

Philippine Electricity  
Market Corporation

## MINUTES OF MEETING

### Rules Change Committee

#### 155<sup>th</sup> Regular Meeting (No. 2019-08)

16 August 2019, 9:00 AM – 12:00 PM

19/F IEMOP Executive Board Room, Robinsons Equitable Tower  
Ortigas Center, Pasig City

Agenda	Presenter	Action Required
I. Call to Order		
II. Determination of Quorum		There being a quorum, Mr. Francisco L.R. Castro, Jr. (Independent) called the meeting to order at 9:11 AM.
Attendance List		
In-attendance	Not In-attendance	
<b><u>Rules Change Committee</u></b>  <b><i>Principal Members:</i></b>  <b>Maila Lourdes G. de Castro</b> , Chairperson – Independent <b>Francisco Leodegario R. Castro, Jr.</b> – Independent <b>Concepcion I. Tanglao</b> – Independent <b>Allan C. Nerves</b> – Independent <b>Abner B. Tolentino</b> – Generation (PSALM) <b>Cherry A. Javier</b> – Generation (APC) <b>Dixie Anthony R. Banzon</b> – Generation (MPPCL) <b>Ryan S. Morales</b> – Distribution (MERALCO) <b>Jose P. Santos</b> – Distribution (INEC) <b>Ricardo G. Gumalal</b> – Distribution (ILPI) <b>Virgilio C. Fortich, Jr.</b> – Distribution (CEBECO III) <b>Lorreto H. Rivera</b> – Supply (TPEC) <b>Ambrocio R. Rosales</b> – System Operator (NGCP) <b>Isidro E. Cacho</b> – Market Operator (IEMOP)		
	<b>Jose Ildebrando B. Ambrosio</b> – Generation (NorthWind)	

**DOE Observers:**

Ryan Jaspher Villadiego

**PEMC – Market Assessment Group (MAG)**

John Mark S. Catriz  
Aldjon Kenneth M. Yap  
Divine Gayle C. Cruz

**PEMC – Legal**

Atty. Monica M. Martin

**IEMOP**

Raymond Marqueses  
Valfia Gregorio

Agenda	Presenter	Action/s Taken
III. Adoption of the Agenda	Secretariat	Approved as revised
Agenda	Presenter	Action/s Taken
IV. Review of the Minutes of the Previous Meeting (154 <sup>th</sup> Meeting, 19 July 2019)	Secretariat	Approved as revised
V. Matters Arising from Previous Meetings		
Agenda	Presenter	Action/s Taken
5.1. Deliberation on IEMOP's Proposed General Amendments to the WESM Rules and WESM Billing and Settlement Manual for Enhancements to the Determination of Initial Prudential Requirements	IEMOP	Approved for endorsement to the PEM Board as amended

- 1 Representing the proponent, Mr. Raymond Marqueses (IEMOP) assisted the RCC in  
2 their deliberation of the subject proposal which is a re-submission of an urgent  
3 proposed amendments that was approved by the PEM Board and immediately took  
4 effect in March 2019<sup>1</sup>. The re-submission is in compliance with Section 7.4 (b) of the

<sup>1</sup> Section 7.4 (a) of *WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals*. The approved urgent amendment shall become effective within twenty-four (24) hours upon publication of the relevant Rules and/or Market Manual(s) in the market information website.



WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals.

Comments to the proposal were received from Hedcor, Inc. and MERALCO.

The RCC noted that the general proposal includes revisions to both the prevailing WESM Manual on Billing and Settlement (Issue 5.0) and to the version of the same Manual for enhanced market design (DOE approved per DC2018-06-0017) since the changes are to be applied for the current and new market design.

See Annex A for the RCC's discussion and agreements on the proposal.

The RCC approved the submission of the revised proposal to the PEM Board as embodied in RCC Resolution No. 2019-12.

Agenda	Presenter	Action/s Taken
5.2. Deliberation on IEMOP's Proposed Amendments to the WESM CVC and Pricing Re-run Manual to Include Additional CVCs to Reflect the Dispatch Hierarchy of Self-scheduled Generation	IEMOP	Approved for endorsement to the PEM Board as amended

The RCC deliberated the subject proposal which received comments from SPC Power Corporation. The proposal intends to add constraint violations and corresponding coefficients reflecting the dispatch and curtailment hierarchy for non-scheduled, priority dispatch and must-dispatch generating units.

See Annex B for the RCC's discussion and agreements on the proposal.

The RCC approved the submission of the revised proposal to the PEM Board as embodied in RCC Resolution No. 2019-13.

Agenda	Presenter	Action/s Taken
5.3. Deliberation on IEMOP's Proposed Amendments to the WESM Rules and WESM Manuals Providing the Framework Governing the	IEMOP	Approved for endorsement to the PEM Board as amended

Agenda	Presenter	Action/s Taken
Operations of Embedded Generators		

Comments to the proposal were received from PEMC, the Technical Committee, NGCP, Panasia/Millennium Energy Inc. and MERALCO. These comments, together with IEMOP's response as the proponent, were considered during the RCC's deliberation.

See Annex C for the matrix of the RCC's discussion and agreements.

The RCC approved the submission of the revised proposal to the PEM Board.

Agenda	Presenter	Action/s Taken
5.4. Deliberation on the Proposed Amendments to the WESM Rules and WESM Registration Manual to Harmonize with R.A. 11234 ("Energy Virtual One-Stop Shop Act") and Additional Requirements for De-registration and Cessation	IEMOP	Approved for endorsement to the PEM Board as submitted

The RCC proceeded to deliberate the subject proposal which did not receive any comments. This proposal intends to reflect 'calendar' days instead of 'working' days in the timeline of certain registration procedures.

See Annex D for the matrix of the RCC's discussion and agreements.

The RCC approved the submission of the revised proposal to the PEM Board.

VI. New Business		
Agenda	Presenter	Action/s Taken
6.1. Proposed Amendments to the WESM Manual on Dispatch Protocol for the Optimal Timing of Market Runs	IEMOP	<ul style="list-style-type: none"> <li>• Approved for publication as submitted.</li> <li>• Requested IEMOP to provide data on the conduct of parallel operations to serve as RCC's additional reference for the proposed change in the timing of market runs</li> </ul>

Mr. Marqueses presented an overview of the subject proposal initiated by IEMOP which will amend the WESM Rules and Dispatch Protocol Manual for the enhanced market design, specifically regarding the timelines for Day-Ahead Projections (DAP) and Hour-Ahead Projections/Real-Time Dispatch (HAP/RTD).

IEMOP explained that during parallel operations, the actual system performance in executing DAP and HAP/RTD processes were not aligned with the timelines prescribed in the Dispatch Protocol Manual (enhanced market design) which were based on initial estimates. The proposal then seeks to adjust the DAP and HAP/RTD timelines based on the results of the parallel operations and also to consider the System Operator's processing time (see Annex E for presentation slides). The proposal is summarized as follows:

- Day-Ahead Projections
  - Deadline for participant submissions is moved ten (10) minutes earlier
  - Deadline for system operator inputs, market operator forecasts, and execution of the DAP is moved by one (1) minute earlier
  - Deadline for publication of results in the Market Participant Interface (MPI) and transmittal of the results to the SO is moved ten (10) minutes later
- Hour-Ahead Projections / Real-Time Dispatch
  - Deadline for participant submissions is moved one (1) minute earlier
  - Deadline for transmittal of the results to the SO is moved one (1) minute

Noting that the proposal seeks to move the timelines by mere 1 to 10 minutes earlier than the original, Mr. Ambrocio R. Rosales (NGCP-System Operator) asked what the

91 advantage would be with such a small adjustment. Further, he also opined that moving  
 92 the deadlines of the DAP and HAP/RTD processes further from the target dispatch  
 93 interval may fail to capture actual system conditions for the target interval.

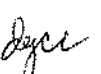
94  
 95 Mr. Marqueses informed that the proposal is also based on a request from the SO to  
 96 move one (1) minute earlier the MO's transmittal to the SO of HAP/RTD results in  
 97 order to provide SO applications more processing time. Mr. Rosales countered that  
 98 this SO request may not be needed at all since it does not actually take time for the  
 99 SO application to run once the SO picks up the RTD schedule from the MO.

100  
 101 Mr. Isidro E. Cacho, Jr. (IEMOP-Market Operator) explained further that though the  
 102 processing time before the release of RTD schedules were already shortened due to  
 103 the 5-minute dispatch interval, it turned out that there are still processes that must be  
 104 considered such as the window of time the system needs to gather the increased input  
 105 data from Market Participants and latency delays in transmitting the market run results  
 106 to the SO.

107  
 108 Given the initial comments, the RCC requested the IEMOP to present the actual  
 109 results of the parallel operations that it used as basis in their proposed revisions to the  
 110 market run timelines. This request notwithstanding, the RCC approved the publication  
 111 of the proposal in the PEMC website to solicit comments from stakeholders.

Agenda	Presenter	Action/s Taken
6.2. Proposed Amendments to the (i) WESM Manual on Registration, Suspension and De-registration Criteria and Procedures and (ii) WESM Manual on Market Network Model Criteria and Procedures to Clarify Procedures for the Registration of a New Load Facility	IEMOP	<ul style="list-style-type: none"> <li>• Approved for publication as submitted.</li> <li>• Requested IEMOP to identify Trading Participants with new load facilities that withdrew from the grid but were not (initially) registered in the WESM</li> </ul>

114  
 115 Representing the proponent, Mr. Marqueses from the IEMOP presented an overview  
 116 of the subject proposal which seeks to provide procedures in registering additional  
 117 load facilities of existing participants (e.g., additional connection point of DU, station  
 118 use of GenCos). The proposed provisions would ensure better monitoring of new  
 119 withdrawal points that have to be settled in the WESM. The new provisions are  
 120 summarized below (see Annex E for presentation slides):  
 121





- New provisions for registration of load facilities:
  - Requirement for WESM member to register new load facilities
  - Reference to existing technical and commercial requirements
  - Application of procedures and timelines for the registration of new WESM members (max 15 days)
- New load facilities cannot withdraw from the grid unless registered in the WESM

Mr. Cacho, Jr. expounded that there are cases when the MO was forced to register an additional load facility as it was informed that the facility will already be energized. These WESM Members should have coordinated with the MO beforehand for the registration of their additional load facility in the market.

Since these cases also concern the SO and its procedures, Mr. Rosales requested IEMOP to identify who these WESM Members were that did not go through the proper registration process, to which the body agreed.

The RCC approved the publication of the proposal in the PEMC website to solicit comments from stakeholders.

Agenda	Presenter	Action/s Taken
6.3. Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers	IEMOP	<ul style="list-style-type: none"> <li>• Approved for publication as submitted.</li> <li>• Requested IEMOP to check this proposal with a previous one which may already have similar contents</li> </ul>

Mr. Marqueses continued with a presentation summarizing the subject proposal, which intends to add among the requirements for Contestable Customer (CC) switch requests a certification of full compliance with financial obligations from that CC's distribution utility or the incumbent supplier (see Annex E for presentation slides). This is consistent with Section 2 of ERC Resolution No. 9, series of 2018 ("ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers").

The RCC noted that this proposal is similar with a previous proposal from the IEMOP that was already approved by the PEM Board and currently pending DOE approval. Mr. Cacho responded that the proposal merely aims to make references to the ERC



issuance on the matter since the previous proposal was only MO-initiated. The body requested the IEMOP to ensure that the new proposal is not redundant and if not, reconcile both the previous and new proposal.

The RCC approved the publication of the proposal in the PEMO website to solicit comments from stakeholders.

## VII. Other Matters

Agenda	Presenter	Action/s Taken
<p>7.1. PEM Board Updates:</p> <ul style="list-style-type: none"> <li>• PEM Board request for study on Settlement and Compensation of Must-Run Units</li> <li>• Meeting schedules: <ul style="list-style-type: none"> <li>a) BRC – 23 August 2019 (Fri)</li> <li>b) PEM Board – 28 August 2019 (Wed)</li> </ul> </li> </ul>	Secretariat	<ul style="list-style-type: none"> <li>• RCC noted the updates on the on-going study of the Rules Review Division (RRD) regarding MRU Settlement.</li> <li>• RRD raised that the proposal to be submitted by the RCC Generation sector representatives regarding Administered Price may also be adopted for MRU settlement.</li> <li>• For the BRC meeting, the RRD shall present on behalf of the RCC the proposals regarding (i) embedded generation and (ii) CVCs for self-scheduled generating units.</li> </ul>



VII. Other Matters		
Agenda	Presenter	Action/s Taken
		<ul style="list-style-type: none"> <li>The presenter for the August 28 PEM Board meeting will be determined on Monday, August 19.</li> </ul>

- PEM Board request for study on Settlement and Compensation of Must-Run Units

The Secretariat informed the RCC of the PEM Board's directive to study possible alternative MRU settlement mechanism from what is currently used.

The body was informed that the Rules Review Division of the MAG, who undertook the study, consulted with the IEMOP (Finance, Billing & Settlement and Trading Operations) in which the following were discussed:

- o *Difference between MRU and constrained-on generators*
- o *Internal MO procedures for settling dispatched MRUs*
- o *Operational costs not included in the ERC-approved recoverable fuel and variable operational and maintenance costs*
- o *Concerns regarding 1-year timeline for filing additional compensation*
- o *Settlement methodology for MRUs for the enhanced market design (new MMS)*

The RCC noted the Secretariat's update.


Agenda	Presenter	Action/s Taken
7.2. Review of Draft 2019 RCC Semestral Report (Jan – Jun 2019)	Secretariat	<ul style="list-style-type: none"> <li>Secretariat to e-mail the draft 2019 RCC Semestral Report.</li> <li>Provisionally approved pending</li> </ul>

		RCC review and edits
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Agenda	Presenter	Action/s Taken
VIII. Next Meeting	Secretariat	The RCC noted the following of the next RCC meetings: <ul style="list-style-type: none"> <li>September 20</li> <li>October 18</li> <li>November 15</li> </ul>
IX. Adjournment		The RCC meeting was adjourned at around 12:15 PM.

**Prepared by:**

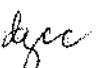
  
**Divine Gayle C. Cruz**  
Specialist  
Market Assessment Group – Rules Review Division


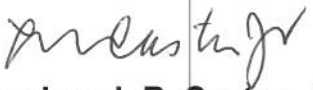






**Reviewed by:**




  
**John Mark S. Catriz**  
Manager  
Market Assessment Group – Rules Review Division

**Noted by:**

**Elaine D. Gonzales**  
Acting Head  
Market Assessment Group



Approved by: <b>THE RULES CHANGE COMMITTEE</b>	
Independent Members:	
 <b>Maila Lourdes G. de Castro</b> Chairperson	 <b>Francisco L.R. Castro, Jr.</b>
 <b>Allan C. Nerves</b>	<b>Concepcion I. Tanglao</b>
Generation Sector Members:	
 <b>Dixie Anthony R. Banzon</b> Masinloc Power Partners Co. Ltd. (MPPCL)	 <b>Abner B. Tolentino</b> Power Sector Assets and Liabilities Management Corporation (PSALM)
<b>Jose Ildebrando B. Ambrosio</b> NorthWind Power Development Corp. (NorthWind)	 <b>Cherry A. Javier</b> Aboitiz Power Corp. (APC)
Distribution Sector Members:	
 <b>Virgilio C. Fortich, Jr.</b> Cebu III Electric Cooperative, Inc. (CEBECO3)	 <b>Ryan S. Morales</b> Manila Electric Company (MERALCO)

 <b>Ricardo G. Gumalal</b> Iligan Light and Power, Inc. (ILPI)	 <b>Jose P. Santos</b> Ilocos Norte Electric Cooperative, Inc. (INEC)
Supply Sector Member:	
 <b>Lorrato H. Rivera</b> Team (Philippines) Energy Corporation (TPEC)	
Market Operator Member:	
 <b>Isidro E. Cacho, Jr.</b> Independent Electricity Market Operator of the Philippines (IEMOP)	
System Operator Member:	
 <b>Ambrocio R. Rosales</b> National Grid Corporation of the Philippines (NGCP)	

Proposed General Amendments for Enhancements to the Determination of Initial Prudential Requirements

WESM Rules					
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
Amount of Security	3.15.4	Using available historical data, the <i>Market Operator</i> shall determine the initial <i>Prudential Requirements</i> of a new <i>WESM member</i> corresponding to the portion of its demand that is not covered by <i>bilateral contracts</i> , or ten percent (10%) of its total demand if fully covered by <i>bilateral contracts</i> , multiplied by the average actual market price of the previous twelve (12) billing periods.	<del>Using available historical data, the</del> <i>Market Operator</i> shall determine the initial <i>Prudential Requirements</i> of a new <i>WESM member</i> corresponding to the <b><u>projected maximum exposure of the new WESM member calculated as the average of the projected settlement amount for each complete billing period covered in the relevant Market Manual.</u></b> <del>portion of its demand that is not covered by <i>bilateral contracts</i>, or ten percent (10%) of its total demand if fully covered by <i>bilateral contracts</i>, multiplied by the average actual market price of the previous twelve (12) billing periods.</del>	To ensure the ability of new participants to meet their obligations, it is proposed that calculation of initial prudential requirements be calculated in more detail in order to increase the accuracy of projecting the maximum exposure of the Market Operator to the new participant. The Projected Maximum Exposure includes the projected load increase by the customer.  The detailed calculation is proposed to be provided in the Billing and Settlement Manual.	Adopt proposal
Amount of Security	3.15.4.1	XXX  If there is a change in the <i>bilateral contract</i> of a <i>WESM Member</i> , the <i>maximum exposure</i> shall be computed based on the <i>settlement amounts</i> estimated by the <i>Market Operator</i> using the average actual <i>market price</i> based on the <i>billing period</i> of 26 <sup>th</sup> March to 25 <sup>th</sup> September. In no case shall the maximum exposure be less than ten percent (10%) of the total demand. Average actual <i>market price</i> shall refer to the ratio of the total <i>spot market</i> payment of a <i>WESM Member</i> , which	XXX  If there is a change in the <i>bilateral contract</i> of a <i>WESM Member</i> , the <i>maximum exposure</i> shall be computed based on the <i>settlement amounts</i> estimated by the <i>Market Operator</i> using the average actual <i>market price</i> based on the <i>billing period</i> of 26 <sup>th</sup> March to 25 <sup>th</sup> September. <del>In no case shall the maximum exposure be less than ten percent (10%) of the total demand.</del> Average actual <i>market price</i> shall refer to the ratio of the total <i>spot market</i> payment of a <i>WESM Member</i> , which	With the expiration in 2011 of the requirement under the EPIRA-IRR for distribution utilities to source at least 10% of their supply from the WESM, it is proposed that the minimum prudential requirement be removed to reduce participation costs in the WESM for participants with exposure below 10% of their demand.	Adopt proposal

Annex A

WESM Rules					
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
		may include <i>spot market energy</i> and <i>reserve</i> transactions, to the total <i>metered quantities</i> net of <i>bilateral contract</i> quantities for each billing month.  XXX	may include <i>spot market energy</i> and <i>reserve</i> transactions, to the total <i>metered quantities</i> net of <i>bilateral contract</i> quantities for each billing month.  XXX		

*dgcc*

Proposed General Amendments for Enhancements to the Determination of Initial Prudential Requirements

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
Initial Assessment of Prudential Requirement	7.4.1	a. XXX b. XXX c. XXX d. XXX e. XXX f. XXX	a. XXX b. XXX <del>c. j. XXX</del> <del>d. k. XXX</del> <del>e. l. XXX</del> <del>f. m. XXX</del>	Re-number items c-f to j-m to insert proposed procedures for calculating the initial prudential requirement				Adopt proposal
Initial Assessment of Prudential Requirement	7.4.1 (a)	The intending WESM Member shall submit the information of its expected trading transactions in the WESM based on the total demand and bilateral contract.	<del>The intending WESM Member shall submit the information of its expected trading transactions in the WESM based on the total demand and bilateral contract.</del>  <u>The initial prudential requirement of a WESM Member shall be calculated using projected data for trading intervals:</u>  <u>i. if the WESM Member aims to begin trading in the WESM before August 26, from complete billing periods within March 26 to September 25 of the same year; or</u>  <u>ii. if the WESM Member aims to begin trading</u>	Consistent with current procedures for calculating actual prudential requirements, initial prudential requirements are proposed to be based on 26 March to 25 September transactions.  Provision on submission of information is transferred to items d-f.	<u>HEDCOR:</u>  Define projected data for DUs, generators, etc., does it cover power purchase?  Consider 12 billing period for the projected data in line with that of NGCP and evens out seasonality factor of intermittent plants		The rest of Section 7.4.1 enumerates the projected data and includes gross energy settlement quantities, bilateral contract quantities, and final energy dispatch prices.  The period proposed is based on the same period used for the annual review and determination of prudential requirements.	For clarity, the RCC agreed to revise the provision:  <u>The initial prudential requirement of a WESM Member shall be calculated using projected data for trading intervals:</u>  <u>i. if the WESM Member aims to begin trading in the WESM before August 26, from complete billing periods within March 26 to September 25 of the same year; or</u>  <u>ii. if the WESM Member aims to begin trading in the WESM on or after</u>



A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>in the WESM after August 25, from March 26 to September 25 of the succeeding year.</u>					<u>August 26, from March 26 to September 25 of the succeeding year.</u>  The proponent likewise clarified that the MO will assess Trading Participants' maximum exposure annually (every November of the succeeding year) and will update them accordingly.
Initial Assessment of Prudential Requirement	7.4.1 (b)	Using available historical data, the Market Operator shall determine the initial Prudential Requirement of a new WESM Member corresponding to the portion of its demand that is not covered by its bilateral contracts, or ten percent (10%) of its total demand, whichever is higher, multiplied by the Average Actual Market Price of the	<del>Using available historical data, the Market Operator shall determine the initial Prudential Requirement of a new WESM Member corresponding to the portion of its demand that is not covered by its bilateral contracts, or ten percent (10%) of its total demand, whichever is higher, multiplied by the Average Actual Market Price of the previous twelve (12) billing periods.</del>	Consistent with current procedures for calculating actual prudential requirements, initial prudential requirements are proposed to be based on average billing period settlement amounts.				Adopt proposal

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
		previous twelve (12) billing periods.	<u>The initial <i>prudential requirement of a WESM Member</i> shall be calculated as the average of the projected <i>settlement amount</i> for each complete <i>billing period</i> covered in the period defined in Section 7.4.1(a).</u>					
Initial Assessment of Prudential Requirement	<b>7.4.1 (c)</b> (new)	N / A	<u>The projected <i>settlement amount</i> for each <i>billing period</i> of a <i>WESM Member</i> shall be calculated using the following formula:</u>  <u><math display="block">PSA = \frac{\sum_{i \in I} (PGE PESQ_i \times PE PESP_i)}{\sum_{i \in I} \sum_{c \in C} (PBCQ_{c,i} \times PE PESP_{c,i})}</math></u>  <u>Where:</u>  <u>PSA</u> <u>projected <i>settlement amount</i> in PhP</u>  <u>PGE PESQ<sub>i</sub></u> <u>projected <i>gross ex-post energy settlement</i></u>	For better accuracy, it is proposed that initial prudential requirements be determined using the formula for calculating the settlement amount but with projected inputs.	<u>MERALCO:</u>  Include the terms used in this section in Section 2 (Definition of Terms)		The terms are defined in the WESM Rules. We defer to the RCC.	Adopt proposal

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<div><div><div><math>\text{PEPESP}_i</math></div><div><u>quantity, in MWh, for trading interval i projected ex-post energy settlement price, in PhP/MWh, for trading interval i</u></div></div><div><div><math>\text{PBCQ}_{c,i}</math></div><div><u>projected bilateral contract quantity, in MWh, from counterpart y c for trading interval i</u></div></div><div><div><math>\text{PEPESP}_{c,i}</math></div><div><u>projected ex-post energy settlement price, in PhP/MWh, of the market trading node of the trading participant responsible</u></div></div></div>					

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<div>for the payment of <u>line rental trading amounts specified by the WESM member during the enrollment of its bilateral contract with counterpart y c for trading interval i</u></div> <div>I set of <u>trading intervals within the billing period</u></div> <div>C set of <u>counterparti es</u></div>					
Initial Assessment of Prudential Requirement	<u>7.4.1 (d)</u> (new)	N / A	<u>The WESM Member shall submit the following information to the Market Operator for each trading interval in the period</u>	It is proposed that the WESM Member provide the projections for quantities since the would have a better				Adopt proposal

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>defined in Section 7.4.1(a):</u> i. <u>Projected gross ex-post energy settlement quantities</u> ii. <u>Projected bilateral contract quantities from each trading participant counterparty</u>	understanding of their operations.				
Initial Assessment of Prudential Requirement	<b>7.4.1 (e)</b> (new)	N / A	<u><b>The WESM Member shall submit to the Market Operator its assumptions for determining its projected gross ex-post energy settlement quantities. The Market Operator may require the WESM Member to submit supporting documents if necessary. The Market Operator shall assist the WESM Member in determining the projected gross ex-post energy settlement quantities.</b></u>	To ensure the accuracy of submitted projected gross energy settlement quantities, it is proposed that WESM Members submit the assumptions used in their projection. This would allow the Market Operator the ability to assess the accuracy of the submitted projections.	<u>HEDCOR:</u>  Is there a mechanism for MO in identifying whether the submitted supporting docs are invalid/not accepted?		The Market Operator does not assess whether the projections are valid or invalid. The supporting docs will only be used to assist the trading participant in projecting quantities.	<ul style="list-style-type: none"><li>• Adopt proposal</li><li>• The proponent also clarified that the MO will issue a margin call if a Trading Participant submits a projected gross ex-post energy settlement quantity that is lower than its actual gross ex-post energy settlement quantity. The Trading Participant is given 3 working days to rectify or top-up its prudential requirement. If it fails to do so, the suspension or de-</li></ul>
					<u>MERALCO:</u>  Who will be responsible for the final figures? What if there is a disagreement between the WESM member and the Market Operator? Does the WESM member need approval from the Market Operator for its projections?		The trading participant will be responsible for the final figures. The MO will not approve the projections.	

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
								registration process shall apply.  The RCC noted the IEMOP's clarification in cases where a Trading Participant paid more than its required prudential requirement in cash. In such case, the MO will refund the excess with interest.
Initial Assessment of Prudential Requirement	7.4.1 (f) (new)	N / A	<u>To be considered in the determination of the initial <i>prudential requirement</i>, the <i>bilateral contract</i> quantities submitted under Section 7.4.1(d)(ii) should have a corresponding contract enrolled with the <i>Market Operator</i>.</u>	To ensure that the bilateral contract quantities submitted are valid and realistic, it is proposed that the contract should be confirmed by the counterparty of the new trading participant through the contract enrollment procedure under the WESM Registration Manual.				<ul style="list-style-type: none"><li>• Adopt proposal</li><li>• The proponent clarified that enrollment of bilateral contract quantity through the CRSS is basically a notification to the MO that, say, a Generation Company has a contract with a distribution utility for a certain megawatt quantity.</li><li>• Further, IEMOP emphasized that</li></ul>

Annex A

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
								the counterparty must confirm the bilateral contract in order for the parties' bilateral contract quantities to be registered in the WESM. The MO does not require a copy of the actual contract.
Initial Assessment of Prudential Requirement	<b>7.4.1 (g)</b> (new)	N / A	<b><u>The projected ex-post energy settlement price of a WESM Member for a trading interval shall be equal to the ex-post energy settlement price of the geographically nearest market trading node from the connection point of the WESM Member at the same trading interval and most recent same date.</u></b>	Estimating the prices of the new trading participant based on the historical prices of the geographically nearest node aims to increase the accuracy of the projected exposure.				Adopt proposal
Initial Assessment of Prudential Requirement	<b>7.4.1 (h)</b> (new)	N / A	<b><u>The projected ex-post energy settlement price associated with a bilateral contract quantity from a counterparty for a trading interval shall be equal to the ex-post energy settlement price</u></b>	Estimating the prices associated with bilateral contract quantities based on the historical prices of the nearest node aims to increase the				Adopt proposal



Annex A

A. WESM Manual on Billing and Settlement Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>of the <i>market trading</i> node of the counterparty identified during enrollment of the <i>bilateral contract</i> at the same <i>trading interval</i> and most recent same date.</u>	accuracy of the projected exposure.				

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B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
Initial Assessment of Prudential Requirement	7.4.1	a. XXX b. XXX c. XXX d. XXX e. XXX f. XXX	a. XXX b. XXX <del>c. j.</del> XXX <del>d. k.</del> XXX <del>e. l.</del> XXX <del>f. m.</del> XXX	Re-number items c-f to j-m to insert proposed procedures for calculating the initial prudential requirement				Adopt proposal
Initial Assessment of Prudential Requirement	7.4.1 (a)	The intending WESM Member shall submit the information of its expected trading transactions in the WESM based on the total demand and bilateral contract.	<del>The intending WESM Member shall submit the information of its expected trading transactions in the WESM based on the total demand and bilateral contract.</del>  <u>The initial prudential requirement of a WESM Member shall be calculated using projected data for dispatch intervals:</u>  <u>i. if the WESM Member aims to begin trading in the WESM before August 26, from complete billing periods within March 26 to September 25 of the same year; or</u>	Consistent with current procedures for calculating actual prudential requirements, initial prudential requirements are proposed to be based on 26 March to 25 September transactions.  Provision on submission of information is transferred to items d-f.				For consistency with the changes made to Issue 5.0 of the same Manual, the RCC approved the following revision:  <u>The initial prudential requirement of a WESM Member shall be calculated using projected data for trading intervals:</u>  <u>i. if the WESM Member aims to begin trading in the WESM before August 26, from complete billing periods within March 26 to September 25 of the same year; or</u>  <u>ii. if the WESM Member aims to begin trading in the WESM on or after August 26, from March 26 to September 25 of the succeeding year.</u>

B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>ii. if the WESM Member aims to begin trading in the WESM after August 25, from March 26 to September 25 of the succeeding year.</u>					
Initial Assessment of Prudential Requirement	7.4.1 (b)	Using available historical data, the Market Operator shall determine the initial Prudential Requirement of a new WESM Member corresponding to the portion of its demand that is not covered by its bilateral contracts, or ten percent (10%) of its total demand, whichever is higher, multiplied by the Average Actual Market Price of the previous twelve (12) billing periods.	<del>Using available historical data, the Market Operator shall determine the initial Prudential Requirement of a new WESM Member corresponding to the portion of its demand that is not covered by its bilateral contracts, or ten percent (10%) of its total demand, whichever is higher, multiplied by the Average Actual Market Price of the previous twelve (12) billing periods.</del>  <u>The initial prudential requirement of a WESM Member shall be calculated as the average of the projected settlement amount for each complete billing period covered in the</u>	Consistent with current procedures for calculating actual prudential requirements, initial prudential requirements are proposed to be based on average billing period settlement amounts.				Adopt proposal

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B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>period defined in Section 7.4.1(a).</u>					
Initial Assessment of Prudential Requirement	<u>7.4.1 (c)</u> (new)	N / A	<p><u>The projected settlement amount for each billing period of a WESM Member shall be calculated using the following formula:</u></p> <p><u>PSA =</u> <math display="block">\sum_{i \in I} (PGESQ_i \times PFEDP_i) - \sum_{i \in I} \sum_{c \in C} (PBCQ_{c,i} \times PFEDP_{c,i})</math></p> <p><u>Where:</u></p> <p><u>PSA</u>        <u>projected settlement amount in PhP</u></p> <p><u>PGESQ<sub>i</sub></u>   <u>projected gross energy settlement quantity, in MWh, for dispatch interval i</u></p> <p><u>PFEDP<sub>i</sub></u>   <u>projected final energy dispatch</u></p>	For better accuracy, it is proposed that initial prudential requirements be determined using the formula for calculating the settlement amount but with projected inputs.	<u>MERALCO:</u>  Include the terms used in this section in Section 2 (Definition of Terms)		The terms are defined in the WESM Rules. We defer to the RCC.	Adopt proposal

**B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)**

Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<p><u>price, in</u> <u>PhP/MWh,</u> <u>for</u> <u>dispatch</u> <u>interval i</u> <u>PBCQ<sub>c,i</sub> projected</u> <u>bilateral</u> <u>contract</u> <u>quantity, in</u> <u>MWh, from</u> <u>counterpar</u> <u>ty c for</u> <u>dispatch</u> <u>interval i</u> <u>PFEDP<sub>c,i</sub> projected</u> <u>final</u> <u>energy</u> <u>dispatch</u> <u>price, in</u> <u>PhP/MWh,</u> <u>associated</u> <u>with the</u> <u>bilateral</u> <u>contract</u> <u>with</u> <u>counterpar</u> <u>ty c for</u> <u>dispatch</u> <u>interval i</u> <u>I set of</u> <u>dispatch</u> <u>intervals</u> <u>within the</u></p>					

B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<div>billing period C set of counterpar ties</div>					
Initial Assessment of Prudential Requirement	7.4.1 (d) (new)	N / A	<div>The WESM Member shall submit the following information to the Market Operator for each dispatch interval in the period defined in Section 7.4.1(a): i. Projected gross energy settlement quantities ii. Projected bilateral contract quantities from each trading participant counterparty</div>	It is proposed that the WESM Member provide the projections for quantities since the would have a better understanding of their operations.				Adopt proposal
Initial Assessment of Prudential Requirement	7.4.1 (e) (new)	N / A	<div>The WESM Member shall submit to the Market Operator its assumptions for determining its projected gross energy settlement quantities. The Market Operator may require the WESM Member to submit supporting documents if necessary. The Market Operator shall assist</div>	To ensure the accuracy of submitted projected gross energy settlement quantities, it is proposed that WESM Members submit the assumptions used in their projection. This would allow the Market Operator the ability to assess the	<div>MERALCO:  Who will be responsible for the final figures? What if there is a disagreement between the WESM member and the Market Operator? Does the WESM member need approval from the</div>		The trading participant will be responsible for the final figures. The MO will not approve the projections.	Adopt proposal

B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			the <i>WESM Member</i> in determining the projected gross energy settlement quantities.	accuracy of the submitted projections.	Market Operator for its projections?			
Initial Assessment of Prudential Requirement	<u>7.4.1 (f)</u> (new)	N / A	To be considered in the determination of the initial prudential requirement, the bilateral contract quantities submitted under Section 7.4.1(d)(ii) should have a corresponding contract enrolled with the Market Operator.	To ensure that the bilateral contract quantities submitted are valid and realistic, it is proposed that the contract should be confirmed by the counterparty of the new trading participant through the contract enrollment procedure under the WESM Registration Manual.				Adopt proposal
Initial Assessment of Prudential Requirement	<u>7.4.1 (g)</u> (new)	N / A	The projected final energy dispatch price of a WESM Member for a dispatch interval shall be equal to the final energy dispatch price of the geographically nearest market trading node from the connection point of the WESM Member at the same dispatch interval and most recent same date.	Estimating the prices of the new trading participant based on the historical prices of the geographically nearest node aims to increase the accuracy of the projected exposure.				Adopt proposal



B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
Initial Assessment of Prudential Requirement	<u>7.4.1 (h)</u> (new)	N / A	<u>The projected final energy dispatch price associated with a bilateral contract quantity from a counterparty for a dispatch interval shall be equal to the final energy dispatch price of the market trading node of the counterparty identified during enrollment of the bilateral contract at the same dispatch interval and most recent same date.</u>	Estimating the prices associated with bilateral contract quantities based on the historical prices of the nearest node aims to increase the accuracy of the projected exposure.				
Initial Assessment of Prudential Requirement	<u>7.4.1 (i)</u> (new)	N / A	<u>For new regions integrated to the WESM, the Market Operator shall simulate and publish projected final energy dispatch prices for reference nodes in the new region. The Market Operator shall publish the assumptions used in determining the projected final energy dispatch prices, subject to approval of the PEM Board.</u>	<p>Since historical prices may not be available when new regions (e.g., Mindanao, Mindoro) are integrated to the WESM, it is proposed that simulated prices be used in estimating the initial prudential requirements.</p> <p>The simulated prices are only proposed to be applied for the start of commercial</p>	<u>MERALCO:</u>  Who will determine the reasonability of the simulated reference prices? Can the WESM participants comment on the determination of the simulated reference prices?		The PEM Board will determine the reasonability of the simulated reference prices. The comments from the WESM participants may be coursed through the PEM Board at the minimum. For the Mindanao implementation, IEMOP was required to conduct a consultation with	Adopt proposal

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B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>The reference prices shall be applied to trading participants that are registered prior to the commercial operations of the WESM in that region; for new trading participants in the new region applying for registration one (1) year after the commercial operations of the WESM in that region, Section 7.4.1(g) and Section 7.4.1(h) shall apply.</u>	operations in the region; afterwards, historical prices would be used.			Mindanao participants.	
Initial Assessment of Prudential Requirement	7.4.1 (n)	(new)	<u>Until one year after the start of commercial operations of the enhancements to WESM design and operations under DC2015-01-0015, the initial prudential requirements of a WESM Member shall be calculated in consideration of the following:</u> <u>i. projections shall be performed per trading interval</u>	Provide transitory provisions for the calculation of initial prudential requirements prior to the implementation of the New Market Management System (NMMS) using equivalent variables				For clarity, the RCC revised the provision as follows:  <u>Until-For a period of one year after from the start of commercial operations of the enhancements to WESM design and operations under DC2015-01-0015, the initial prudential requirements of a WESM Member shall be calculated in</u>

B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<p><u>instead of per dispatch interval;</u></p> <p>ii. <u>gross ex-post energy settlement quantities shall be projected instead of gross energy settlement quantities;</u></p> <p>iii. <u>ex-post energy settlement prices shall be projected instead of final energy dispatch prices; and</u></p> <p>iv. <u>the market trading node associated with bilateral contract quantities shall be a market trading node of the trading participant responsible for the payment of line rental trading amounts specified by the WESM member during the enrollment of its bilateral contract.</u></p>					<p><u>consideration of the following:</u></p> <p>i. <u>projections shall be performed per trading interval instead of per dispatch interval;</u></p> <p>ii. <u>gross ex-post energy settlement quantities shall be projected instead of gross energy settlement quantities;</u></p> <p>iii. <u>ex-post energy settlement prices shall be projected instead of final energy dispatch prices; and</u></p> <p>iv. <u>the market trading node associated with bilateral contract quantities shall be a market trading node of the trading participant responsible for the payment of line rental trading</u></p>



B. WESM Manual on Billing and Settlement Issue 6.0 (As revised under DOE DC2018-06-0017)								
Title	Sec	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
								<u>amounts specified by the WESM member during the enrollment of its bilateral contract.</u>

Proposed Amendments to the WESM Manual on Constraint Violation Coefficients (CVC) and Pricing Re-Runs to Include Additional CVCs to Reflect the Dispatch Hierarchy of Self-Scheduled Generation

Constraint Violation Coefficients (CVC) and Pricing Re-Runs Issue 6.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
Constraint Violation Coefficient – Order of Constraint Violation Coefficients	4.3.1	The order of relaxing <i>soft constraints</i> shall be set such that <i>constraints</i> resulting in the lowest reduction in the capability of the <i>network, load or generating units</i> shall be allowed to occur first, as follows: a. Tertiary Reserve Requirement Constraint b. Primary Reserve Requirement Constraint c. Nodal VoLL or Nodal Energy Balance Constraint d. System Energy Balance Constraint e. Self-Scheduled	The order of relaxing <i>soft constraints</i> shall be set such that <i>constraints</i> resulting in the lowest reduction in the capability of the <i>network, load or generating units</i> shall be allowed to occur first, as follows: a. Tertiary Reserve Requirement Constraint b. Primary Reserve Requirement Constraint c. Nodal VoLL or Nodal Energy Balance Constraint d. System Energy Balance Constraint e. Self-Scheduled Constraint <u>=</u>	To distinguish among non-scheduled, priority dispatch and must dispatch generation as these three (3) self-scheduled generation categories have a set priority in dispatch and curtailment. The order of CVCs associated with these classifications are arranged in line with WESM Rules provision on the hierarchy for dispatch target curtailment (WESM Rules Clause 3.6.1.8).	<u>SPC/SIPC:</u>  This AS Classification needs to be harmonized with the DOE drafted Circular regarding AS procurement		The WESM Rules and Manuals will be reviewed and revised as necessary upon finalization of the reserve market design.	<p>The RCC agreed with Ms. Cherry Javier's (Aboitiz Power) suggestion to still indicate the current terminologies for the primary, secondary and tertiary reserve categories in view of transitory changes while the DOE finalizes the circular regarding the Reserve Market. The provision was revised as follows:</p> <p>The order of relaxing <i>soft constraints</i> shall be set such that <i>constraints</i> resulting in the lowest reduction in the capability of the <i>network, load or generating units</i> shall be allowed to occur first, as follows:</p> <p>a. Tertiary/<b>Dispatchable</b> Reserve Requirement Constraint b. Primary/<b>Contingency</b> Reserve Requirement Constraint c. Nodal VoLL or Nodal Energy Balance Constraint d. System Energy Balance Constraint</p>

Constraint Violation Coefficients (CVC) and Pricing Re-Runs Issue 6.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
		Generation Constraint	<del>Non-Scheduled Generation</del>					e. Self-Scheduled Generation Constraint = <del>Non-Scheduled Generation</del>
		f. Thermal Contingency Constraint – Transformer	f. <del>Self-Scheduled Generation Constraint – Priority Dispatch</del>					f. <del>Self-Scheduled Generation Constraint – Priority Dispatch</del>
		g. Thermal Contingency Constraint – Line	g. <del>Self-Scheduled Generation Constraint – Must Dispatch</del>					g. <del>Self-Scheduled Generation Constraint – Must Dispatch</del>
		h. Thermal Contingency Constraint – Branch Group	<del>h. f. Thermal Contingency Constraint – Transformer</del>					h. <del>f. Thermal Contingency Constraint – Transformer</del>
		i. Secondary Reserve Requirement Constraint	<del>i. g. Thermal Contingency Constraint – Line</del>					i. <del>g. Thermal Contingency Constraint – Line</del>
		j. Thermal Base Case Constraint – Transformer	<del>j. h. Thermal Contingency Constraint – Branch Group</del>					j. <del>h. Thermal Contingency Constraint – Branch Group</del>
		k. Thermal Base Case Constraint – Line	<del>k. i. Secondary Reserve Requirement Constraint</del>					k. <del>i. Secondary Reserve Requirement Constraint</del>
		l. Thermal Base Case Constraint – Branch Group	<del>l. j. Thermal Base Case Constraint – Transformer</del>					l. <del>j. Thermal Base Case Constraint – Transformer</del>

Constraint Violation Coefficients (CVC) and Pricing Re-Runs Issue 6.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<div><div><div>m.</div><div>k. Thermal Base Case Constraint – Line</div></div><div><div>n.</div><div>l. Thermal Base Case Constraint – Branch Group</div></div></div>					
Constraint Violation Coefficient – Order of Constraint Violation Coefficients	4.3.4	(refer to Annex A)	(refer to Annex A)	The CVC table is proposed to be revised to reflect the suggested changes in CVC hierarchy (Sec 4.3.1). The corresponding coefficients for each soft constraint are also recommended to be updated to reflect the change in CVC order. The values of the CVCs whose rankings moved up were also revised based on recommendations during the certification audit and observations during the conduct of parallel operations program. In general, values of the CVCs should be set such that the sum of the				Adopt proposal

Constraint Violation Coefficients (CVC) and Pricing Re-Runs Issue 6.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
				values of possible CVC combinations will not be equal to a higher single CVC value. For example, since there are CVCs set at 800,000 and 1,600,000, there should be no CVC set at 2,400,000 (800,000 + 1,600,000); otherwise, the MDOM may choose to violate the higher CVC instead of the two lower CVCs, which is the expected result.				
Automatic Pricing Re-Run Parameters	5.3.1	(refer to Annex A)	(refer to Annex A)	The Automatic Pricing Re-Run Parameters are proposed to be revised to reflect the suggested changes in CVC table (Sec 4.3.4).				Adopt proposal



Proposed Amendments to the WESM Manual on Constraint Violation Coefficients (CVC) and Pricing Re-Runs to Include Additional CVCs to Reflect the Dispatch Hierarchy of Self-Scheduled Generation

ANNEX

Provision				Proposed Amendment				Comments & RCC Discussion
4.3.4 The following table provides the <i>constraint violation coefficients</i> , which is reflective of the order of relaxing <i>soft constraints</i> established in Section 4.3.1 of this <i>Market Manual</i> , and the corresponding action by the <i>System Operator</i> .				4.3.4 The following table provides the <i>constraint violation coefficients</i> , which is reflective of the order of relaxing <i>soft constraints</i> established in Section 4.3.1 of this <i>Market Manual</i> , and the corresponding action by the <i>System Operator</i> .				<p><u>SPC/SIPC:</u></p> <p>For SO Action, in the absence of harmonization of all Ancillary Services (AS) -related issuances, the Classification and use of AS should be observed strictly according to its defined purpose.</p> <p><b>Notes:</b></p> <p>1. The DOE draft DC on AS is not in line with the AS Classification under the 2016 PGC as well with the PDM filing of IEMOP and ASCRM/ASPP of NGCP.</p> <p>2. The AS dispatch protocol/hierarchy shall be observed. The dispatchable reserve will be called other than its purpose, only if the energy offers to WESM are depleted.</p> <p>3. When DR Capacity is scheduled as RTD on Energy, the Technical Pmin must be observed.</p> <p><b>IEMOP Response:</b></p> <p>The WESM Rules and Manuals will be reviewed and revised as</p>
Order	Constraint Violation Coefficient Name	CVC	SO Action	Order	Constraint Violation Coefficient Name	CVC	SO Action	
1	Tertiary Reserve Requirement Constraint	100,000	None	1	Tertiary Reserve Requirement Constraint	100,000	None	
2	Primary Reserve Requirement Constraint	200,000	None	2	Primary Reserve Requirement Constraint	200,000	None	
3	Nodal VoLL or Nodal Energy Balance Constraint	800,000	Re-dispatch generation and/or drop load as necessary.	3	Nodal VoLL or Nodal Energy Balance Constraint	800,000	Re-dispatch generation and/or drop load as necessary.	
4	System Energy Balance Constraint	1,300,000	For over-generation, identify generating units to be shut down to eliminate excess capacity.	4	System Energy Balance Constraint	1,300,000	For over-generation, identify generating units to be shut down to eliminate excess capacity.	
			For under-generation, identify must-run units that can be dispatched or drop load as necessary.				For under-generation, identify must-run units that can be dispatched or drop load as necessary.	
5	Self-Scheduled Generation Constraint	1,400,000	The projected output or schedule of loading level of the relevant generating unit(s) shall be curtailed.	5	Self-Scheduled Generation Constraint = <b><u>Non-Scheduled Generation</u></b>	1,400,000	The <del>projected</del> output or schedule of loading level of the relevant <b><u>non-scheduled</u></b> generating unit(s) shall be curtailed.	
6	Thermal Contingency Constraint – Transformer	1,500,000	Re-dispatch generation and/or drop load as necessary.	6	<b><u>Self-Scheduled Generation Constraint</u></b>	<b><u>1,500,000</u></b>	The projected	
7	Thermal Contingency Constraint – Line	1,500,000					output or schedule of loading level of	
8	Thermal Contingency	2,000,000						

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Provision							Proposed Amendment							Comments & RCC Discussion	
	Constraint – Branch Group			Re-dispatch generation and/or drop load as necessary.				<u>– Priority Dispatch Generation</u>			the relevant <u>priority dispatch</u> generating unit(s) shall be curtailed.		necessary when the reserve market design is finalized.  <b>RCC Agreement:</b>  Revise the CVC Names to reflect current terminologies for primary, secondary and tertiary reserve categories:  Order 1 – Tertiary/ <u>Dispatchable</u> Reserve Requirement Constraint  Order 2 – Primary/ <u>Contingency</u> Reserve Requirement Constraint  Order 11 – Secondary/ <u>Regulating</u> Reserve Requirement Constraint		
9	Secondary Reserve Requirement Constraint		3,500,000					7	<u>Self-Scheduled Generation Constraint – Must Dispatch Generation</u>		1,600,000	The projected output <del>or schedule</del> of loading level of the relevant <u>must dispatch</u> generating unit(s) shall be curtailed.			
10	Thermal Base Case Constraint – Transformer		4,000,000					6 8	Thermal Contingency Constraint – Transformer		4,500,000 <u>2,500,000</u>	Re-dispatch generation and/or drop load as necessary.			
11	Thermal Base Case Constraint – Line		4,000,000					7 9	Thermal Contingency Constraint – Line		4,500,000 <u>2,500,000</u>				
12	Thermal Base Case Constraint – Branch Group		4,500,000					8 10	Thermal Contingency Constraint – Branch Group		2,000,000 <u>3,000,000</u>				
					9 11	Secondary Reserve Requirement Constraint		3,500,000 <u>5,600,000</u>	Re-dispatch generation and/or drop load as necessary.						
					10 12	Thermal Base Case Constraint – Transformer		4,000,000 <u>6,000,000</u>	Re-dispatch generation and/or drop load as necessary.						
					11 13	Thermal Base Case Constraint – Line		4,000,000 <u>6,000,000</u>							
					12 14	Thermal Base Case Constraint – Branch Group		4,500,000 <u>6,500,000</u>							
5.3.1 The corresponding constraint relaxation formulas for the constraint violation coefficients during pricing re-runs shall be as provided in Table 2 below:							5.3.1 The corresponding constraint relaxation formulas for the constraint violation coefficients during pricing re-runs shall be as provided in Table 2 below:							<b>RCC Agreement:</b>  Clerical correction:  Order 6 - <u>Self-Scheduled Generation Constraint – Non-Priority Dispatch Generation</u>	
Order	Constraint Violation Coefficient Name	CVC	Violation Variable Value	Delta	Constraint Relaxation during Pricing Re-Run	Re-run Price	Order	Constraint Violation Coefficient Name	CVC	Violation Variable Value	Delta	Constraint Relaxation during Pricing Re-Run	Re-run Price		

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Provision							Proposed Amendment								Comments & RCC Discussion	
1	Tertiary Reserve Requirement Constraint	100,000	x	0.1	x + delta	EDP AND RP		1	Tertiary Reserve Requirement Constraint	100,000	x	0.1	x + delta	EDP AND RP		
2	Primary Reserve Requirement Constraint	200,000	x	0.1	x + delta	EDP AND RP		2	Primary Reserve Requirement Constraint	200,000	x	0.1	x + delta	EDP AND RP		
3	Nodal Energy Balance Constraint	800,000	x	0.1	x + delta	EDP AND RP		3	Nodal Energy Balance Constraint	800,000	x	0.1	x + delta	EDP AND RP		
4	System Energy Balance Constraint	1,300,000	x	0	delta	Excess Price for over-generation		4	System Energy Balance Constraint	1,300,000	x	0	delta	Excess Price for over-generation		
						Shortage Price for under-generation								Shortage Price for under-generation		
5	Self-Scheduled Generation Constraint	1,400,000	x	0.1	x + delta	EDP AND RP		5	Self-Scheduled Generation Constraint = <b><u>Non-Scheduled Generation</u></b>	1,400,000	x	0.1	x + delta	EDP AND RP		
6	Thermal Contingency Constraint – Transformer	1,500,000	x	0.1	x + delta	EDP AND RP		<b><u>6</u></b>	<b><u>Self-Scheduled Generation Constraint – Non-Priority Dispatch Generation</u></b>	<b><u>1,500,000</u></b>	<b><u>x</u></b>	<b><u>0.1</u></b>	<b><u>x + delta</u></b>	<b><u>EDP AND RP</u></b>		
7	Thermal Contingency Constraint – Line	1,500,000	x	0.1	x + delta	EDP AND RP										
8	Thermal Contingency Constraint – Branch Group	2,000,000	x	0.1	x + delta	EDP AND RP		<b><u>7</u></b>	<b><u>Self-Scheduled Generation Constraint – Must</u></b>	<b><u>1,600,000</u></b>	<b><u>x</u></b>	<b><u>0.1</u></b>	<b><u>x + delta</u></b>	<b><u>EDP AND RP</u></b>		
9	Secondary Reserve	3,500,000	x	0.1	x + delta	EDP AND RP										

Provision							Proposed Amendment							Comments & RCC Discussion	
	Requirement Constraint							<u>Dispatch Generation</u>							
10	Thermal Base Case Constraint – Transformer	4,000,000	x	0.1	x + delta	EDP AND RP	<del>6</del> <u>8</u>	Thermal Contingency Constraint – Transformer	<del>1,500,000</del> <u>2,500,000</u>	x	0.1	x + delta	EDP AND RP		
11	Thermal Base Case Constraint – Line	4,000,000	x	0.1	x + delta	EDP AND RP	<del>7</del> <u>9</u>	Thermal Contingency Constraint – Line	<del>1,500,000</del> <u>2,500,000</u>	x	0.1	x + delta	EDP AND RP		
12	Thermal Base Case Constraint – Branch Group	4,500,000	x	0.1	x + delta	EDP AND RP	<del>8</del> <u>10</u>	Thermal Contingency Constraint – Branch Group	<del>2,000,000</del> <u>3,000,000</u>	x	0.1	x + delta	EDP AND RP		
							<del>9</del> <u>11</u>	Secondary Reserve Requirement Constraint	<del>3,500,000</del> <u>5,600,000</u>	x	0.1	x + delta	EDP AND RP		
							<del>10</del> <u>12</u>	Thermal Base Case Constraint – Transformer	<del>4,000,000</del> <u>6,000,000</u>	x	0.1	x + delta	EDP AND RP		
							<del>11</del> <u>13</u>	Thermal Base Case Constraint – Line	<del>4,000,000</del> <u>6,000,000</u>	x	0.1	x + delta	EDP AND RP		
							<del>12</del> <u>14</u>	Thermal Base Case Constraint – Branch Group	<del>4,500,000</del> <u>6,500,000</u>	x	0.1	x + delta	EDP AND RP		

Proposed Amendments Providing the Framework Governing the Operations of Embedded Generators

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
Categories of WESM Member – Generation Company	2.3.1.1	A <i>Generation Company</i> with facilities connected to a <i>transmission or distribution system</i> shall register with the <i>Market Operator</i> as a <i>WESM member</i> .	A <i>Generation Company</i> with facilities connected to a <i>transmission or distribution system</i> shall register with the <i>Market Operator</i> as a <i>WESM member</i> . <b><u>A Generation Company with facilities connected to a distribution system shall register with the Market Operator as a WESM member if it meets the criteria under Clause 2.3.1.10; otherwise, a Generation Company with facilities connected to a distribution system may register as a WESM Member on a voluntary basis.</u></b>	To incorporate the general framework for WESM registration of embedded generators provided under Sections 6.1 and 6.2 of DOE DC2019-02-0003	<u>PEMC:</u>  Will the provisions in the Distribution Services and Open Access Rules and the Open Access Transmission Service Rules related to transmission and distribution wheeling charges apply to embedded generators?  <ul style="list-style-type: none"><li>For bilateral contract quantities</li><li>For energy traded in the WESM</li></ul>	<u>PEMC:</u> none	Charging of transmission and distribution wheeling services is not covered by the WESM Rules and not the responsibility of the Market Operator.	The RCC agreed to use the term ‘embedded generator’ for clarity and since it is already a defined term in the WESM Rules. The provision was revised as follows:  <i>A Generation Company</i> with facilities connected to a <i>transmission or distribution system</i> shall register with the <i>Market Operator</i> as a <i>WESM member</i> . <b><u>A Generation Company of an Embedded Generator with facilities connected to a distribution system shall register with the Market Operator as a WESM member if it meets the criteria under Clause 2.3.1.10; otherwise, a Generation Company</u></b>

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
								<del>with facilities connected to a distribution system</del> <b>it may register as a WESM Member on a voluntary basis.</b>
Categories of WESM Member – Generation Company	2.3.1.3	<i>Subject to</i> Clauses 2.3.1.5 and 2.3.1.6, a <i>generating unit</i> or a group of <i>generating units</i> connected at a common connection point with a nameplate rating or a combined nameplate rating of greater than or equal to one tenth of one percent (> 0.1%) of the peak load in a particular reserve region shall be classified as a <i>scheduled generating unit</i> .	<i>Subject to</i> Clauses 2.3.1.5 and 2.3.1.6, a <i>generating unit</i> or a group of <i>generating units</i> connected at a common connection point with a nameplate rating or a combined nameplate rating of greater than or equal to <b>the following regional thresholds</b> <del>one tenth of one percent (&gt; 0.1%) of the peak load in a particular reserve region</del> shall be classified as a <i>scheduled generating unit</i> ; <b>(a) 10 MW for Luzon Grid;</b> <b>(b) 5 MW for Visayas Grid;</b> <b>and</b> <b>(c) 5 MW for Mindanao Grid.</b>	The regional threshold provided in the under Section 6.1.1 of DOE DC2019-02-0003 is based on the minimum generation level that may significantly affect the frequency of the grid, as determined by NGCP. The same level is proposed to be used for classifying non-scheduled generating units for consistency.	<u>MERALCO:</u>  Frequency bias is based on relative size of generation unit to demand. Fixed thresholds do not consider the fact that grids are growing. A %-threshold may be more practical than a fixed threshold.		Section 6 of DOE DC2019-02-0003 includes an annual review of the thresholds for mandatory membership of embedded generators. This will allow for the update of the thresholds to reflect current frequency bias. We suggest to retain the proposed revision.	Adopt proposal

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
Categories of WESM Member – Generation Company	2.3.1.4	<i>Subject to Clauses 2.3.1.5 and 2.3.1.6, a generating unit or a group of generating units connected at a common connection point with a nameplate rating or a combined nameplate rating of less than one tenth of one percent (&lt; 0.1%) of the peak load in a particular reserve region, or less than ten percent (&lt; 10%) of the size of interconnection facilities, whichever is lower, shall be classified as a non-scheduled generating unit, but may at its option be classified as a scheduled generating unit.</i>	<i>Subject to Clauses 2.3.1.5 and 2.3.1.6, a generating unit or a group of generating units connected at a common connection point with a nameplate rating or a combined nameplate rating of less than <b>the regional thresholds provided in Clause 2.3.1.3</b> one tenth of one percent (&lt; 0.1%) of the peak load in a particular reserve region, or less than ten percent (&lt; 10%) of the size of interconnection facilities, whichever is lower, shall be classified as a non-scheduled generating unit, but may at its option be classified as a scheduled generating unit.</i>	For consistency with Section 6.1.1 of DOE DC2019-02-0003				Adopt proposal
Categories of WESM Member – Generation Company	<b><u>2.3.1.10</u></b>	(new)	<b><u>A Generation Company with facilities connected to a distribution system shall register with the Market Operator if:</u></b>	To incorporate the criteria for mandatory WESM registration of embedded generators provided under Section 6.1 of DOE DC2019-02-0003	<b><u>PEMC:</u></b>  For item (c): we suggest to include all renewable energy plants, whether FIT or non-FIT, in the	<b><u>PEMC:</u></b> none	The criteria proposed only reflects the requirements under Section 6.1 of DOE DC2019-02-0003. We suggest to retain the proposed revision.	To avoid confusion, Mr. Rosales suggested using the term <i>Pmax</i> instead of <i>maximum stable load</i> . He explained that <i>Pmax</i> is indicated in Certificates



WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<p>a) <u>the <i>maximum stable load of its generating unit</i> is greater than or equal to 10 MW, if the <i>generating unit</i> is in the <i>Luzon Grid</i>, or 5 MW, if the <i>generating unit</i> is in the <i>Visayas</i> or <i>Mindanao Grids</i>;</u></p> <p>or</p> <p>b) <u>the <i>maximum stable load of its generating unit</i> is below the regional thresholds provided under clause 2.3.1.10(a) but it has a <i>bilateral contract</i> outside its host <i>distribution utility</i>; or</u></p> <p>c) <u>its <i>generating unit</i> is under the <i>Feed-In Tariff System</i>.</u></p>		mandatory registration for monitoring purposes.			<p>of Compliance which is the reference document for registering in the WESM. On the other hand, <i>maximum stable load</i> can be changed from time to time that participants can take advantage to eventually decrease their declared <i>maximum stable load</i>.</p> <p>The RCC agreed to revise the provision as follows:</p> <p><u><b>A Generation Company with facilities connected to a distribution system of an Embedded Generator shall register with the Market Operator if:</b></u></p> <p>a) <u>the <b>Pmax</b> of its <i>generating unit</i> is greater than or equal to 10 MW, if the <i>generating unit</i> is in the <i>Luzon Grid</i>, or 5</u></p>





WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
								<p><u>MW, if the generating unit is in the Visayas or Mindanao Grids;</u> <u>or</u> b) <u>the <i>Pmax</i> of its generating unit is below the regional thresholds provided under clause 2.3.1.10(a) but it has a bilateral contract outside its host distribution utility, or intends to sell to the WESM, or inject power to the transmission system;</u> or c) <u>its generating unit is under the Feed-In Tariff System.</u></p>

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
					<p><u>Panasia/MEI:</u></p> <p>MEI suggests to include the case when the maximum stable load of the generating unit is below the regional thresholds but (a) the Generation Company has capacity not covered by its bilateral contract with the host distribution utility that it intends to sell in the WESM, or (b) it has an Ancillary Services Procurement Agreement with the System Operator, or (c) the facility is a merchant plant offering its energy and/or reserves exclusively in the WESM.</p>	<p><u>Panasia/MEI:</u></p> <p>xxx</p> <p>b) the <i>maximum stable load</i> of its <i>generating unit</i> is below the regional thresholds provided under clause 2.3.1.10(a) but <b><u>(i) it has a bilateral contract outside its host distribution utility, or (ii) it is offering in the WESM the capacity not covered by its bilateral contract with the host distribution utility, or (iii) it has an Ancillary Services Procurement Agreement with the System Operator, or (iv) the facility is a merchant plant offering its energy and/or</u></b></p>	<p>Section 6.1.2 of DC2019-02-0003 also requires embedded generators below the threshold but are intending to sell to the WESM to register. The DC, however, does not require those that have ASPA to register in the WESM. Since the reference of the proposed revision is the DC, we suggest to include the remaining criteria under Section 6.1.2 of the DC. Embedded generators with ASPA may register on a voluntary basis.</p> <p>It is recommended that the provision be revised as follows:</p> <p><b><u>A Generation Company with facilities connected to a distribution system shall register with the Market Operator if:</u></b></p>	<p>Mr. Abner Tolentino (PSALM) raised that embedded generators providing ancillary services (AS) should also be mandated to register in the WESM. Mr. Rosales explained that currently, the SO does not normally use embedded generators to provide AS but eventually it may. He stated though that matters related to AS embedded generators must be first clarified and addressed before establishing the process of their mandatory registration in the WESM.</p>



WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
					<div>-----</div> <div>MERALCO:</div> <div>For consistency with DOE DC2019-02-0003</div>	<div><div><div><u>reserves exclusively in the WESM</u>; or</div><div>xxx</div><div>-----</div><div>MERALCO:</div><div>xxx</div></div><div><div>b) the maximum stable load of its generating unit is below the regional thresholds provided under clause 2.3.1.10(a) but it has a bilateral contract outside its host distribution utility, <u>or intends to sell to the WESM, or inject power to the Grid</u>; or</div><div>xxx</div></div></div>	<div><div>a) <u>the maximum stable load of its generating unit is greater than or equal to 10 MW, if the generating unit is in the Luzon Grid, or 5 MW, if the generating unit is in the Visayas or Mindanao Grids;</u></div><div><u>or</u></div><div><div>b) <u>the maximum stable load of its generating unit is below the regional thresholds provided under clause 2.3.1.10(a) but it has a bilateral contract outside its host distribution utility, or intends to sell to the WESM, or inject power to the transmission system; or</u></div></div></div>	

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
							c) <u>its generating unit is under the Feed-In Tariff System.</u>	
Glossary		(new)	<b><u>Maximum Stable Load. The maximum demand in MW that a generating unit, or generating block or module in case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests.</u></b>	To incorporate the definition of maximum stable load in the WESM Rules. The same definition is provided in Section 2(i) of DOE DC2019-02-0003 and the WESM Registration Manual.	<b><u>TC:</u></b>  The term “output/generation” is more technically correct as “demand” specifically refers to load. Moreover, the above suggested definition is consistent with the definition of maximum stable load provided in the Philippine Grid Code, to wit:  <i>“Maximum stable load. The maximum net output in MW that a Generating Unit can</i>	<b><u>TC:</u></b>  <b><u>Maximum Stable Load. The maximum demand output in MW that a generating unit, or generating block or module in case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests.</u></b>	Although we agree with TC, the definition is taken directly from DOE DC2019-02-0003. We defer the proposal to the RCC. We agree with MERALCO to include Pmax in the definition.	As recommended by Mr. Rosales, the RCC agreed to solely use <i>Pmax</i> to be consistent with what is indicated in COCs.  <b><u><del>Maximum Stable Load or Pmax.</del> The maximum demand in MW that a generating unit, or generating block or module in case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests.</u></b>



WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
					<i>reliably sustain based on the Generating Unit capability tests."</i>  <u>MERALCO:</u>  The DOE Circular uses the term Pmax.	<u>MERALCO:</u>  Maximum Stable Load <b>or Pmax</b> . The maximum demand in MW that a <i>generating unit</i> , or generating block or module in case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests.		
Glossary		<b>Non-Scheduled Generating Unit.</b> A <i>generating unit</i> or a group of <i>generating units</i> connected at a common point with a nameplate rating and a combined nameplate rating of less than one tenth of one percent (<0.1%) of the peak load in a particular reserve region, or less than ten percent (<10%) of the size of	<b>Non-Scheduled Generating Unit.</b> A <i>generating unit</i> or a group of <i>generating units</i> connected at a common point with a nameplate rating and a combined nameplate rating of less than <b><u>the regional thresholds provided in clause 2.3.1.3.</u></b> <del>one tenth of one percent (&lt;0.1%) of the peak load in a particular reserve</del>	For consistency with Section 6.1.1 of DOE DC2019-02-0003				Adopt proposal

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
		the interconnection facilities, whichever is lower.	<del>region, or less than ten percent (&lt;10%) of the size of the interconnection facilities, whichever is lower.</del>					
Glossary		<b>Scheduled Generating Unit.</b> A <i>generating unit</i> so classified in accordance with clause 2.3.1.2 (a)(1). A <i>generating unit</i> or a group of <i>generating units</i> connected at a common connection point with a nameplate rating or a combined nameplate rating of greater than or one tenth of one percent (>0.1%) of the peak load in a particular <i>reserve region</i> .	<b>Scheduled Generating Unit.</b> A <i>generating unit</i> so classified in accordance with clause 2.3.1.2 (a)(1). A <i>generating unit</i> or a group of <i>generating units</i> connected at a common connection point with a nameplate rating or a combined nameplate rating of greater than or <u>equal to the regional thresholds provided in clause 2.3.1.3.</u> <del>one tenth of one percent (&gt;0.1%) of the peak load in a particular reserve region.</del>	For consistency with Section 6.1.1 of DOE DC2019-02-0003				Adopt proposal

Proposed Amendments Providing the Framework Governing the Operations of Embedded Generators

Registration, Suspension and De-Registration Criteria and Procedures Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
GENERAL GUIDELINES	1.4.3	(inserted)	<p><b><u>Membership in the WESM is mandatory for a generation company whose facility is directly connected to a distribution system if:</u></b></p> <p><b><u>(a) the maximum stable load of its generating unit is greater than or equal to 10 MW, if the generating unit is in the Luzon Grid, or 5 MW, if the generating unit is in the Visayas or Mindanao Grids; or</u></b></p> <p><b><u>(b) the maximum stable load of its generating unit is below the regional thresholds provided above but it has a bilateral contract outside its host distribution utility; or</u></b></p> <p><b><u>(c) its generating unit is under the Feed-In Tariff System.</u></b></p> <p><b><u>If the above criteria are not met, a generation</u></b></p>	To incorporate the criteria for mandatory WESM registration of embedded generators provided under Section 6.1 of DOE DC2019-02-0003	<p><u>Panasia/MEI:</u></p> <p>MEI suggests to include the case when the maximum stable load of the generating unit is below the regional thresholds but (a) the Generation Company has capacity not covered by its bilateral contract with the host distribution utility that it intends to sell in the WESM, or (b) it has an Ancillary Services Procurement Agreement with the System Operator, or (c) the facility is a merchant plant offering its energy and/or reserves exclusively in the WESM.</p>	<p><u>Panasia/MEI:</u></p> <p>xxx</p> <p>b) the maximum stable load of its generating unit is below the regional thresholds provided under clause 2.3.1.10(a) but <b><u>(i) it has a bilateral contract outside its host distribution utility, or (ii) it is offering in the WESM the capacity not covered by its bilateral contract with the host distribution utility, or (iii) it has an Ancillary Services Procurement Agreement with the System Operator, or (iv) the facility is a merchant plant offering its energy</u></b></p>	<p>Section 6.1.2 of DC2019-02-0003 also requires embedded generators below the threshold but are intending to sell to the WESM to register. The DC, however, does not require those that have ASPA to register in the WESM. Since the reference of the proposed revision is the DC, we suggest to include the remaining criteria under Section 6.1.2 of the DC. Embedded generators with ASPA may register on a voluntary basis.</p> <p>It is recommended that the provision be revised as follows:</p>	<p>For consistency with revisions to WESM Rules Clause 2.3.1.1, the provision is revised as follows:</p> <p><b><u>A Generation Company with facilities connected to a distribution system of an Embedded Generator shall register with the Market Operator if:</u></b></p> <p><b><u>a) the maximum stable load Pmax of its generating unit is greater than or equal to 10 MW, if the generating unit is in the Luzon Grid, or 5 MW, if the generating unit is in the Visayas or</u></b></p>

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Registration, Suspension and De-Registration Criteria and Procedures Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
							<u>bilateral contract outside its host distribution utility, or intends to sell to the WESM, or inject power to the transmission system; or</u> c) <u>its generating unit is under the Feed-In Tariff System.</u>	
GENERAL GUIDELINES	1.4.3 1.4.4	1.4.3 XXX 1.4.4 XXX	1.4. <u>4</u> XXX 1.4. <u>5</u> XXX	Proposed re-numbering with the insertion of proposed clause 1.4.3				Adopt proposal
Generation Unit Classification	2.5.4.1	2.5.4.1 Generation Unit Classification a) An Applicant wishing to register as Generation Company shall, upon application, classify each of the generating unit or group of generating units which form part of the generation system it owns or operates or controls or from which it otherwise sources electricity as either –	2.5.4.1 Generation Unit Classification a) An Applicant wishing to register as Generation Company shall, upon application, classify each of the generating unit or group of generating units which form part of the generation system it owns or operates or controls or from which it otherwise sources electricity as either –	The regional threshold provided in the under Section 6.1.1 of DOE DC2019-02-0003 is based on the minimum generation level that may significantly affect the frequency of the grid as determined by NGCP. The same level is proposed to be used for	<u>MERALCO:</u>  As a grid grows, small generating units' ability to affect frequency diminishes. A %-threshold may be more practical than a fixed threshold.		Section 6 of DOE DC2019-02-0003 includes an annual review of the thresholds for mandatory membership of embedded generators. This will allow for the update of the thresholds to reflect current frequency bias. We	Adopt proposal

Registration, Suspension and De-Registration Criteria and Procedures Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
		<ul style="list-style-type: none"><li><i>Scheduled generating unit/s</i> for unit/s that are connected to a common connection point with a nameplate rating or a combined nameplate rating of greater than or one tenth of one percent of the peak load in a particular reserve region.<sup>14</sup></li><li><i>Non-scheduled generating unit/s</i> for unit/s that are connected at a common connection point with a nameplate rating and a combined nameplate rating of less than one tenth of one percent of the peak load in a particular reserve region, or less</li></ul>	<ul style="list-style-type: none"><li><i>Scheduled generating unit/s</i> for unit/s that are connected to a common connection point with a nameplate rating or a combined nameplate rating of greater than or <b><u>equal to the following regional thresholds:</u></b> <del>one tenth of one percent of the peak load in a particular reserve region.</del><ul style="list-style-type: none"><li><b><u>10 MW for Luzon Grid;</u></b></li><li><b><u>5 MW for Visayas Grid; and</u></b></li><li><b><u>5 MW for Mindanao Grid.</u></b></li></ul></li><li><i>Non-scheduled generating unit/s</i> for unit/s that are connected at a common connection point with a nameplate rating</li></ul>	classifying non-scheduled generating units for consistency.			suggest to retain the proposed revision.	

Registration, Suspension and De-Registration Criteria and Procedures Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
		than ten percent (10%) of the size of the interconnection facilities whichever is lower. However, the <i>Generation Company</i> may also elect to have such unit/s classified as <i>scheduled generating unit/s</i> .  XXX	and a combined nameplate rating of less than <u>the regional thresholds for scheduled generating unit/s</u> one tenth of one percent of the peak load in a particular reserve region, or less than ten percent (10%) of the size of the interconnection facilities whichever is lower. However, the <i>Generation Company</i> may also elect to have such unit/s classified as <i>scheduled generating unit/s</i> .  XXX					
CESSATION OF REGISTRATION	5.2.1.5	(new)	<b><u>A WESM Member whose membership in the WESM is not mandatory as provided under Section 1.4 may cease to be registered by following the procedures in this Section 5.2.1.</u></b>	Clarify that generation companies that register voluntarily in the WESM (including those whose contract outside its host DU has expired) may cease	<u>Panasia/MEI:</u>  Does this include generation companies that underwent mandatory registration because their generating units		<u>Panasia/MEI:</u>  Yes.  <u>MERALCO:</u>  We agree that the host DU should be notified prior to	For clarity, the RCC revised the provision as follows:  <b><u>A voluntary WESM Member whose membership in the WESM is not mandatory as</u></b>



Registration, Suspension and De-Registration Criteria and Procedures Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
				its membership any time.	<p>have a nameplate rating or a combined nameplate rating of greater than or equal to one tenth of one percent of the peak load in a particular reserve region, but are below the regional thresholds. This is true for the Visayas and Mindanao grids because the regional threshold of 5 MW is greater than 0.1% of the system peak demand.</p> <hr/> <p><u>MERALCO:</u></p> <p>Particularly in the case of distribution utilities and embedded generators, the DU should be notified prior to the cessation of membership of an embedded generator</p>	<hr/> <p><u>MERALCO:</u></p> <p>A WESM Member whose membership in the WESM is not mandatory as provided under Section 1.4 may cease to be registered by following the procedures in this</p>	<p>cessation. We propose to revise the provision as follows:</p> <p>A WESM Member whose membership in the WESM is not mandatory as provided under Section 1.4 may cease to be registered by following the procedures in this Section 5.2.1. <b><u>The notice to be submitted to the Market Operator shall be accompanied by proof that it has notified its Network Service Provider.</u></b></p>	<p><del>provided under Section 1.4 may cease to be de-registered by following the procedures in this Section 5.2.1.</del></p> <p>Section 5.2.1.1 was also revised as follows:</p> <p>A WESM member wishing to cease to be registered in any one or more of the categories in which it is registered shall notify the Market Operator <b><u>and the Network Service Provider</u></b> in writing.</p>

Registration, Suspension and De-Registration Criteria and Procedures Issue 5.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
					within its franchise area.	Section 5.2.1.1 <b><u>provided that the Network Service Provider to which the WESM Member is connected is given prior notification.</u></b>		

Proposed Amendments Providing the Framework Governing the Operations of Embedded Generators

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
METERING INSTALLATION STANDARDS – METERS – Requirements for Revenue Meters for Embedded Generators Registered as WESM Participants	2.4.2	For Embedded Generators registered as <i>WESM Participants</i> , meters installed as the main revenue meter and back-up meter shall adhere to the prevailing requirements of the Philippine Grid Code.	For Embedded Generators registered as <i>WESM Participants</i> , meters installed as the main revenue meter and back-up meter shall adhere to the prevailing requirements of the Philippine <b><u>Distribution Grid Code and in 5-minute interval data.</u></b>	To incorporate application of PDC standards for embedded generators as provided under Section 5.2.2 of DC2019-02-0003. However, it is proposed that 5-minute interval data be required to match the WESM's 5-minute dispatch interval since PDC only requires 15-minute interval metering.	<u>NGCP:</u>  NGCP proposes to change the term “ <i>back-up meter</i> ” to “ <i>alternate meter</i> ” consistent with the Philippine Grid Code (PGC) 2016 Edition.	<u>NGCP:</u>  <i>For Embedded Generators registered as WESM Participants, meters installed as the main revenue meter and <del>back-up</del> alternate meter shall adhere to the prevailing requirements of the Philippine Distribution Code (PDC) and in 5-minute interval data.</i>	<u>NGCP:</u>  We suggest to adopt NGCP's proposal to use the term “alternate”. We suggest to retain the wording under RCC-RESO-19-10. Appendix M is also proposed to be retained in view of the direction under RCC-RESO-19-10. As such, the wording under RCC-RESO-19-10 is proposed to be retained, which is as follows:	Adopt NGCP's suggestion and the proponent's revision for consistency with previous proposed amendments (under RCC-RESO-19-10):  For Embedded Generators registered as <i>WESM Participants</i> , <b><u>the main</u></b> meters installed as the main revenue meter and back-up meter shall adhere to the prevailing requirements of the Philippine <b><u>Distribution Grid Code and shall be capable of recording 5-minute interval data. If there is an alternate meter, it shall also adhere to the requirements of the prevailing PDC Edition.</u></b>
		The current specifications are provided as Appendix M of this Manual.	The current specifications are provided as Appendix M of this Manual.	Reference to current specifications is proposed to be deleted to remove necessity to revise manual every time the PDC standards are updated.  <i>Note: This proposed amendment was also</i>	<u>MERALCO:</u>  The implementation of 5-minute interval data rests on the (1) the approval by the Energy Regulatory Commission of PEMC's Application for the Approval of its Price Determination Methodology (ERC Case No. 2017-042	<u>MERALCO:</u>  For Embedded Generators registered as WESM Participants, meters installed as the main revenue meter and back-up meter shall adhere to the prevailing requirements of the	For Embedded Generators registered as <i>WESM Participants</i> , <b><u>the main</u></b> meters installed as the main revenue meter and back-up meter shall adhere to the prevailing	

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
				<i>submitted as a comment on NGCP's change proposal (ORCP-WM-19-06).</i>	<p>RC), which includes the shortening of scheduling and pricing intervals and (2) ERC's approval of a new metering standard.</p> <p>When ERC approves the use of a new metering standard (i.e. 5-minute meter interval), there will be no need to specify it in the market manual.</p> <p>ERC also needs to approve DU's CAPEX applications for the the proposed acquisition of metering facilities and associated facilities and support infrastructure for 5-minute metering.</p>	<p>Philippine Distribution Code <del>and in 5-minute interval data.</del></p>	<p>requirements of the Philippine <b><u>Distribution Grid Code and shall be capable of recording 5-minute interval data. If there is an alternate meter, it shall also adhere to the requirements of the prevailing PDC Edition.</u></b></p> <p>The current specifications are provided as Appendix M of this Manual.</p> <p><u>MERALCO:</u></p> <p>Five-minute metering is already provided in the manual. The proposal only clarifies that it is still a requirement even with the reference to the PDC.</p>	
METERING INSTALLATION STANDARDS –	2.5.1	<i>Metering installations shall</i>	<i>Metering installations, <b>if applicable,</b> shall</i>	To incorporate application of PDC standards for				Adopt proposal

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
INSTRUMENT TRANSFORMERS – General Requirements		include instrument transformers.	<p>include instrument transformers.</p> <p><b><u>2.5.1.1 Requirements for Transmission Grid Instrument Transformers</u></b></p> <p><b><u>Instrument Transformers used for metering of Transmission Grid Connections shall adhere to the prevailing requirements of the Philippine Grid Code.</u></b></p> <p><b><u>2.5.1.2 Requirements for Embedded Generators Registered as WESM Participants</u></b></p> <p><b><u>Instrument Transformers used for metering of Embedded Generators registered as WESM Participants shall adhere to the</u></b></p>	<p>embedded generators as provided under Section 5.2.2 of DC2019-02-0003.</p> <p>Section 7.2.1(b) of the PDC provides that the distribution metering equipment shall include instrument transformers as may be applicable only.</p> <p><i>Note: This proposed amendment was also submitted as a comment on NGCP's change proposal (ORCP-WM-19-06).</i></p>				



WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
			<u>prevailing requirements of the Philippine Distribution Code.</u>					
METERING INSTALLATION STANDARDS – COMMUNICATION LINKS FOR THE METER	2.8	The communication link to be installed shall be a dedicated line for metering purposes (e.g. PLDT, Bayantel, Digitel lines or GSM Modem) of the MSP.	<p>The communication link to be installed <b><u>for metering installations of facilities directly connected to the transmission system</u></b> shall be a dedicated line for metering purposes (e.g. PLDT, Bayantel, Digitel lines or GSM Modem) of the MSP.</p> <p><b><u>The communication link to be installed for metering installations of facilities directly connected to a distribution system shall comply with the relevant provisions of the Philippine Distribution Code.</u></b></p>	To incorporate application of PDC standards for embedded generators as provided under Section 5.2.2 of DC2019-02-0003.				Adopt proposal
METERING INSTALLATION STANDARDS –	<u>2.9.1</u>	(inserted)	<b><u>General Requirements</u></b>	To incorporate application of PDC standards for				Adopt proposal



WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
SECURITY OF METERING INSTALLATIONS AND DATA = <u>General Requirements</u>			<u>Security of metering installations of facilities directly connected to the transmission system shall comply with the requirements of this Section 2.9.</u>  <u>Metering installations of facilities directly connected to a distribution system shall comply with the security requirements of the Philippine Distribution Code.</u>	embedded generators as provided under Section 5.2.2 of DC2019-02-0003				
METERING INSTALLATION STANDARDS – SECURITY OF METERING INSTALLATIONS AND DATA	2.9.1 2.9.1.1 2.9.1.2 2.9.1.3 2.9.1.4 2.9.1.5 2.9.1.6 2.9.1.7  2.9.2 2.9.2.1 2.9.2.2 2.9.2.3	2.9.1 XXX 2.9.1.1 XXX 2.9.1.2 XXX 2.9.1.3 XXX 2.9.1.4 XXX 2.9.1.5 XXX 2.9.1.6 XXX 2.9.1.7 XXX  2.9.2 XXX 2.9.2.1 XXX 2.9.2.2 XXX 2.9.2.3 XXX	2.9. <u>2</u> XXX 2.9. <u>2</u> .1 XXX 2.9. <u>2</u> .2 XXX 2.9. <u>2</u> .3 XXX 2.9. <u>2</u> .4 XXX 2.9. <u>2</u> .5 XXX 2.9. <u>2</u> .6 XXX 2.9. <u>2</u> .7 XXX  2.9. <u>3</u> XXX 2.9. <u>3</u> .1 XXX 2.9. <u>3</u> .2 XXX 2.9. <u>3</u> .3 XXX	Proposed re-numbering with the insertion of new clause 2.9.1				Adopt proposal

*dgc*

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Proposed Revised Wording	Proponent's Response	RCC Discussion/ Decision
	2.9.2.4 2.9.2.5	2.9.2.4 XXX 2.9.2.5 XXX	2.9.3.4 XXX 2.9.3.5 XXX					
METERING INSTALLATION STANDARDS – REDUNDANT METERING INSTALLATION	<b>2.10.4</b>	(new)	<b><u>Facilities directly connected to a distribution system are not required to have redundant metering.</u></b>	To incorporate application of PDC standards for embedded generators as provided under Section 5.2.2 of DC2019-02-0003				Adopt proposal
SPECIFICATIONS FOR REVENUE METERS FOR EMBEDDED GENERATORS REGISTERED AS WESM PARTICIPANTS	APPENDIX M	APPENDIX M  SPECIFICATIONS FOR REVENUE METERS FOR EMBEDDED GENERATORS REGISTERED AS WESM PARTICIPANTS  XXX	<del>APPENDIX M  SPECIFICATIONS FOR REVENUE METERS FOR EMBEDDED GENERATORS REGISTERED AS WESM PARTICIPANTS  XXX</del>	Reference to current specifications is proposed to be deleted to remove necessity to revise manual every time the PDC standards are updated.	<u>NGCP:</u>  NGCP proposes to retain Appendix M in order to provide basis to some necessary requirements which are not prescribed in the latest version of PDC (i.e., mass memory requirements for 5-minute interval for 60 days, programmability to 5 mins intervals, etc.). Revising the PDC will not necessarily require the revision of this manual.		Appendix M is proposed to be retained in view of the direction under RCC-RESO-19-10.	Appendix M shall be retained to be consistent with RCC-RESO-19-10 and as recommended by NGCP.

Proposed Amendments on the Harmonization with R.A. 11234 (“Energy Virtual One-Stop Shop Act”) and Additional Requirements for De-registration and Cessation

WESM Rules					
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
APPLICATIONS FOR REGISTRATION – Further Information to Assess Application	2.5.3.1	Within five <i>Working Days</i> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application	Within five <del><i>Working</i></del> <b><i>Calendar</i></b> <del><i>Days</i></del> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234 (An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects).	Adopt proposal
APPLICATIONS FOR REGISTRATION – Further Information to Assess Application	2.5.3.2	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <i>Working Days</i> , the <i>Market Operator</i> may treat the application as withdrawn.	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <del><i>Working</i></del> <b><i>Calendar</i></b> <del><i>Days</i></del> , the <i>Market Operator</i> may treat the application as withdrawn.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal
APPLICATIONS FOR REGISTRATION – Notice of Approval of Application	2.5.5.1	If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall send written notice of approval to the applicant within fifteen <i>Working Days</i> from receipt of: xxx	If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall send written notice of approval to the applicant within fifteen <del><i>Working</i></del> <b><i>Calendar</i></b> <del><i>Days</i></del> from receipt of: xxx	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal
APPLICATIONS FOR REGISTRATION – Notice of Approval of Application	2.5.5.2	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 <i>Working Days</i> after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.	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 <del><i>Working</i></del> <b><i>Calendar</i></b> <del><i>Days</i></del> after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal
APPLICATIONS FOR REGISTRATION –	2.5.6.1	If the <i>Market Operator</i> does not approve an application for registration in a category to which an application	If the <i>Market Operator</i> does not approve an application for registration in a category to which an application	Reflect calendar days as used in the allowed time frame for market operator	Adopt proposal



WESM Rules					
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
Notice of Non-Approval of Application		relates, the <i>Market Operator</i> shall send within fifteen (15) <i>Working Days</i> written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.	relates, the <i>Market Operator</i> shall send within fifteen (15) <del><i>Working Days</i></del> <b><u>Calendar Days</u></b> written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.	to release actions on applications as specified in Section 13 under RA 11234	
APPLICATIONS FOR REGISTRATION – Notice of Non-Approval of Application	2.5.6.2	The DOE and ERC shall, in all instances, be provided a copy of such written notice within five (5) <i>Working Days</i> after issuance to the application	The DOE and ERC shall, in all instances, be provided a copy of such written notice within five (5) <del><i>Working Days</i></del> <b><u>Calendar Days</u></b> after issuance to the application	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal

Proposed Amendments on the Harmonization with R.A. 11234 (“Energy Virtual One-Stop Shop Act”) and Additional Requirements for De-registration and Cessation

WESM Manual on Registration, Suspension and De-registration Criteria and Procedures Issue 4.0					
Title	Section	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
Assessment of Applications - Submission and Preliminary Assessment of Applications	2.5.5.1(b)	Within five (5) business days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> 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 <i>Market Operator</i> shall notify the applicant in writing of the abandonment of the application.	Within five (5) <del>business</del> <b>calendar</b> days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> has not received the lacking requirement or additional information that it requires within the next fifteen <del>business</del> <b>calendar</b> days, it may treat the application as withdrawn. The <i>Market Operator</i> shall notify the applicant in writing of the abandonment of the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234 (An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects).	Adopt proposal
Approval of Applications - Notice of Approval	2.5.6.2(a)	For approved applications, the <i>Market Operator</i> shall send a notice of approval to the <i>Applicant</i> within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed an approval of the application.	For approved applications, the <i>Market Operator</i> shall send a notice of approval to the <i>Applicant</i> within fifteen (15) <b>calendar</b> days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed an approval of the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal
Non-Approval of Applications/Remedies	2.5.7(a)	If an application is not approved, the <i>Market Operator</i> shall send within fifteen (15) <i>business days</i> from	If an application is not approved, the <i>Market Operator</i> shall send within fifteen (15) <del>business</del> <b>calendar</b> days	Reflect calendar days as used in the allowed time frame for market operator to release actions on	Adopt proposal

WESM Manual on Registration, Suspension and De-registration Criteria and Procedures Issue 4.0					
Title	Section	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
		completion of application requirements a written notice to the <i>Applicant</i> advising the latter that its application has been disapproved and the reason for the same.	from completion of application requirements a written notice to the <i>Applicant</i> advising the latter that its application has been disapproved and the reason for the same.	applications as specified in Section 13 under RA 11234	
REGISTRATION OF INTENDING WESM MEMBERS - Procedures for Application	2.10.2.2	Within five (5) days from receipt of the application, the <i>Market Operator</i> shall advise the <i>Applicant</i> if it requires submission of additional information as would enable it to properly assess the application.	Within five (5) <b><u>calendar</u></b> days from receipt of the application, the <i>Market Operator</i> shall advise the <i>Applicant</i> if it requires submission of additional information as would enable it to properly assess the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal
REGISTRATION OF INTENDING WESM MEMBERS - Approval/Disapproval of Application	2.10.3.2	Notice. Within fifteen (15) days from complete submission of the application and the additional information, the <i>Market Operator</i> shall issue to the <i>Applicant</i> the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed as an approval of the application.	Notice. Within fifteen (15) <b><u>calendar</u></b> days from complete submission of the application and the additional information, the <i>Market Operator</i> shall issue to the <i>Applicant</i> the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed as an approval of the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234	Adopt proposal
FACILITY-RELATED CHANGES - Retirement of Facilities	3.3.4.2	The <i>Trading Participant</i> shall be responsible for causing the disconnection of such facilities from the grid.	The <i>Trading Participant</i> shall be responsible for causing the disconnection of such facilities from the grid. <b><u>The notice to de-register a facility to be submitted to the Market Operator shall be accompanied by proof of such disconnection.</u></b>	To clarify the need to present a proof of disconnection for facilities that will be de-registered by the relevant Trading Participants.	<ul style="list-style-type: none"><li>• Adopt proposal</li><li>• The IEMOP clarified that a suspension notice will be issued first. If the participant failed to settle accordingly, a notice of disconnection will then be issued. The same or similar notice will also be</li></ul>

WESM Manual on Registration, Suspension and De-registration Criteria and Procedures Issue 4.0					
Title	Section	Provision	Proposed Amendment	Rationale	RCC Discussion/ Decision
					provided to the MSP and other entities involved with the disconnection. Once the participant is disconnected, it will be de-registered in the WESM.
CESSATION OF REGISTRATION – Issuance and Publication of Notice of Cessation	5.2.3.1	Immediately upon receipt of the notice from the <i>WESM member</i> , the <i>Market Operator</i> shall issue a Notice of Cessation to all <i>WESM members</i> stating the cessation of registration <i>WESM member</i> , the category in which it ceases its registration, and the effective date of cessation.	<del>Immediately upon</del> Upon receipt of the notice <b><u>and proof of disconnection, as applicable,</u></b> from the <i>WESM member</i> , the <i>Market Operator</i> shall issue a Notice of Cessation to all <i>WESM members</i> stating the cessation of registration <i>WESM member</i> , the category in which it ceases its registration, and the effective date of cessation.	Deletion – to consider internal approvals/confirmation by the Market Operator prior the issuance of notice to the WESM members.  Addition – to be consistent with the previous sections requiring applicable proof of disconnection to accompany a notice of cessation.	Adopt proposal





# PROPOSED AMENDMENTS TO THE WESM RULES, RETAIL RULES AND VARIOUS MANUALS

**16 AUGUST 2019**

IEMOP BOARD ROOM

## **THE PROPONENT**

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



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**ANNEX E****OUTLINE**

**ACTION  
REQUESTED**



**RATIONALE OF  
THE PROPOSAL**



**SUMMARY OF THE  
PROPOSAL**



**OTHER RELEVANT  
MATTERS**



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**ACTION REQUESTED**

- For approval to publish

No.	Description	Document/s	Rationale
1	Proposed Amendments to the WESM Manual on Dispatch Protocol for the Optimal Timing of Market Runs	(1) WESM Rules, (2) Dispatch Protocol	Process Improvement
2	Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures and WESM Manual on Market Network Model Criteria and Procedures to Clarify Procedures for the Registration of a New Load Facility	(1) MNM Manual, (2) Registration Manual	Process Improvement
3	Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers	(1) Retail Rules, (2) Retail Registration Manual, (3) Retail Market Transactions Manual	Policy Harmonization



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## 1) OPTIMAL TIMING OF MARKET RUNS

### Rationale of the Proposal

- Timelines in WESM Dispatch Protocol (Oct 2017) using NMMS were based on initial estimates
- Actual system performance during parallel operations are not aligned with initial estimates
- System operator has additional requirements in the timeline to consider its processing time



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## 1) OPTIMAL TIMING OF MARKET RUNS

### Summary of the Proposal

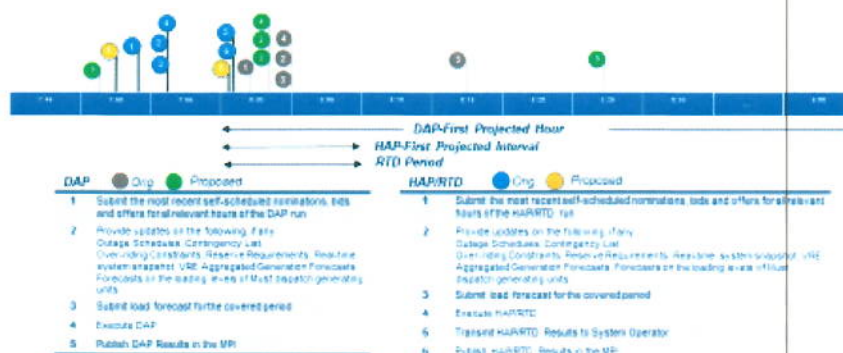
- Day-Ahead Projections
  - Deadline for participant submissions is moved ten (10) minutes earlier
  - Deadline for system operator inputs, market operator forecasts, and execution of the DAP is moved by one (1) minute earlier
  - Deadline for publication of results in the Market Participant Interface (MPI) and transmittal of the results to the SO is moved ten (10) minutes later
- Hour-Ahead Projections / Real-Time Dispatch
  - Deadline for participant submissions is moved one (1) minute earlier
  - Deadline for transmittal of the results to the SO is moved one (1) minute earlier



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## 1) OPTIMAL TIMING OF MARKET RUNS

### Summary of the Proposal



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## 2) REGISTRATION OF NEW LOAD FACILITY

### Rationale of the Proposal

- During operations, new load facilities of existing participants (i.e., additional connection point of a DU, station use of GenCo) are connected to the grid
- There are no provisions for new load facilities in the WESM Manuals



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## 2) REGISTRATION OF NEW LOAD FACILITY

### Summary of the Proposal

Current	Proposed	Rationale
No formal registration of new load facilities	<u><b>New provisions for registration of load facilities:</b></u> <ul style="list-style-type: none"> <li><u>Requirement for WESM member to register new load facilities</u></li> <li><u>Reference to existing technical and commercial requirements</u></li> <li><u>Application of procedures and timelines for the registration of new WESM members (max 15 days)</u></li> </ul>	For better monitoring of new withdrawal points that need to be settled in the WESM
None	<u>New load facilities cannot withdraw from the grid unless registered in the WESM</u>	



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## 3) HARMONIZE WITH ERC RESOLUTION NO. 9 S.2018

### Rationale of the Proposal

- ERC issued Resolution No. 9, Series of 2018, or the "ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers"



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### 3) HARMONIZE WITH ERC RESOLUTION NO. 9 S.2018

#### Summary of the Proposal

Current	Amendment	Rationale
Switch request requirements are: 1) Retail Supply Contract (RSC) 2) Distribution Wheeling Service Agreement (DWSA) 3) Metering Services Agreement (MSA)	Switch request requirements are: 1) Retail Supply Contract (RSC) 2) Distribution Wheeling Service Agreement (DWSA) 3) Metering Services Agreement (MSA) 4) <u>Certification of full compliance with financial obligations from DU or incumbent supplier</u>	For consistency with Section 2 of ERC Resolution No. 9 Series of 2018
Suspension, de-registration, and cessation of supplier and CC membership are referred to the WESM Rules and Manuals	Suspension, de-registration, and cessation of supplier and CC membership are referred to the WESM Rules and Manuals. <u>Disconnection of CCs are in reference to regulatory issuances (i.e., DSOAR, ERC Resolution No. 9 Series of 2018).</u>	For consistency with ERC Resolution No. 9 Series of 2018



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#### OTHER RELEVANT MATTERS

- None.



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**ANNEX E****ACTION REQUESTED**

- For approval to publish

No.	Description	Document/s	Rationale
1	Proposed Amendments to the WESM Manual on Dispatch Protocol for the Optimal Timing of Market Runs	(1) WESM Rules, (2) Dispatch Protocol	Process Improvement
2	Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures and WESM Manual on Market Network Model Criteria and Procedures to Clarify Procedures for the Registration of a New Load Facility	(1) MNM Manual, (2) Registration Manual	Process Improvement
3	Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers	(1) Retail Rules, (2) Retail Registration Manual, (3) Retail Market Transactions Manual	Policy Harmonization



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# THANK YOU!