

Proposed Amendments to the (1) Retail Manuals and (2) WESM Manuals to Reduce Barriers to Entry and Participation in Retail Competition

Independent Electricity Market Operator of the
Philippines, Inc. (IEMOP)

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I. SUMMARY OF THE PROPOSED RULES CHANGE

The amendments to the Retail Manuals and WESM Manual on Billing and Settlement are proposed to reduce barriers to entry and participation in retail electricity competition. This supports the proposed amendments to the Retail Rules and WESM Rules with the same objective under ORCP-WR-RR-18-05.

The reduction of barriers is proposed to be achieved by (1) making registration of contestable customers in the WESM voluntary, (2) requiring submission by distribution utilities of accurate customer and metering information of all eligible contestable customers to the Central Registration Body, and (3) reducing the processing time of switch requests to 5 working days from 30 calendar days. The affected manuals are:

- Retail Manual on Registration Criteria and Procedures
- Retail Manual on Market Transactions Procedures
- Retail Manual on Metering Standards and Procedures
- Retail Manual on Disclosure and Confidentiality of Contestable Customer Information
- WESM Manual on Billing and Settlement
- WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures

II. BACKGROUND

On 04 July 2018, the Market Operator submitted proposed amendments to the Retail Rules and WESM Rules to reduce barriers to entry and participation in retail electricity competition under ORCP-WR-RR-18-05. This proposal provides additional details in the proposed implementation of the new mechanisms that are contained in the Retail Manuals and WESM Manual.

For reference, in order to reduce barriers to entry and encourage participation of eligible contestable customers in retail competition while advancing retail systems and processes to eventual household implementation, it is proposed that:

- registration of contestable customers to the WESM be made voluntary and independent registries for the wholesale and retail markets be maintained allowing for a streamlined and more efficient implementation of both wholesale and retail market processes;
- distribution utilities be required to submit accurate and timely customer and metering information of all eligible contestable customers to the Central Registration Body for their inclusion in the retail market registry consistent with Article I Section 1.1 of ERC Resolution No. 05 Series of 2014 to improve ease of transition to retail competition for eligible contestable customers that have decided to source from suppliers; and
- the minimum switching timeframe of the Central Registration Body be lowered to increase participation of contestable customers in choosing a supplier that fits their needs.

All other processes affected by the non-mandatory registration in the WESM (e.g., switching, determination of settlement quantities and amounts, metering) are correspondingly proposed to be revised.

III. THE PROPOSED MANUALS CHANGE

The proposed manuals change reflects the above proposals in line with the proposed amendments to the Retail Rules and WESM Rules, and provides additional details for their implementation. The table below provides a summary of the changes in the manuals:

Manual	Highlights of Changes
Retail Manual on Registration Criteria and Procedures	<ul style="list-style-type: none"> • Removed references to the mandatory WESM registration of contestable customers • Added detailed procedures for the registration of contestable customers by the Central Registration Body • Included registration procedures for Suppliers and Retail Metering Services Providers • Provided de-registration procedures
Retail Manual on Market Transactions Procedures	<ul style="list-style-type: none"> • Revised registration requirements to attestations from copies of agreements • Reflected proposed shortened switch processing timeline by the Central Registration Body • Removed billing period restriction in the start of switch date
Retail Manual on Metering Standards and Procedures	<ul style="list-style-type: none"> • Changed registration of retail metering installations from the WESM to the CRB • Clarified that the CRB will use the metered quantities for accounting purposes only • Reflected provisions under PDC 2017 assigning the responsibility for validating and estimating retail metering data to the Distribution Utilities • Proposed transfer of Retail Metering Services Provider performance monitoring to PEMC as the WESM governing body
Retail Manual on Disclosure and Confidentiality of Contestable Customer Information	<ul style="list-style-type: none"> • Removed references to the WESM Manual on Information Disclosure and Confidentiality • Streamlined data publication requirements
WESM Manual on Billing and Settlement	<ul style="list-style-type: none"> • Provided detailed procedures for the assessment of the change in prudential requirements of a Supplier during switch
WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures	<ul style="list-style-type: none"> • Added restrictions on direct member counterparty and contract enrollment for contestable customers (i.e., should be suppliers only)

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The proponent is the Independent Electricity Market Operator of the Philippines, Inc. IEMOP acts as the independent market operator of the WESM.

Top Officers:

Francis Saturnino C. Juan – President and CEO

Jose Mari T. Bigornia – Chief Operations Officer

Rachel Angela P. Anosan – Chief Legal Officer

Robinson P. Descanzo – Trading Operations Head

Salvador D. Subaran – Chief Information Systems and Technology Officer

Celina R. Encarnacion – Chief Corporate Services Officer

Isidro E. Cacho Jr. – Chief Corporate Strategy and Communications Officer

Arthur P. Pintado – Internal Audit Head

V. CONCLUSIONS AND RECOMMENDATIONS

The amendments to the Retail Manuals and WESM Manuals are proposed to support the proposed amendments to the Retail Rules and WESM Rules to reduce barriers to entry and participation in retail electricity competition by (1) making registration of contestable customers in the WESM voluntary, (2) requiring submission by distribution utilities of accurate customer and metering information of all eligible contestable customers to the Central Registration Body, and (3) reducing the processing time of switch requests. By revising the Retail Manuals and WESM Manuals, barriers to entry to the competitive retail market are reduced, participation of eligible contestable customers in retail competition is encouraged, and retail systems and processes are developed towards household implementation of retail competition. Thus, it is recommended that the proposed changes be adopted.

VI. REFERENCES

1. Retail Rules
2. WESM Rules
3. ORCP-WR-RR-18-05 - Proposed Amendments To The WESM Rules To Reduce Barriers To Entry And Participation In Retail Competition
4. ORCP-WR-RR-18-05 - Proposed Amendments To The Retail Rules To Reduce Barriers To Entry And Participation In Retail Competition