

Proposed Amendments to the WESM Rules and WESM Manual on Guidelines on Significant Variations In and Between Trading Intervals to Refine Publication Procedures

Independent Electricity Market Operator of the
Philippines

November 2018

I. SUMMARY OF THE PROPOSED RULES CHANGE

The amendments to the WESM Rules and Manual are proposed to refine the procedure for transmitting the Daily Significant Variations Report by publishing the report on a daily basis through the market information website. This is in lieu of the requirement under WESM Rules Clause 1.3.1.5 to submit a printed copy to the DOE, ERC, PEM Board, and WESM Members interested entities on request. The affected documents are:

- WESM Rules
- WESM Manual Rules on Significant Variations In and Between Trading Intervals

II. BACKGROUND

The WESM Rules specify that the Market Operator shall identify any significant variations in and between trading intervals and shall develop guidelines as to what constitutes a significant variation.¹ Significant variations in and between trading intervals are changes in actions or behavior of Trading Participants, the System Operator or the Market Operator or any event that could lead to significant changes in the pricing outcome of the market. It should be noted that these changes in actions or events can be the result of an actual response to an actual change in the market or system condition or can be brought about by the gaming and anti-competitive behavior of the Trading Participant or inefficiency on the part of the Market Operator or the System Operator. Upon identification of Significant Variations in the market, the Market Operator is required to prepare and submit a complete report explaining the identified significant variations within ten (10) business days from the cognizance thereof.² Subsequently, the Market Operator is required to provide a printed copy to the DOE, ERC, PEM Board, and WESM Members and interested entities on request.

The WESM Manual on Guidelines on Significant Variations In and Between Trading Intervals specifically indicated that the Market Operator shall publish a daily Significant Variation Report within ten (10) business days from cognizance of the event in the WESM Public Website.³ The WESM Manual also provides for the submission of a monthly summary to the DOE, ERC, PEM Board, Market Surveillance Committee (MSC), and WESM Members and interested entities on request.

III. THE PROPOSED RULES CHANGE

Since the printed copy of the report is required to essentially be made available to the public, it is proposed that the WESM Rules instead require the publication of the report in the market information website where it is accessible to all identified agencies (DOE, ERC, PEM Board, MSC) and the public. This would reduce the resources required in informing the required agencies and the public.

¹ WESM Rules Clause 1.3.1.2 (b) and WESM Rules Clause 1.3.1.3

² WESM Rules Clause 1.3.1.2 (b) and WESM Rules Clause 1.3.1.4

³ WESM Manual on Guidelines on Significant Variations In and Between Trading Interval, Clause 3.1.4

It should be noted that the Market Operator already publishes a daily Significant Variation Report in the market information website.

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

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

Top Officers:

Atty. Francis Saturnino C. Juan – President and CEO

Engr. Jose Mari T. Bigornia – Chief Operating Officer

Arthur P. Pintado – Internal Audit Head

Robinson P. Descanzo – Trading Operations Head

Rachel Angela P. Anosan – Chief Legal Officer

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

Celina R. Encarnacion – Chief Corporate Services Officer

Salvador D. Subaran – Chief Information Systems and Technology Officer

V. CONCLUSIONS AND RECOMMENDATIONS

The amendments to the WESM Rules and Manual are proposed to refine the procedure for transmitting the Daily Significant Variations Report to the DOE, ERC, PEM Board, WESM Members, and interested entities. By revising the WESM Rules and Manual, the resources required to inform the required agencies and the public of significant variations in the WESM is minimized.

VI. REFERENCES

1. WESM Rules
2. WESM Manual on Guidelines Significant Variations In and Between Trading Intervals