of the following means -</u></p> <p><del>3.4.3.1 By joint</del> <u>submission of Notice in the form prescribed by to the Market Operator</u> stating the effective date of the change by <u>any of</u> the following -</p> <ul style="list-style-type: none"> <li>a) Indirect WESM Member</li> <li>b) New Direct WESM Member/Trading Participant counterparty signifying its agreement to transact for and <u>in on</u> behalf of the Indirect WESM member, <del>and-or</del></li> <li>c) Previous counterparty <u>indicating</u> that it will no longer trade on behalf of the Indirect Member.</li> </ul>	<p>For clarity</p>

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Title	Section	Provision	Proposed Amendment	Rationale
		stated, on the start of the immediately succeeding WESM billing month following receipt of the notice by the Market Operator.	The change shall be effective on the date stated by the parties in the notice to the Market Operator or, if not stated, on the start of the immediately succeeding WESM billing month following receipt of the notice by the Market Operator.	
		3.4.3.2 By notice from the Indirect WESM member and the new Direct WESM member counterparty if the change is due to the deregistration, suspension or cessation of registration of the Direct WESM member counterparty. The change shall become effective not later than the effective date of the de-registration, suspension or cessation of WESM membership of its previous counterparty. If the party wishes that the change will take effect on an earlier date, the written confirmation of the change from the previous counterparty shall likewise be submitted.	<del>3.4.3.2. By notice from the Indirect WESM member and the new Direct WESM member counterparty if the change is due to the deregistration, suspension or cessation of registration of the Direct WESM member counterparty. The change shall become effective not later than the effective date of the de-registration, suspension or cessation of WESM membership of its previous counterparty. If the party expects that the change will take effect on an earlier date, the written confirmation of the change from the previous counterparty shall likewise be submitted.</del>	Either the new Direct WESM Member Counterparty or the Indirect WESM Member shall submit an accomplished WESM/RCOA Counterparty Confirmation Form to PEMC to formally inform us of the transfer.
		3.4.3.3. By notice from the <i>Direct WESM member</i> counterparty if the <i>Indirect Member</i> has been or will be disconnected. The notice shall be accompanied by a confirmation from the relevant <i>Network Service Provider</i> that the <i>Indirect WESM member</i> is already disconnected from the	3.4.3.3 <del>2</del> . By notice from the Direct WESM Member counterparty <b>accompanied by the confirmation from the Network Service Provider if that</b> the <i>Indirect Member</i> has been or will be disconnected. The notice shall be accompanied by a confirmation from the relevant <i>Network Service Provider</i> that	For clarity

**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
		transmission or distribution system or that it has received a request for such disconnection. In this case, the change shall take effect upon disconnection of the <i>Indirect WESM member</i> . Mere notice to the <i>Market Operator</i> will not relieve the <i>Direct WESM member</i> of its obligations to the WESM as counterparty.	the <i>Indirect WESM member</i> is already disconnected from the transmission or distribution system or that it has received a request for such disconnection. In this case, the change shall take effect upon disconnection of the <i>Indirect WESM member</i> . Mere notice to the <i>Market Operator</i> will not relieve the <i>Direct WESM member</i> of its obligations to the WESM as counterparty. In this case, the change shall take effect upon disconnection of the <i>Indirect WESM Member</i> . Mere notice to the <i>Market Operator</i> will not relieve the <i>Direct WESM Member</i> of its obligations to the WESM as counterparty.	
		3.4.3.4. In all cases, the notice to the <i>Market Operator</i> shall, as much as practicable, be made prior to the effectivity of the change or termination.	<del>3.4.3.4. In all cases, the notice to the <i>Market Operator</i> shall, as much as practicable, be made prior to the effectivity of the change or termination.</del>	Deleted. Covered in previous section.
ENROLMENT AND DE-LISTING OF SUPPLY CUSTOMERS	Chapter III, 3.5.1.1. & 3.5.1.2.	3.5.1.1. Trading Participants that wish their transactions with their bilateral power supply contract customers (the "supply customers") to be accounted for in the WESM settlements shall notify and enroll such supply customers with the Market Operator.	3.3.5.1.1. Trading Participants that wish <b>intend to have</b> their transactions with their bilateral power supply contract customers (the "supply customers") to be accounted for in the WESM settlements shall notify and enroll such supply customers with <b>by submitting a notice</b>	<ul style="list-style-type: none"> <li>• For standardization of WESM and RCOA start dates, all contracts must coincide with the start of the WESM billing month</li> <li>• Provide option to the trading participant whether or not a</li> </ul>

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Title	Section	Provision	Proposed Amendment	Rationale
		<p>3.5.1.2. The notice to the Market Operator shall include the following -</p> <p>a) details on the duration of the supply contract,</p> <p>b) desired effective date on which the bilateral contract transactions are to be accounted for in the WESM settlements. To the extent practicable, the effective date shall coincide with the start of a WESM billing month.</p> <p>c) identification of the Trading Participant that shall be responsible for the payment of line rental trading amounts and for the net settlement surplus/deficit allocations,</p>	<p><u>in the form prescribed by</u> the Market Operator</p> <p>3.5.1.2. The notice to the Market Operator shall include the following -</p> <p>a) details on the duration of the supply contract,</p> <p>b) desired <b>the</b> effective date on which the bilateral contract transactions are to be accounted for in the WESM settlements. To the extent practicable, the effective date shall coincide with the start of a WESM billing month,</p> <p>c) identification of the <b>market trading node or nodes of the buying or selling trading participant associated with the supply contract whose ex-ante energy settlement price will be used as reference for the supply contract during settlements.</b> Trading Participant that shall be responsible for the payment of line rental trading amounts and for the net settlement surplus/deficit allocations,</p>	<p>daily confirmation would be required for the bilateral contract</p> <ul style="list-style-type: none"> <li>• Provide option to the trading participant to declare if the supply contract is metered quantity-based</li> </ul>

## Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures

Title	Section	Provision	Proposed Amendment	Rationale
		<p>d) copy of the supply contract; and</p> <p>e) written confirmation by the supply customer of the notice and the foregoing information.</p>	<p><u>d) indication of whether the <i>bilateral contract quantities</i> submitted by the selling participant would require confirmation by the buying participant in accordance with the billing and settlement timetable,</u></p> <p><del>e)</del> copy of the supply contract <b>excluding attachments that contain confidential, proprietary, and private information;</b> and</p> <p>e) <del>f)</del> written confirmation by the customer of the notice and the foregoing information.</p>	
	Chapter III, 3.5.1.3	The Market Operator shall confirm by notice to the Trading Participant that the enrolled bilateral contract transactions shall be accounted for in the WESM settlements starting on the date stated on the notice submitted by the Trading Participant or on such other date as the Market Operator shall determine. The effectivity shall likewise	The Market Operator shall confirm by notice to the Trading Participant that the enrolled bilateral contract transactions shall be accounted for in the WESM settlements <del>starting on the date stated on the notice submitted by the Trading Participant or on such other date as the Market Operator shall determine</del> <b>at the start of the WESM billing period.</b> The	<ul style="list-style-type: none"> <li>• For standardization of WESM and RCOA start dates, all contracts must coincide with the start of the WESM billing month</li> <li>• Submission of relevant forms is required to formally notify PEMC of the contractual</li> </ul>

**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
		be subject to compliance by the contract parties with relevant billing and settlement procedures in the WESM, particularly the relevant protocols on bilateral contract quantity declarations (the "BCQ").	effectivity shall likewise be subject to compliance by the contract parties with relevant billing and settlement procedures in the WESM, particularly the relevant protocols on bilateral contract quantity declarations (the "BCQ"). <b><u>BCQ declarations shall not be accounted for without the formal submission of the accomplished forms prescribed by the Market Operator.</u></b>	arrangements among trading participants.
De-Listing	Chapter III, 3.5.2.3.	The effective date of the de-listing shall be the date stated in the notice submitted by the Trading Participant or on such other date as the Market Operator determines. To the extent practicable, the effective date shall coincide with the end of the succeeding WESM billing month after receipt by the Market Operator of the notice from the Trading Participant (i.e., 26th of the following calendar month).	<del>The effective date of the de-listing shall be the date stated in the notice submitted by the Trading Participant or on such other date as the Market Operator determines. To the extent practicable, the effective date shall coincide with the end of the succeeding WESM billing month after receipt by the Market Operator of the notice from the Trading Participant (i.e., 25th of the following calendar month).</del>	<ul style="list-style-type: none"> <li>Submission of relevant forms is required to formally notify PEMC of the contractual arrangements among trading participants.</li> </ul>
GROUNDS FOR SUSPENSION	Chapter IV, 4.2.	A WESM Member may be suspended from participating in the WESM due to any of the following events -  4.2.1. Declaration of default	A WESM Member may be suspended from participating in the WESM due to any of the following events -  4.2.1. Declaration of default	<ul style="list-style-type: none"> <li>Capitalization of M in WESM Member.</li> </ul>

**Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures**

Title	Section	Provision	Proposed Amendment	Rationale
		<p>The WESM member is declared by the Market Operator to be in default upon its determination that any of the events of default as defined in WESM Rules clause 3.14.11.1 has occurred, and any of the following conditions are present -</p>	<p>The WESM <del>member</del> Member is declared by the Market Operator to be in default upon its determination that any of the events of default as defined in WESM Rules clause 3.14.11.1 has occurred, and any of the following conditions are present -</p>	
		<p>4.2.1.1. If the Market Operator considers that the default event is not capable of remedy; or</p>	<p>4.2.1.1. If the Market Operator considers that the default event is not capable of remedy; or</p>	
		<p>4.2.1.2. The default event is not remedied within twenty-four (24) hours of the issuance of the Default Notice or any later deadline agreed to in writing by the Market Operator; or</p>	<p>4.2.1.2. The default event is not remedied within twenty-four (24) hours of the issuance of the Default Notice or any later deadline agreed to in writing by the Market Operator; or</p>	
		<p>4.2.1.3. The Market Operator receives notice that the WESM member is not likely to remedy the default.</p>	<p>4.2.1.3. The Market Operator receives notice that the WESM <del>member</del> Member is not likely to remedy the default.</p>	
		<p>4.2.2. Failure to satisfy margin call</p>	<p>4.2.2. Failure to satisfy margin call</p>	

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Title	Section	Provision	Proposed Amendment	Rationale
		<p>The Market Operator has issued a margin call to the WESM member and that WESM member fails to satisfy the margin call pursuant to Chapter 3 of the WESM Rules and relevant market manuals.</p>	<p>The Market Operator has issued a margin call to the WESM <del>member</del> and that WESM <del>member</del> fails to satisfy the margin call pursuant to Chapter 3 of the WESM Rules and relevant market manuals.</p>	
		<p>4.2.3. Non-compliance with the membership criteria or requirement</p>	<p>4.2.3. Non-compliance with the membership criteria or requirement</p>	
		<p>The Market Operator has determined that the WESM member is no longer compliant with any one or all of the criteria and requirements for continuing membership in the WESM and is incapable of rectifying the defect or fails to rectify the defect despite notice from the Market Operator.</p>	<p>The Market Operator has determined that the WESM <del>member</del> is no longer compliant with any one or all of the criteria and requirements for continuing membership in the WESM and is incapable of rectifying the defect or fails to rectify the defect despite notice from the Market Operator.</p>	
		<p>4.2.5. Suspension from Trading in the WESM/Disconnection from the Grid</p>	<p>4.2.5. Suspension from Trading in the WESM or Disconnection from the Grid</p>	

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Title	Section	Provision	Proposed Amendment	Rationale
		<p>The WESM member has been temporarily suspended from participation in the WESM or disconnected from the transmission or distribution system. Where the suspension from trading or disconnection is permanent, the requirements and procedures for deregistration shall apply. For this purpose, suspension or disconnection is considered as temporary if it is specified to be implemented only for a limited period or until fulfillment of any condition by the WESM member.</p>	<p>The WESM <del>m</del>Member has been temporarily suspended from participation in the WESM or disconnected from the transmission or distribution system. Where the suspension from trading or disconnection is permanent, the requirements and procedures for deregistration shall apply. For this purpose, suspension or disconnection is considered as temporary if it is specified to be implemented only for a limited period or until fulfillment of any condition by the WESM <del>m</del>Member.</p>	