

MINUTES OF THE RULES CHANGE COMMITTEE 133rd REGULAR MEETING (No. 2017-11)	
Meeting Date & Time:	14 September 2017, 9:00 AM to 11:50 AM
Meeting Venue:	19/F Conference Room, Robinsons Equitable Tower, Ortigas Center, Pasig City
Attendance List	
In-Attendance	Not In-Attendance
Rules Change Committee	
Principal Members:	
Maila Lourdes G. de Castro, Chairperson – Independent Francisco Leodegario R. Castro, Jr. – Independent Concepcion I. Tanglao – Independent Allan C. Nerves – Independent Abner B. Tolentino – Generation (PSALM) Jose P. Santos – Distribution (INEC) Ludovico D. Lim – Distribution (ANTECO) Ambrocio R. Rosales – System Operator (NGCP) Isidro E. Cacho – Market Operator (PEMC)	Theo Cruz Sunico – Generation (1590 EC) Jose Ildebrando B. Ambrosio – Generation (Northwind) Ciprinilo C. Meneses – Distribution (MERALCO) Juanito O. Tolentino, Jr. – Distribution (MECO) Lorreto H. Rivera – Supply (TPEC)
Alternate Members:	
Henry V. dela Cruz – System Operator (NGCP) Aris V. Policarpio – Generation (Vivant)	
Other attendees:	
Market Surveillance Committee	
Eulinia M. Valdesco Peter Lee U Doroteo B. Aguila	
Dispute Resolution Administrator	
Jesusito G. Morillos	

PEMC – Legal

Caryl Miriam L. Mateo

PEMC – Billing, Settlement and Metering Department

Renato B. Afurong
Richard Glenn C. Araullo

PEMC – Enforcement and Compliance

Ma. Hazel Lopez
Rachel Angela Anosan

PEMC – Corporate Planning and Communication

Jonathan B. Dela Vina

PEMC – Market Assessment Group (MAG)

Chrysanthus S. Heruela
Geraldine A. Rodriguez
Divine Gayle C. Cruz
Aldjon Kenneth M. Yap
Hiyasminh Aleia D. Dagum

DOE Observers

Ferdinand B. Binondo
Ann Margaret Andres
Ryan Jasper M. Villadiego

Manila Electric Company (MERALCO)

Joebet Isaac del Rosario
Princess Roncesvalles
Edgar Vargas
Marvin Gonsalves

1 There being a quorum, Chairperson Maila G. de Castro (Independent) called the meeting to order
2 at 9:47 AM. The Secretariat informed the Rules Change Committee (RCC) that the Market
3 Surveillance Committee (MSC), as part of its consultation processes for the promulgation of the
4 WESM Penalty Manual, will be presenting to the RCC the proposed WESM Penalty Manual.
5 The agenda was also proposed to be revised to accommodate the Dispute Resolution
6 Administrator (DRA) and the MSC. There being no other concerns raised, the RCC adopted the
7 proposed agenda, as revised.

8

9 **1. Review of the Minutes of the Previous Meetings**

10

11 The RCC reviewed the minutes of the 132nd Meeting held on 10 August 2017 and approved
12 the same as presented.

13 **2. Business Arising from Previous Meetings**

14

15 **2.1. Proposed Amendments to the WESM Rules and WESM Manuals regarding Market**
16 **Surveillance and Enforcement and Compliance**

17 Ms. Divine Gayle C. Cruz recalled for the Rules Change Committee (RCC) that during its
18 previous meeting, the RCC agreed to remove from the WESM Rules, the Market
19 Operator's and the Market Surveillance Committee's (MSC) responsibility to monitor or
20 report instances of possible anti-competitive behavior which resulted to subsequent and
21 further amendments to the Proposed Amendments to the Market Surveillance,
22 Compliance and Enforcement Manual (MSEEM). Said amendments were sent to the
23 RCC through e-mail on 18 August 2017, for the members' comments or approval. So far,
24 only comments from Mr. Ciprinilo C. Meneses and Ms. Concepcion I. Tanglao were
25 received by the Secretariat. On the other hand, the MSC, upon being informed of the RCC-
26 amendments, requested to defer the discussion on the matter, to allow the committee
27 additional time to review the proposed further revisions to the MSEEM.

28 For expediency, the RCC requested the Secretariat to have the MSC's comments or
29 counter-proposal, if any, sent to it via e-mail prior to the next RCC meeting in October.

30

Agreements/Action Plans
The RCC agreed to defer the discussion on the further amendments to the MSEEM, pending the review and submission of the MSC's response on the said matter.

31 **2.2. Proposed Amendments to the Manual of Procedures for Changes to the WESM**
32 **Rules**

33 The Secretariat presented the draft discussion paper for the Proposed Amendments to
34 the WESM Rules and Manual of Procedures for Changes to the WESM Rules Issue 2.0.
35 As provided in the draft, the summary of amendments was presented to the RCC as
36 follows:

- 37 • The WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0¹ was
38 proposed to be amended, to generally reflect the changes per DOE DC 2015-07-
39 0013² incorporating the procedures for the changes to the Market Manuals (i.e.
40 WESM and Retail Manuals). Further, the manual was also proposed to be amended
41 to incorporate the procedures for changes to the Retail Rules;
- 42 • The timeline for the submission of accomplishment reports and the deliberation of the
43 submitted proposals were proposed to be revised for consistency with the submission
44 of other governance committees and with the timeline set forth in the RCC work plan,
45 respectively; and
- 46 • Clerical and minor amendments were also proposed to be adopted in the WESM
47 Manual, for clarity.

48 The RCC also discussed the matrix of the proposed amendments to the WESM Rules
49 and the Manual of Procedures for Changes to the WESM Rules Issue 2.0 and approved
50 the publication of the same in the market information website, as presented.

51 *Please see attached Annex A. Discussion Paper and Matrix of Amendments*

Agreements/Action Plans
The RCC approved the publication of the Proposed Amendments to the WESM Rules and Manual of Procedures for Changes to the WESM Rules in the Market information website to solicit comments from the WESM Members and stakeholders.

¹ Manual of Procedures for Changes to the WESM Rules, Issue 2.0 dated 17 April 2013

² DOE DC 2015-07-0013 Adopting Further Amendments to the WESM rules (procedures for changes to the WESM rules and market manuals)

52 **2.3. RCC Resolution re-submitting the Proposed Amendments to the WESM Manual on**
 53 **Registration, Suspension and De-registration Criteria and Procedures regarding**
 54 **BCQ Declaration and Line Rental Calculation**

55 As a background, the Secretariat informed the RCC that the subject proposal was
 56 originally submitted with the proposed amendments to the WESM Manual on Billing and
 57 Settlement. However, during the Board Review Committee (BRC) meeting, the BRC
 58 agreed to defer the PEM Board deliberation on the said amendments, pending the
 59 approval of the proposed amendments to the WESM and Retail Rules and various Market
 60 Manuals for the Implementation of WESM Design Enhancements which were then still
 61 being deliberated by the RCC.

62 Upon approval by the DOE of the amendments related to the implementation of WESM
 63 Design Enhancements, the Secretariat noted that the WESM Manual on Registration,
 64 Suspension and De-registration Criteria and Procedures was not among the manuals
 65 included and proposed to be amended. Hence, the Secretariat flagged the matter with the
 66 RCC recommending the resubmission of the same to the PEM Board. Atty. De Castro
 67 inquired if there were any changes to the proposal that the RCC will be endorsing. The
 68 Secretariat stated that the proposal was a resubmission of the exact proposed
 69 amendments previously submitted.

70 Additionally, Mr. Isidro E. Cacho Jr. informed the RCC that the PEMC Transition
 71 Committee was instructed by the PEM Board to review the five (5) RCC proposals subject
 72 of endorsement to the DOE. As a result of the said review, the Transition Committee
 73 recommended, as follows:
 74

RCC Proposed Amendment	Recommendation	Discussion
1. Proposed General Amendments to the WESM Manuals on (a) Price Determination Methodology and (b) Constraint Violation Coefficient and Pricing Re-run regarding the Implementation of WESM Design Enhancements ³	For endorsement to the DOE. However, the computation of the <i>non-administered region administered price adjustment</i> (NARAPA) should be considered an interim measure as the PEMC Transition Committee sees the need to conduct a review and further study on the current process for calculating administered prices in the WESM.	Mr. Cacho stated that PEMC proposal aims to remove the possible cross-subsidy in the settlement of generators under administered and non-administered pricing. He added that generators under administered pricing should be settled under the same pricing mechanism. He likewise stated that it was the PEMC Transition Committee's opinion that the imported quantity by the non-administered region should be settled at non-administered pricing. Atty. De Castro inquired if

³ RCC Resolution 2017-07 - Approval of the *Proposed General Amendments to the WESM Manuals on (a) Price Determination Methodology and (b) Constraint Violation Coefficient and Pricing Re-run regarding the Implementation of WESM Design Enhancements*

RCC Proposed Amendment	Recommendation	Discussion
		the matter on proper settlement during administered pricing has been explored during the review of PEMC or RCC deliberation. Mr. Cacho, in response, replied that the matter was not further explored by PEMC as it focused on the issue regarding cross-subsidy and was just merely adopting the current procedures for administered pricing as prescribed by the Energy Regulatory Commission (ERC). The RCC was then informed that the study on the settlement during administered pricing will be translated into a proposed rules change and will be subject to RCC's deliberation once submitted.
2. Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol for the Implementation of Enhancements to WESM Design and Operations ⁴	For endorsement to the DOE.	
3. Proposed Amendments to the WESM Manuals on Billing and Settlement and Load Forecasting Methodology for the Implementation of Enhancements to WESM Design and Operations ⁵	For endorsement to the DOE.	
4. Proposed Amendments to the Retail Rules and Retail Manual on Metering Standards and Procedures ⁶	For endorsement to the DOE except for the following: (1) RCC's recommendation for Transitory Provision on the interim procedures which	Atty. De Castro inquired about the period of time that the PEMC Transition Committee foresees for the compliance of the RCOA metering services providers (MSP). Mr. Cacho stated that

⁴ RCC Resolution 2017-08 - Approval of the *Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol for the Implementation of Enhancements to WESM Design and Operations*

⁵ RCC Resolution 2017-05 - Approval of the *Proposed Amendments to the WESM Manuals on Billing and Settlement and Load Forecasting Methodology for the Implementation of Enhancements to WESM Design and Operations*

⁶ RCC Resolution 2017-04 - Approval of the *Proposed Amendments to the Retail Rules and Retail Manual on Metering Standards and Procedures*

RCC Proposed Amendment	Recommendation	Discussion
	<p>allows the retail metering services providers to submit 15-minute meter data reading divided by three (3) in order to comply with the 5-minute meter data requirements of the market.</p> <ul style="list-style-type: none"> ✓ The PEMC Transition Committee recommends that all metering services providers, including RCOA metering services providers, should fully comply with the market requirements, such as submission of 5-minute meter reading data; and <p>(2) Optional installation of backup meters.</p> <ul style="list-style-type: none"> ✓ The PEMC Transition Committee recommends that backup meters shall also be mandated in the retail market to ensure the integrity of the meter reading data for Contestable Customers. <p>The above amendments are hereby recommended to be remanded to the Rules Change Committee (RCC) and to be further studied by the Market Operator.</p>	<p>there has not been a specified timeline for the same but the PEMC Transition Committee is of the position that the RCOA MSPs should be ready prior the implementation of enhancements to the WESM Design and Operations.</p>
<p>5. Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures⁷</p>	<p>The amendment is proposed to be remanded to RCC and to be further studied by the Market Operator. On the provision which allows the Trading Participants to be registered in the WESM by submitting waivers provided by the System Operator on the</p>	

⁷ RCC Resolution 2017-06 - Approval of the *Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures*

RCC Proposed Amendment	Recommendation	Discussion
	installation of the remote terminal unit (RTU), the PEMC Transition Committee is of the position that the intending WESM Trading Participants should strictly abide by the requirements for registration. Also, it is proposed for PEMC to further review the proposed restriction for generation companies to be allowed to register as Direct WESM members only as it removes the flexibility of a generation company to register as an Indirect WESM Member as the case may require.	

75 Considering the recommendations of the PEMC Transition Committee above, specifically
 76 on item 5 *Proposed Amendments to the WESM Manual on Registration, Suspension and*
 77 *De-Registration Criteria and Procedures*, Atty. De Castro opined that the RCC should
 78 await for the submission of proposal for a rules change from PEMC related to the
 79 recommendations of the PEMC Transition Committee. Ms. Concepcion Tanglao added
 80 that it may be more strategical for the RCC to just review and submit the WESM Manual,
 81 once all rules changes as contemplated to be submitted have been completed. Atty. De
 82 Castro inquired about the target timeline for the submission of the proposed amendments.
 83 Mr. Cacho stated that PEMC shall submit the said amendments by November 2017.

84 Regarding the presentation of the RCC to the PEM Board, Atty. De Castro asked the
 85 Secretariat to clarify with the PEMC Transition Committee if the RCC shall be presenting
 86 its proposal as is or if it should already incorporate the recommendations of the Transition
 87 Committee. The Secretariat stated that during the review of the proposed amendments, it
 88 was noted that the RCC should still present its proposed amendments as it approved, with
 89 the PEMC Transition Committee providing its recommendations on the proposal
 90 subsequently. Ms. Tanglao expressed her concern on the proposed set up. According to
 91 her, it may be interpreted that for the interim, the PEMC Transition Committee serves as
 92 the BRC, therefore, per procedures on the proposed amendments, the RCC should
 93 preferably already incorporate the Transition Committee's recommendations. The
 94 Secretariat noted the concern and committed to confirm with the PEMC Corporate
 95 Secretary regarding the protocol to be followed by the RCC.

96 On another note, Atty. De Castro suggested for the RCC to have a meeting with the PEMC
 97 Transition Committee in order to agree on the details of the amendments prior the
 98 presentation of the same to the PEM Board.

99 There being no other matters left to be discussed, the RCC agreed to defer the submission
100 to the PEM Board of the subject RCC Resolution.

Agreements/Action Plans

The RCC agreed to defer the submission of the RCC Resolution approving the Proposed Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures regarding BCQ Declaration and Line Rental Calculation to the PEM Board.

101 **3. New Business**

102 **3.1. Justification on the Proposed New Schedule of Arbitration Fees and Costs**

103 ➤ Atty. Jesusito G. Morillos, the Dispute Resolution Administrator (DRA), led the discussion
104 on the Proposed New Schedule of Arbitration Fees and Costs. As a background, he
105 recalled that the previous proposed schedule, which provided for the comparison between
106 the WESM Arbitration Fees and Costs and the public sector fees and costs, has been
107 remanded by the PEM Board to the RCC during its deliberation on 29 November 2016 for
108 the same to be further studied and justified by the DRA. To comply with the directive of
109 the PEM Board, Atty. Morillos then presented a comparison of the amount of arbitration
110 fees and costs between the proposed WESM Arbitration Fees and those from the
111 Construction Industry Arbitration Commission (CIAC) and the Philippine Dispute
112 Resolution Center (PDRC) using the Terms of Reference from three (3) actual arbitration
113 cases. He elaborated that the rationale in amending the schedule of fees and costs is to
114 reasonably close the gap between the level of WESM arbitrators' fees and that of other
115 Alternative Dispute Resolution (ADR) institutions. In addition to the provided rationale, he
116 also stated that the minimum amount of current WESM arbitration costs is not sufficient to
117 cover the typical duration of arbitration proceedings (8 days). It is deemed reasonable that
118 the default administrative costs for WESM arbitration be increased.

119 The presented examples by the Atty. Morillos were as follows:

Sample 1: 2008 CIAC Case

SUM IN DISPUTE: ₱462,066,048.02

Arbitrators' Fees:

CIAC	WESM										
<p>As specified in the Terms of Reference (based on CIAC Table of Arbitrators' Fees effective in 2008)*:</p> <p>₱877,066.05</p> <p>Estimated Fees based on the adjusted CIAC Table of Arbitrators' Fees*:</p> <p>₱1,423,200.96</p> <p><small>*The CIAC Table of Arbitrators' Fees was adjusted in 2013 per CIAC Resolution No. 07-2013 dated 23 August 2013.</small></p>	<p>Proposed computation of Arbitrators' Fees:</p> <table border="1"> <thead> <tr> <th>Sum in Dispute</th> <th>Fee for 3 Arbitrators</th> </tr> </thead> <tbody> <tr> <td>over 400M - 500M</td> <td>1,100,000 + 0.2% of SID in excess of 400M</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Amt in excess of 400M</th> <th>0.2% of amt in excess of 400M</th> <th>1,100,000 + 0.2% of SID in excess of 400M</th> </tr> </thead> <tbody> <tr> <td>₱62,066,048.02</td> <td>₱124,132.10</td> <td>₱1,224,132.10</td> </tr> </tbody> </table> <p>Fees: ₱1,224,132.10</p>	Sum in Dispute	Fee for 3 Arbitrators	over 400M - 500M	1,100,000 + 0.2% of SID in excess of 400M	Amt in excess of 400M	0.2% of amt in excess of 400M	1,100,000 + 0.2% of SID in excess of 400M	₱62,066,048.02	₱124,132.10	₱1,224,132.10
Sum in Dispute	Fee for 3 Arbitrators										
over 400M - 500M	1,100,000 + 0.2% of SID in excess of 400M										
Amt in excess of 400M	0.2% of amt in excess of 400M	1,100,000 + 0.2% of SID in excess of 400M									
₱62,066,048.02	₱124,132.10	₱1,224,132.10									

120

Sample 1: 2008 CIAC Case

SUM IN DISPUTE: ₱462,066,048.02

Arbitration Costs:

CIAC	WESM										
<p>As specified in the Terms of Reference (based on CIAC Table Arbitration Costs effective in 2008)*:</p> <p>₱793,905.67</p> <p>Estimated Costs based on the adjusted CIAC Table of Arbitration Costs*:</p> <p>₱1,063,306.70</p> <p><small>*The CIAC Table of Arbitration Costs was adjusted in 2013 per CIAC Resolution No. 07-2013 dated 23 August 2013.</small></p>	<p>Proposed computation of Arbitration Costs:</p> <table border="1"> <thead> <tr> <th>Sum in Dispute</th> <th>Arbitration Costs</th> </tr> </thead> <tbody> <tr> <td>over 400M</td> <td>480,000 + 0.04% of SID in excess of 400M</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Amt in excess of 400M</th> <th>0.04% of amt in excess of 400M</th> <th>480,000 + 0.04% of SID in excess of 400M</th> </tr> </thead> <tbody> <tr> <td>₱62,066,048.02</td> <td>₱24,826.42</td> <td>₱504,826.42</td> </tr> </tbody> </table> <p>Costs: ₱504,826.42</p>	Sum in Dispute	Arbitration Costs	over 400M	480,000 + 0.04% of SID in excess of 400M	Amt in excess of 400M	0.04% of amt in excess of 400M	480,000 + 0.04% of SID in excess of 400M	₱62,066,048.02	₱24,826.42	₱504,826.42
Sum in Dispute	Arbitration Costs										
over 400M	480,000 + 0.04% of SID in excess of 400M										
Amt in excess of 400M	0.04% of amt in excess of 400M	480,000 + 0.04% of SID in excess of 400M									
₱62,066,048.02	₱24,826.42	₱504,826.42									

121

Sample 2: 2009 CIAC Case

SUM IN DISPUTE: ₱140,650,000.00

Arbitrators' Fees:

CIAC	WESM										
<p>As specified in the Terms of Reference (based on CIAC Table of Arbitrators' Fees effective in 2009)*:</p> <p>₱555,650.00</p> <p>Estimated Fees based on the adjusted CIAC Table of Arbitrators' Fees*:</p> <p>₱1,053,572.50</p> <p><small>*The CIAC Table of Arbitrators' Fees was adjusted in 2013 per CIAC Resolution No. 07-2013 dated 23 August 2013.</small></p>	<p>Proposed computation of Arbitrators' Fees:</p> <table border="1"> <thead> <tr> <th>Sum in Dispute</th> <th>Fee for 3 Arbitrators</th> </tr> </thead> <tbody> <tr> <td>over 100M - 200M</td> <td>500,000 + 0.2% of SID in excess of 100M</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Amt in excess of 100M</th> <th>0.2% of amt in excess of 100M</th> <th>500,000 + 0.2% of SID in excess of 100M</th> </tr> </thead> <tbody> <tr> <td>₱40,650,000.00</td> <td>₱81,300.00</td> <td>₱581,300.00</td> </tr> </tbody> </table> <p>Fees: ₱581,300.00</p>	Sum in Dispute	Fee for 3 Arbitrators	over 100M - 200M	500,000 + 0.2% of SID in excess of 100M	Amt in excess of 100M	0.2% of amt in excess of 100M	500,000 + 0.2% of SID in excess of 100M	₱40,650,000.00	₱81,300.00	₱581,300.00
Sum in Dispute	Fee for 3 Arbitrators										
over 100M - 200M	500,000 + 0.2% of SID in excess of 100M										
Amt in excess of 100M	0.2% of amt in excess of 100M	500,000 + 0.2% of SID in excess of 100M									
₱40,650,000.00	₱81,300.00	₱581,300.00									

122

Sample 2: 2009 CIAC Case

SUM IN DISPUTE: ₱140,650,000.00

Arbitration Costs:

CIAC	WESM										
<p>As specified in the Terms of Reference (based on CIAC Table of Arbitration Costs effective in 2008)*:</p> <p>₱279,640.00</p> <p>Estimated Costs based on the adjusted CIAC Table of Arbitration Costs*:</p> <p>₱388,333.00</p> <p><small>*The CIAC Table of Arbitration Costs was adjusted in 2013 per CIAC Resolution No. 07-2013 dated 23 August 2013.</small></p>	<p>Proposed computation of Arbitration Costs:</p> <table border="1"> <thead> <tr> <th>Sum in Dispute</th> <th>Arbitration Costs</th> </tr> </thead> <tbody> <tr> <td>over 100M - 200M</td> <td>200,000 + 0.12% of SID in excess of 100M</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Amt in excess of 100M</th> <th>0.12% of amt in excess of 100M</th> <th>200,000 + 0.12% of SID in excess of 100M</th> </tr> </thead> <tbody> <tr> <td>₱40,650,000.00</td> <td>₱48,780.00</td> <td>₱248,780.00</td> </tr> </tbody> </table> <p>Costs: ₱248,780.00</p>	Sum in Dispute	Arbitration Costs	over 100M - 200M	200,000 + 0.12% of SID in excess of 100M	Amt in excess of 100M	0.12% of amt in excess of 100M	200,000 + 0.12% of SID in excess of 100M	₱40,650,000.00	₱48,780.00	₱248,780.00
Sum in Dispute	Arbitration Costs										
over 100M - 200M	200,000 + 0.12% of SID in excess of 100M										
Amt in excess of 100M	0.12% of amt in excess of 100M	200,000 + 0.12% of SID in excess of 100M									
₱40,650,000.00	₱48,780.00	₱248,780.00									

123

Sample 3: 2015 PDRCI Case
SUM IN DISPUTE: ₱ 805,888,706.68

Arbitrators' Fees:

PDRCI				WESM		
Arbitrators' Fees (as specified in the Terms of Reference)				Proposed computation of Arbitrators' Fees:		
	Amt of Claim/Counterclaim	Base Amt	Honoraria	Sum in Dispute	Fee for 3 Arbitrators	
Claimant	₱55,526,004.68	over 100M to 500M: 1,500,000 + 0.5% of excess amount	₱14,313,150.12	over 500M - 1B	1,300,000 + 0.15% of SID in excess of 500M	
Respondent 1	₱3,000,000.00	over 1M to 5M: 105,000 + 4.0% of excess amount	₱1,025,000.00*	Amt in excess of 100M	0.2% of amt in excess of 100M	500,000 + 0.2% of SID in excess of 100M
Respondent 2	₱48,862,702.00	over 100M to 500M: 1,500,000 + 0.5% of excess amount	₱16,596,567.55*	₱305,888,706.68	₱458,833.06	₱1,758,833.06
* derived only from each Respondent's amount of counterclaim using PDRCI's Schedule of Fees and Costs Overall Adjustment Factor (OAF): 4.0 Total Honoraria = BA x (OAF + 1)						
Fees: ₱31,934,717.67				Fees: ₱1,758,833.06		

124

Sample 3: 2015 PDRCI Case
SUM IN DISPUTE: ₱ 805,888,706.68

Arbitration Costs:

PDRCI				WESM		
Arbitration Costs (as specified in the Terms of Reference):				Proposed computation of Arbitration Costs:		
Sum in Dispute		Arbitration Costs		Sum in Dispute		Arbitration Costs
over 800M - 900M		1,500,700 + 0.16% of SID in excess of 800M		over 500M		520,000 + 0.02% of SID in excess of 100M
Amt in excess of 800M	0.16% of amt in excess of 800M	1,500,700 + 0.16% of SID in excess of 800M		Amt in excess of 500M	0.02% of amt in excess of 500M	520,000 + 0.02% of SID in excess of 500M
₱5,888,706.68	₱9,421.93	₱1,510,121.93		₱305,888,706.68	₱61,177.74	₱581,177.74
Costs: ₱1,510,121.93				Costs: ₱581,177.74		

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Atty. De Castro inquired if there had been changes to the proposed schedule of fees and costs to the PEM Board. Atty. Morallos explained that there were no changes in the submitted proposal, the presentation merely aims to provide justification on the

129 submission. Mr. Francisco Castro recalled that the PEM Board indeed was inquiring about
130 the basis of the proposed schedule of fees and costs.

131 On another note, Atty. De Castro inquired if Philippine Arbitrators are aware of the
132 proposal. Atty. Morallos stated that the proposal was circulated to Philippine Arbitrators
133 for their respective comments but no response was apparently received from them.

134 In all the samples, the RCC noted that the proposed WESM fees and costs are lower than
135 those of the other two institutions. The body then agreed to submit a corresponding
136 memorandum to the PEM Board that shall re-affirm its prior approval of the proposed new
137 Schedule of WESM Arbitration Fees and Costs, and which will include the comparison
138 presented by the DRA to further support the proposal.

139 **3.2. Proposed Amendments to the WESM Manual on Dispute Resolution regarding**
140 **Mediation and Arbitration Procedures**

141 Atty. Morallos presented a new set of proposed amendments to the WESM Manual on
142 Dispute Resolution, which aims to fill-in procedural gaps in the WESM mediation and
143 arbitration procedures. The proposal specifically sought to amend and/or add provisions
144 related to the following:

- 145
- 146 • procedures to be undertaken if a dispute is filed for arbitration without first going
147 through mediation;
 - 148 • parties' payment of advances on mediation and arbitration fees and costs;
 - 149 • procedures for the selection and appointment of mediator;
 - 150 • change in the timeframe in completing the mediation proper from within ten (10)
151 business days to within thirty (30) business days;
 - 152 • clarification on the timeline of certain procedures to reflect minor changes and re-
153 numbering; and
 - 154 • selection and appointment of ADR Support Service Centers (ASSC)

155 On the selection and appointment of ADR Support Service Centers, Atty. De Castro
156 inquired about the support service that will be appointed in the meantime, if ever a case
157 shall be filed. Atty. Morallos stated that in the meantime, the DRA will be tapping trained
158 arbitration secretaries.

159 On the discussion regarding the payment procedures, Atty. Morallos stated that the
160 appointed ADR Support Service Center should handle all payments transactions. Atty. De
161 Castro inquired if there is a percentage formula for the payment of advances. Atty.
162 Morallos confirmed that there is a percentage formula for the payment of advances but is
163 not reflected in the WESM Manual but is otherwise, included in the published guidelines.
164 Atty. De Castro then asked if it will be necessary for the formula to be reflected in the

165 WESM Manual. Atty. Morillos answered that in the CIAC, the percentage formula is not
166 reflected in its rules. He then noted the inquiry for consideration.

167 There being no other concerns raised, the RCC approved the publication of the proposal
168 to the market information website, as submitted, to solicit comments from WESM
169 Members and stakeholders.

170 *Please see attached Annex B. Proposed Amendments to the WESM Manual on Dispute Resolution*
171 *regarding Mediation and Arbitration Procedures*

172 **3.3. Market Surveillance Committee Consultation with RCC of the Proposed WESM** 173 **Penalty Manual**

174 As a background, Atty. Doroteo B. Aguila stated that in compliance with the mandate of
175 the WESM Rules⁸ for the Market Surveillance Committee (MSC) to design, promulgate
176 and periodically review the penalty scheme, the MSC, with the support of the Enforcement
177 and Compliance Office of PEMC, initiated amendments to the WESM Penalty Manual.
178 These proposed amendments were published in the market information website to solicit
179 comments from Market Participants and stakeholders. According to Atty. Aguila, the MSC
180 likewise deemed necessary to consult with the RCC to seek comments from its sector
181 representatives.

182 Atty. Aguila stated that the manual was approved by the Market Surveillance Committee
183 in March 2017. It was agreed that the manual be named from "WESM Financial Penalty
184 Manual" to "WESM Penalty Manual" in order to cover non-financial penalties to be
185 promulgated in the WESM.

186 The MSC, assisted by the Enforcement and Compliance Office, thereafter presented an
187 overview of the proposed WESM Penalty Manual, as follows:

- 188 1. Definition and clarification of the scope of application of the penalty system
- 189 • covers breaches of the WESM Rules and Retail Rules
 - 190 • shall not be applicable for anti-competitive behaviour or abuse of market power
- 191
- 192 2. Penalty levels and qualifying circumstances
- 193 • revision of penalty levels to cover both non-financial and financial penalties, taking
194 into consideration the nature of the breach and circumstances surrounding the
195 breach
 - 196 • revision to and clarification of qualifying circumstances to be considered in
197 determining the applicable penalty level in case of actual breach
- 198

⁸ WESM Rules Clause 1.6.3 *Design and Promulgation of Penalties*

199
 200 3. Schedule of breaches and corresponding applicable penalties.

- 201
 202 • Clarification of the application of the penalty system particularly the categories of
 203 non-compliances that the penalty system shall apply

204 On the non-financial penalties to be promulgated in the WESM, Atty. De Castro asked for
 205 specific examples for the same, Atty. Aguila cited notice of reprimand as an example of
 206 which. Atty. Rachel Angela P. Anosan added that this is part of the level of penalties as
 207 follows:

- 208
 209 • Level 1: Reprimand or non-compliance letter
 210 • Level 2: Financial penalty (either a fixed amount or formula-based)
 211 • Level 3: Escalated financial penalty (twice the level 2 financial penalty)
 212 • Level 4: Exclusion (suspension or deregistration)

213 Further details of the Penalty Levels were expounded by Atty. Anosan through the table
 214 below:

Penalty Level

Penalty Level	Main Qualifying Circumstances	Additional Qualifying Circumstances
Level 1 - Reprimand	<ul style="list-style-type: none"> First time occurrence; or Isolated occurrence (see Frequency of Occurrence Matrix) 	<ul style="list-style-type: none"> Does not constitute a non-compliance during emergency state, market suspension or intervention; <u>or</u> Does not pose a threat to market scheduling and pricing processes, or to power system security and reliability.
Level 2 - Financial Penalty	<ul style="list-style-type: none"> Recurring or repetitive occurrence, with frequency level applicable for Level 2 as set out in Frequency of Occurrence Matrix. 	<ul style="list-style-type: none"> Does not constitute a non-compliance during emergency state, market suspension or intervention; <u>or</u> Does not pose a threat to market scheduling and pricing processes, or to power system security and reliability.
Level 3 - Escalated Financial Penalty	<ul style="list-style-type: none"> Recurring or repetitive occurrence, with frequency level applicable for Level 3 as set out in Frequency of Occurrence Matrix; or Non-compliance while power system was on emergency state or the WESM was under suspension or intervention. 	<ul style="list-style-type: none"> Breach during emergency state, market intervention or suspension will always warrant Level 3 penalty regardless of frequency of occurrence.
Level 4 - Exclusion (Suspension & Deregistration)	<ul style="list-style-type: none"> Threat to market scheduling and pricing processes, or to power system security or reliability. 	<ul style="list-style-type: none"> Deregistration may be imposed only after the party has already been suspended; and has failed or refuses to rectify the conditions that led to suspension.



18

215
 216 For the effectivity of the WESM Penalty Manual, Atty. Aguila stated that the MSC
 217 recommends that the same shall be effective one (1) year after the following conditions
 218 are fulfilled:

219

- 220 • Declaration of the commercial operation of the new market management system
221 by the DOE
- 222 • Approval of changes to the WESM Rules and various Market Manuals, and the
223 revised Price Determination Methodology embodying all changes associated with
224 the enhanced market design
- 225 • Approval of the proposed Enforcement and Compliance Manual and Market
226 Surveillance Manual

227 Dr. Allan C. Nerves, on the other hand inquired, if there is a timeline for the filing of
228 complaints. Atty. Anosan answered that based on the provision in the WESM Manual on
229 Enforcement and Compliance, the specified timeline is within two (2) years from the date
230 of occurrence. The timeline of the procedures is also included in the manual. Mr. Aris
231 Policarpio clarified if the "breach per interval" refers to each 5-minutes dispatch interval.
232 Atty. Anosan explained it depends on the generator's obligation.

233 Atty. De Castro inquired if there is a provision in the WESM Penalty Manual which
234 requires for the review of the provided amounts. Atty. Anosan confirmed that it is indeed
235 required to be reviewed.

236 There being no other concerns left to be discussed, the MSC requested comments from
237 the RCC on the proposed amendments. The RCC thus noted the deadline of submission
238 of comments on 28 September 2017.

239 *Please see attached Annex C. Consultation with the RCC: Proposed WESM Penalty Manual 2.0*
240 *and*

241 **3.4. Proposed Amendments to the WESM Rules and WESM Manuals on (i) Metering**
242 **Standards and Procedures, (ii) Market Network Model Development and**
243 **Maintenance Criteria and Procedures, and (iii) Registration, Suspension and De-**
244 **registration Criteria and Procedures related to the Change in the Location of**
245 **Metering Points**

246 Mr. Jonathan B. dela Vina led the discussion on the subject proposal taking into account
247 the comments received from the DOE, MERALCO and the Billing, Settlement and
248 Metering Department of PEMC. The comments received have already been reviewed and
249 duly been responded to by the proponent, for the consideration of the RCC. However,
250 during the deliberation of the proposed amendments the following concerns were raised:

251 WESM Rules

252 On the proposed revised procedure for the provision of system data by the Network
253 Service Provider to the Market Operator, Mr. Ambrocio Rosales inquired if the concerned
254 National Grid Corporation of the Philippines (NGCP) representatives have been duly
255 informed about the amendments. Mr. dela Vina confirmed that a meeting was held where

256 the proposed amendments were discussed and agreed among the concerned NGCP
257 representatives. On the other hand, Mr. Rosales informed the RCC that according to the
258 NGCP representatives, they are not amenable with the presented amendments.

259 WESM Manual on Metering Standards and Procedures

260 During the deliberation of the proposed amendments, Mr. Renato B. Afurong of the PEMC
261 – Billing, Settlement and Metering Department (PEMC-BSMD) expressed their
262 reservations on certain portions of the proposal, specifically the appropriateness of
263 distinguishing market trading nodes as either *scheduling node* or *settlement node*.
264 According to him, this amendment may introduce confusion among the WESM Trading
265 Participants.

266 Considering the concerns above and the internal disagreement within PEMC on the
267 proposal, Atty. De Castro recommended to convene a Sub-committee in order to
268 reconcile PEMC's proposal with that of the PEMC-BSMD's, and to clarify the inputs from
269 the Metering Services Provider (MSP) group of the NGCP, MERALCO and DOE. The
270 RCC Sub-committee shall be composed of representatives from the following: PEMC,
271 DOE, RCC (Independent and DU sector representatives), NGCP-MSP and MERALCO.
272 The Sub-committee meeting was set on 22 September 2017.

273 The RCC also requested PEMC to already align the new subject proposal to amend the
274 WESM Metering Manual (i.e., on Change of Metering Point Location) with the RCC-
275 approved proposed amendments to the same Manual on 10 August 2017.

276 *Please see attached Annex D. Matrix of Proposed Amendments to the WESM Rules and various*
277 *WESM Manuals on Change in the Location of Metering Points*

278 **3.5. Proposed Amendments to the WESM Rules, Retail Rules and Retail Manual on**
279 **Metering Standards and Procedures for Clarifications on Retail Market Integration**

280 Mr. dela Vina led the discussion on the subject proposal taking into account the comments
281 received from the DOE, MERALCO and the Billing, Settlement and Metering Department
282 of PEMC. The proposed amendments to the WESM Rules and Retail Rules were adopted
283 by the RCC as submitted, except for the following which were recommended to be revised
284 accordingly:

285 WESM Rules

286 For the proposed amendments to the WESM Rules, Ms. Tanglao suggested to adopt the
287 approved wordings in Clause 3.2.2.6, as commented by the DOE to be reflected in
288 Clauses 3.13.11.4 and 4.2, for consistency.

289 For the proposed amendments to the Retail Metering Manual, the RCC noted a comment
 290 from PEMC-BSMD was received concerning the terminologies to be used in the manual
 291 as raised also in the earlier discussion of the proposed amendments to the WESM Manual
 292 on Metering Standards and Procedures. Considering this, the RCC agreed to include the
 293 proposal with those that are subject for discussion in the RCC Sub-committee Meeting.

294 *Please see attached Annex E. Matrix of Proposed Amendments to the WESM Rules and various*
 295 *WESM Manuals on Change in the Location of Metering Points*

296

Agreements/Action Plans

The RCC approved the proposed amendments to the WESM Rules and Retail Rules for Clarifications on Retail Market Integration for endorsement to the PEM Board.

297

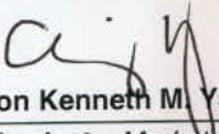
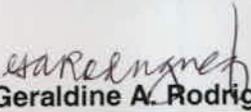
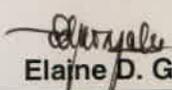
298 **4. Next Meeting**

299 The RCC agreed to hold subsequent meetings on the following schedules:

- 300
- October 6, 2017
 - 301 • November 10, 2017
 - 302 • December 8, 2017
- 303

304 **5. Adjournment**

305 There being no other matters to be discussed, the meeting was adjourned at around 1:40 PM.

Prepared By:	Reviewed By:	Noted By:
 Aldjon Kenneth M. Yap Analyst – Market <i>Governance Administration</i> <i>Unit</i>	 Geraldine A. Rodriguez Assistant Manager – <i>Market Governance</i> <i>Administration Unit</i>	 Elaine D. Gonzales Manager – Market Data and <i>Analysis Division</i>
Market Assessment Group	Market Assessment Group	Market Assessment Group



Approved by:
RULES CHANGE COMMITTEE

[Signature]
Maila Lourdes G. de Castro
Chairperson
Independent

Members:

<p><i>[Signature]</i> Concepcion I. Tanglao Independent</p>	<p><i>[Signature]</i> Francisco L.R. Castro, Jr. Independent</p>
<p><i>[Signature]</i> Allan C. Nerves Independent</p>	<p><i>[Signature]</i> Isidro E. Cacho, Jr. Market Operator Philippine Electricity Market Corporation (PEMC)</p>
<p><i>[Signature]</i> Ambrocio R. Rosales Transmission Sector National Grid Corporation of the Philippines (NGCP)</p>	<p><i>[Signature]</i> Abner B. Tolentino Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)</p>
<p>Jose Ildebrando B. Ambrosio Generator Sector NorthWind Power Development Corp. (NorthWind)</p>	<p>Theo C. Sunico Generation Sector (Vivant Corporation)</p>
<p>Ciprinilo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO)</p>	<p><i>[Signature]</i> Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)</p>
<p>Juanito O. Tolentino, Jr. Distribution Sector (PDU) Mactan Electric Company (MECO)</p>	<p>Ludovico D. Lim Distribution Sector (EC) Antique Electric Cooperative, Inc. (ANTECO)</p>
<p>Lorreto H. Rivera Supply Sector TeaM (Philippines) Energy Corporation (TPEC)</p>	

Proposed Amendments to the WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0

Rules Change Committee

September 2017

I. SUMMARY OF THE PROPOSED RULES CHANGE

The WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0¹ is proposed to be amended, to generally reflect the changes per DOE DC 2015-07-0013² incorporating the procedures for the changes to the Market Manuals (i.e. WESM and Retail Manuals). Further, the manual is also proposed to be amended to incorporate the procedures for changes to the Retail Rules.

The timeline for the submission of accomplishment reports and the deliberation of the submitted proposals were proposed to be revised for consistency with the submission of other governance committees and with the timeline set forth in the Rules Change Committee's (RCC) work plan, respectively.

Clerical and minor amendments are also proposed to be adopted in the WESM Manual, for clarity.

II. BACKGROUND

The Rules Change Committee during its 132nd Regular Meeting held on 10 August 2017, agreed to review and subsequently propose revisions to the WESM Manual of Procedures for Changes to the WESM Rules to align pertinent provisions of the manual with the WESM Rules as amended by DOE DC 2015-07-0013 regarding the procedures for changes to the WESM Rules and Market Manuals.

III. THE PROPOSED RULES CHANGE

The definition of the term "Market Manual³" in the WESM Rules is proposed to be revised in order to provide that the term also covers the manuals for the retail market.

The proposed changes to the WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0 are summarized as follows:

1. The title of the manual is proposed to be revised to "Procedures for Changes to the WESM and Retail Rules and Market Manuals";
2. The abstract of the manual and Sections 1.1 *Purpose*, 1.2 *Scope*, 3.2 *Minor Amendments*, 3.3 *General Amendments*, 4 *Criteria for Rules Changes*, 6.3.2 *Approval of Proposal*, 7.4 (a) *Effectivity of Urgent Amendment* are proposed to be revised in order to provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals;

¹ Manual of Procedures for Changes to the WESM Rules, Issue 2.0 dated 17 April 2013

² DOE DC 2015-07-0013 *Adopting Further Amendments to the WESM rules (procedures for changes to the WESM rules and market manuals)*

³ "Market Manual refers to specific procedures, systems or protocols for the implementation of the WESM Rules" – Definition under the WESM Rules as of July 2017

3. The terms “Market Manual” and “Retail Rules” are proposed to be included on Section 2.1 *Definitions* of the manual;
4. The provided timelines on Sections 6.1.3 (a) *Written Submission*, 6.1.5 (a) *Decision/Recommendations of the Committee*, 6.2.1 *PEM Board*, 6.3.1 *Department of Energy*, 11.1 *Semestral Report* are proposed to be set at more reasonable timeframes for the evaluation of the proposed rules change;
5. Sections 6.2.6 *Endorsement to the DOE* and 12 *Amendments, Publication and Effectivity* are proposed to be included in the manual to be consistent with the WESM Rules and other Market Manuals; and
6. Clerical and minor amendments on various sections of the manual are proposed to be incorporated in the provisions, for clarity.

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The proponent is the Rules Change Committee. The Committee is one of the WESM Governance Committees formed by the PEM Board pursuant to the WESM Rules Clause 1.4.6. Members of the Committee are as follows:

1. Maila Lourdes G. De Castro – Chairperson
2. Concepcion I. Tanglao – Member
3. Francisco L.R. Castro, Jr. – Member
4. Allan C. Nerves – Member
5. Abner B. Tolentino – Member
6. Jose Ildebrando B. Ambrosio – Member
7. Theo C. Sunico – Member
8. Ciprinilo C. Meneses – Member
9. Jose P. Santos – Member
10. Juanito Tolentino – Member
11. Ludovico D. Lim – Member
12. Lorreto H. Rivera – Member
13. Ambrocio R. Rosales – Member
14. Isidro E. Cacho, Jr. – Member

V. CONCLUSIONS AND RECOMMENDATIONS

The adoption of these proposed amendments to the WESM Rules and WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0 are recommended for approval.

VI. REFERENCES

The following are the references used in the proposed amendments to the WESM Rules and WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0:

1. WESM Rules, as of July 2017
2. Retail Rules, as of January 2013
3. DOE Department Circular No. 2015-07-0013

Proposed Amendments to the WESM Rules

Title	Section	Provision	Proposed Amendment	Rationale
Glossary	Glossary	<i>Market Manual</i> refers to specific procedures, systems or protocols for the implementation of the WESM Rules	<i>Market Manual</i> refers to specific procedures, systems or protocols for the implementation of the WESM and Retail Rules	To provide that the term “Market Manual” refers to both WESM and Retail Manuals.

I. Proposed Amendment

Title	Section	Provision	Proposed Amendment	Rationale
Manual Title		Manual of Procedures for Changes to the WESM Rules Issue 2.0	Manual of Procedures for Changes to the WESM and Retail Rules and Market Manuals Issue 2 3 .0	To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals
Abstract		This document covers the method and procedures for changes to the WESM Rules.	This document covers the method and procedures for changes to the WESM and Retail Rules and Market Manuals.	To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals
Purpose	1.1	<p>a) Sets forth the procedures for the amendment, review and interpretation of the Wholesale Electricity Spot Market Rules (the “WESM Rules” or the “Rules”), and of the manuals of procedures, guidelines processes, issuances, and other rules and regulations promulgated by the Department of Energy (the “DOE”), or the Philippine Electricity Market Board (the “PEM Board”) or its Committees to implement the WESM Rules and to govern the operations of the WESM.</p> <p>b) Describes the responsibilities and undertakings required of the DOE, the PEM Board, the Rules Change Committee, the other PEM Board</p>	<p>a) Sets forth the procedures for the amendment, review and interpretation of the Wholesale Electricity Spot Market Rules (the “WESM Rules” or the “Rules”), the Retail Rules and of the Market Manuals of procedures, guidelines processes, issuances, and other rules and regulations promulgated by the Department of Energy (the “DOE”), or the Philippine Electricity Market Board (the “PEM Board”) or its Committees to implement the WESM Rules and to govern the operations of the WESM.</p> <p>b) Describes the responsibilities and undertakings required of the DOE, the PEM Board, the Rules Change Committee, the other PEM Board Committees, any WESM Member</p>	To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals

Title	Section	Provision	Proposed Amendment	Rationale
		Committees, any WESM Member and of any interested parties in the initiation, evaluation, and approval or disapproval of any amendment, review or interpretation of the <i>WESM Rules</i> , manuals of procedures, guidelines and issuances governing the WESM. The procedures described in this <i>Market Manual</i> shall be read and construed consistent with the <i>WESM Rules</i> .	and of any interested parties in the initiation, evaluation, and approval or disapproval of any amendment, review or interpretation of the <i>WESM Rules</i> , <i>Retail Rules and Market Manuals</i> of procedures, guidelines and issuances governing the WESM. The procedures described in this <i>Market Manual</i> shall be read and construed consistent with Chapter 8 of the <i>WESM Rules</i> .	
Scope	1.2	This Manual addressed the processes for: a) urgent, minor and general amendments to the <i>WESM Rules</i> as these terms are defined in this Manual; xxx	This Manual addresseds the processes for: a) urgent, minor and general amendments to the <i>WESM Rules</i> , <i>Retail Rules and Market Manuals</i> , as these terms are defined in this Manual; xxx	To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals
Definitions	2.1	NEW	<u>Market Manual refers to specific procedures, systems or protocols for the implementation of the WESM and Retail Rules</u>	To provide definition for the term "Market Manual"
		NEW	<u>Retail Rules. The rules promulgated by the DOE governing the integration of retail competition in the operations and governance processes of the WESM and the management of</u>	To provide definition for the term "Retail Rules"

Title	Section	Provision	Proposed Amendment	Rationale
			<u>transactions of Suppliers and Contestable Customers in the WESM, and the operation of the Central Registration Body.</u>	
Minor Amendments	3.2	<p>Minor amendments are amendments to the <i>WESM Rules</i> which are corrections as to form such as typographical or grammatical changes, or those which are of a non-material procedural or a non-substantive nature; provided, however, that a proposed change is NOT a minor amendment where:</p> <p>xxx</p>	<p>Minor amendments are amendments to the <i>WESM Rules</i>, <i>Retail Rules and Market Manuals</i> which are corrections as to form such as typographical or grammatical changes, or those which are of a non-material procedural or a non-substantive nature; provided, however, that a proposed change is NOT a minor amendment where <u>A proposal will not qualify as a Minor amendment if it entails any of the following:</u></p> <p>Xxx</p>	<p>To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals</p> <p>For clarity</p>
General Amendments	3.3	<p>Amendments which do not otherwise qualify as either minor amendments or urgent amendments shall, for purposes of this <i>Manual</i>, be considered as general amendments.</p>	<p><u>Proposed amendments to the WESM Rules, Retail Rules, Market Manuals, or new Market Manuals,</u> which do not otherwise qualify as either minor amendments or urgent amendments shall, for purposes of this <i>Market Manual</i>, be considered as general amendments.</p>	<p>To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals</p>
Criteria for Rules Changes	4	<p>In considering amendments to the WESM Rules, the DOE, the PEM Board and the Rules Change Committee shall be guided by the following criteria as to the proposal's:</p> <p>xxx</p>	<p>In considering amendments to the <i>WESM Rules</i>, <i>Retail Rules, Market Manual(s) and any amendment and/or adoption of a new Market Manual</i>, the DOE, the PEM Board and the Rules</p>	<p>To provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals</p>

Title	Section	Provision	Proposed Amendment	Rationale
			Change Committee shall be guided by the following criteria as to the proposal's: Xxx	
Consultation and referral to other committees and persons	6.1.2 (c)	In matters where the WESM Rules require the holding of public consultations, the Committee shall conduct public consultations in accordance with the WESM Consultation Guidelines. The consultations shall be conducted and completed within thirty (30) business days from the date of first publication of notice as provided for in Section 6.2 (a) hereof. Where the WESM Consultation Guidelines require longer periods, the Committee shall adjust the prescribed periods in order to complete the consultations within the thirty-day period provided herein.	In matters where the WESM Rules require the holding of public consultations, the Committee shall conduct public consultations in accordance with the WESM Consultation Guidelines. The consultations shall be conducted and completed within thirty (30) business working days from the date of first publication of notice as provided for in Section 6.2 (a) hereof. Where the WESM Consultation Guidelines require longer periods, the Committee shall adjust the prescribed periods in order to complete the consultations within the thirty-day period provided herein.	For clarity
Written Submission	6.1.3 (a)	The written submissions requested pursuant to Sections 6.1.2 (a) and (b) shall be given within thirty (30) business days from the date of publication of the notice made pursuant to Section 6.1.2 (a) of this Manual.	The written submissions requested pursuant to Sections 6.1.2 (a) and (b) shall be given within twenty thirty (20 30) business working days from the date of publication of the notice made pursuant to Section 6.1.2 (a) of this Manual. <u>The proponent shall then be given ten (10) working days to respond to the received submissions for consideration of the Committee.</u>	To provide time for the proponent to respond on the received submissions for the proposed changes.

Title	Section	Provision	Proposed Amendment	Rationale
Decision/Recommendations of the Committee	6.1.5 (a)	The Committee shall make its decision and shall submit its report and recommendation to the PEM Board not later than sixty (60) business days from the date of publication of the notice made pursuant to Section 6.1.2 (a).	The Committee shall make its decision and shall submit its report and recommendation resolution and recommendation to the PEM Board not later than sixty ninety (90) business calendar days from the date of publication of the notice made pursuant to Section 6.1.2 (a).	To be consistent with the timeline provided in the RCC Work Plan, where the RCC should be able to decide on a proposal within ninety (90) days from the date of publication of the proposal for commenting.
PEM Board	6.2.1	Within ten (10) business days from receipt of the Committee report, the PEM Board shall convene to evaluate the report and render its decision.	Within ten (10) business days from receipt of the Committee report, As soon as practicable, the PEM Board shall convene to evaluate the report and render its decision.	To set a more reasonable timeframe for the evaluation of the proposed rules change
Endorsement to the DOE	6.2.6	NEW	<u>Pursuant to WESM Rules Clause 8.4.1.2 the PEM Board shall endorse the approved proposal(s) to the DOE for its review and promulgation, thereafter.</u>	For consistency with the WESM Rules
Department of Energy	6.3.1	Within ten (10) business days from receipt of the proposal for a general amendments approved by the PEM Board, the DOE shall assess whether or not the proposal satisfies the prescribed criteria set forth in Section 4 of this Manual and in the WESM Rules and is consistent with the EPIRA.	Within ten (10) business days from receipt of the proposal for a general amendments approved by the PEM Board, As soon as practicable, the DOE shall assess whether or not the proposal satisfies the prescribed criteria set forth in Section 4 of this Manual and in the WESM Rules and is consistent with the EPIRA.	To set a more reasonable timeframe for the evaluation of the proposed rules change
Approval of Proposal	6.3.2	If the DOE concludes that the proposal satisfies the conditions set forth in Section 6.3.1 of this Manual, it shall approve the proposal and promulgate	If the DOE concludes that the proposal satisfies the conditions set forth in Section 6.3.1 of this Manual, it shall approve the proposal and promulgate	For clarity

Title	Section	Provision	Proposed Amendment	Rationale
		the pertinent circular publishing the amendment of the WESM Rules, in accordance with Sections 9 and 10 hereof.	the pertinent circular publishing the amendment of the <i>WESM Rules, Retail Rules and/or Market Manual(s)</i> , in accordance with Sections 9 and 10 hereof.	
Disapproval of Proposal		If the DOE concludes that the proposal does not satisfy the conditions set forth in Section 6.3.1 of this Manual, it shall give notice of its decision and the reasons therefor to the following, within ten (10) business days from the date of its decision: xxx	If the DOE concludes that the proposal does not satisfy the conditions set forth in Section 6.3.1 of this Manual, it shall give notice of its decision and the reasons <u>therefore</u> to the following, within ten (10) business days from the date of its decision: xxx	For clarity
Evaluation by the Rules Change Committee	7.2 (d)	A majority of those present in the Committee meeting called for such purpose shall be sufficient to render a decision. Thereafter, the Committee shall submit its written report to the PEM Board which shall contain – xxx	A majority of those present in the Committee meeting called for such purpose shall be sufficient to render a decision. Thereafter, the Committee shall submit the committee resolution its written report to the PEM Board which shall contain – xxx	For clarity
Action by the PEM Board	7.3 (a)	Upon receipt of the report from the Committee, the PEM Board shall immediately convene in one or more occasions as may be necessary to evaluate the approval by the Rules Change Committee of the proposal. The Board shall render its decision not more than five (5) calendar days from transmittal to it of the Committee report.	Upon receipt of the report resolution from the Committee, the PEM Board shall immediately convene in one or more occasions as may be necessary to evaluate the approval by the Rules Change Committee of the proposal. The Board shall render its decision not more than five (5) calendar days from transmittal to it of the Committee report Resolution .	For clarity

Title	Section	Provision	Proposed Amendment	Rationale
Action by the PEM Board	7.3 (c)	If the PEM Board determines that the approval of the urgent amendment is not warranted, it shall notify the Committee, the proponent, the parties who made written submissions, the DOE and the Energy Regulatory Commission (the "ERC") of its decision and the reasons for rejection, within ten (10) business days from the date of the decision in which case, the approval of the Committee shall be deemed vacated within twenty four (24) hours from publication in the WESM website of such reversal. In its discretion, the PEM Board may return the proposal to the Committee for consideration as a general amendment and in accordance with the procedure for such amendments.	If the PEM Board determines that the approval of the urgent amendment is not warranted, it shall notify the Committee, the proponent, the parties who made written submissions, the DOE and the Energy Regulatory Commission (the "ERC") of its decision and the reasons for rejection, within ten (10) business working days from the date of the decision in which case, the approval of the Committee shall be deemed vacated within twenty four (24) hours from publication in the WESM website of such reversal. In its discretion, the PEM Board may return the proposal to the Committee for consideration as a general amendment and in accordance with the procedure for such amendments.	For clarity
Effectivity of Urgent Amendment	7.4 (a)	The approved urgent amendment shall become effective within twenty four (24) hours upon its publication in the WESM website or upon such time that the urgent amendment may be implemented taking into consideration the technical changes that may be introduced to the Market Management System (MMS) or such other systems, in which case, PEMC shall issue an advisory to the participants of the date of its effectivity. PEMC shall publish the amendments within twenty four (24)	The approved urgent amendment shall become effective within twenty four (24) hours upon its publication of the relevant Rules and/or Market Manual(s) in the WESM market information website or upon such time that the urgent amendment may be implemented taking into consideration the technical changes that may be introduced to the Market Management System (MMS) or such other systems, in which case, PEMC shall issue an advisory to the participants of the date of	For clarity

Title	Section	Provision	Proposed Amendment	Rationale
		hours from its approval and advisories shall be made thru the MMS website informing participants of such amendment.	its effectivity. PEMC shall publish the amendments within twenty four (24) hours from its approval and advisories shall be made <u>through</u> the MMS website informing participants of such amendment.	
Effectivity	9	General amendments shall take effect fifteen (15) days from their publication in accordance with the succeeding Section, or on such later date as determined by the DOE. Urgent amendments to the WESM Rules shall take effect in accordance with Section 7.4 of this Manual. Minor amendments to the WESM Rules and other amendments (i.e., amendments to manuals, procedures, guidelines and rules and regulations) shall take effect fifteen (15) days from their publication in accordance with the succeeding Section or on such later date as the PEM Board determines.	General and Minor amendments to the <u>WESM Rules, Retail Rules and Market Manual(s) approved by the DOE</u> shall take effect fifteen (15) working days from their its publication in two (2) newspapers of general circulation accordance with the succeeding Section, or on such later date as determined by the DOE, or upon such time that the amendments may be implemented . Urgent amendments to the WESM Rules shall take effect in accordance with Section 7.4 of this Manual. Minor amendments to the WESM Rules and other amendments (i.e., amendments to manuals, procedures, guidelines and rules and regulations) shall take effect fifteen (15) days from their publication in accordance with the succeeding Section or on such later date as the PEM Board determines.	To reflect the current procedures for the DOE's promulgation of amendments and to provide that the manual also sets forth the procedure for changes to the Retail Rules and Market Manuals
Publication	10	Subject to Section 7.4, consolidated amendments shall be published on a monthly bases in the WESM website.	Subject to Section 7.4, consolidated amendments shall be published on a monthly bases in the WESM website.	The procedure is covered under Section 7.4 (a)

Title	Section	Provision	Proposed Amendment	Rationale
Semestral Report	<u>1044.1</u>	Every end of June and December of each year, the Committee shall make available to the PEM Board and the WESM Members a report, which sets out: xxx	Every end of June January and December July of each year, the Committee shall make available to the PEM Board and the WESM Members a report, which sets out: Xxx	To be consistent with the timeline for submission of report with other WESM Governance Committees
Custodian of Records	<u>1044.2</u>	The Head of the PEM Committee Secretariat shall have official custody and charge of the records prepared for or in connection with the rules change process, including but not limited to the journal and minutes of deliberations of the Committee or the PEM Board. The Chairperson shall keep and maintain the official version of all the amendments made pursuant to these Manual.	The Head of the PEM Rules Change Committee Secretariat shall have official custody and charge of the records prepared for or in connection with the rules change process, including but not limited to the journal and minutes of deliberations of the Committee or the PEM Board. The RCC Chairperson shall keep and maintain the official version of all the amendments made pursuant to these Manual.	For clarity
Review of Rules Change Procedures and of Committee Proceedings	<u>1142.</u>	The PEM Board may review, from time to time, the work and proceedings of the Committee and issue to the Committee such directions as the PEM Board from time to time determines appropriate. Such directions may relate to one or more proceedings respecting particular proposals, review of the WESM Rules, or may be of more general application. The Committee shall comply with such directions.	N/A	Re-numbering

Title	Section	Provision	Proposed Amendment	Rationale
<u>Amendments, Publication and Effectivity</u>	1213,14	<p>This Manual or any of its provisions may be amended by the PEM Board, upon its own initiative or upon recommendation by the Committee or upon a proposal by any WESM Participants submitted through the Committee.</p> <p>Effectivity and Publication of Manual</p> <p>This Manual shall take effect upon approval by the PEM Board. Thereafter, it shall be published in the WESM website.</p>	<p><u>12.1 Amendments</u> <u>Any amendments to this Manual shall be approved by the DOE, following the procedures for changes to Market Manual set out in the WESM Rules and in the relevant Market Manual.</u></p> <p><u>12.2 Publication and Effectivity</u> <u>This Market Manual, as it may be amended from time to time, shall be published in the market information website maintained by the Market Operator.</u> <u>This Market Manual or any amendments thereto shall become effective upon approval of the DOE in accordance with the WESM Rules Clause 8.6.4. The date of effectivity shall be indicated in this document.</u></p>	<p>To be consistent with other WESM Manuals</p>

DRAFT

**ANNEX B. Proposed Amendments to the WESM Manual on Dispute Resolution regarding
Mediation and Arbitration Procedures**



**Proposed Amendments to the
WESM Manual on Dispute
Resolution regarding Mediation
and Arbitration Procedures**

**14 September 2017
133rd RCC Meeting**

Rationale of the Proposal

To fill-in procedural gaps in the WESM
Mediation and Arbitration process

Highlights of the Proposal

Proposed Changes to WESM Mediation Procedures

- a) Add new procedures prior to the mediation proper:
 - i. DRA to request MO to identify WESM Members that may be affected in the market transaction(s) that is/are subject of WESM dispute;
 - ii. DRA to convene a compulsory meeting (in-person or remotely) with all parties to identify which parties intend to participate in the mediation, and for the selection of mediator;



3

Highlights of the Proposal

Proposed Changes to WESM Mediation Procedures

- a) Add new procedures prior to the mediation proper (continued):
 - iii. DRA to select and appoint the mediator if parties fail to select the mediator after five (5) business days from receipt of nominees, or within the meeting convened for the purpose; and
 - iv. DRA to select and appoint the ADR Support Service Center who shall assist the mediator in facilitating the mediation



4

Highlights of the Proposal

Proposed Changes to WESM Mediation Procedures

- b) Clarify and add procedures regarding mediation fees and costs:
 - i. Replace 'registration fee' with 'advance' (on fees and costs) to refer to Claimant's initial payment upon filing of dispute;
 - ii. Refund Claimant's advance if DRA determines that the Request for Mediation does not involve a WESM dispute; and
 - iii. DRA may declare failure of mediation if required deposit/advance is not paid by the parties

Highlights of the Proposal

Proposed Changes to WESM Mediation Procedures

- c) Change timeframe in completing the mediation proper from within ten (10) business days to within **thirty (30) business days**
- d) Clarify the timeline of certain procedures, reflect minor changes and re-numbering

Highlights of the Proposal

Proposed Changes to WESM Arbitration Procedures



- a) Clarify that the DRA shall still determine if a dispute involves a WESM dispute in case a dispute is filed directly for Arbitration without going through Mediation

Highlights of the Proposal

Proposed Changes to WESM Arbitration Procedures

- b) Clarify and add procedures regarding arbitration fees and costs:
- i. Replace 'filing fee' with 'advance' (on fees and costs) to refer to Claimant's initial payment upon filing of dispute;
 - ii. Clarify that the advance on arbitration fees and costs to be paid by the Claimant shall be in accordance to the Schedule of Fees and Costs provided in the Manual (rather than PhP 50,000); and
 - iii. If a dispute is withdrawn or terminated before final award, clarify that the arbitrators and ADR Support Service Center will be partially paid for any work already undertaken

Highlights of the Proposal

Proposed Changes to WESM Arbitration Procedures

- c) Add procedure on the selection and appointment by the DRA of ADR Support Service Center who shall assist the arbitrators in facilitating the arbitration

- d) Clarify the timeline of certain procedures, reflect minor changes and re-numbering

**End of
Presentation**

ANNEX C: CONSULTATION WITH RCC: PROPOSED PENALTY MANUAL ISSUE 2.0

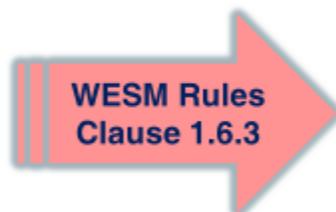


**Consultation with the
RCC: Proposed Penalty
Manual Issue 2.0**

**14 September 2017
19/F Meeting Room**

Proposed WESM Penalty Manual

- Background

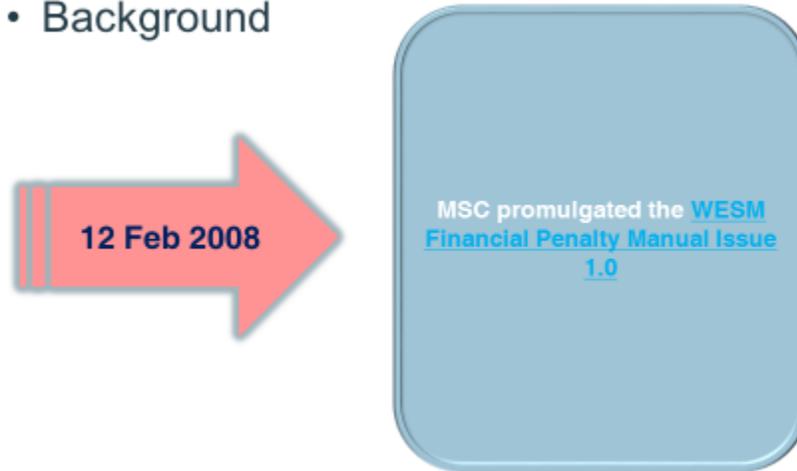


The MSC is mandated to design and promulgate, and thereafter regularly review, penalty levels and appropriate range of penalties for breaches of the WESM Rules

The MSC will conduct consultations with the Rules Change Committee and the PEM Board in its formulation of the penalty levels and appropriate range of penalties.

Proposed WESM Penalty Manual

- Background



Proposed WESM Penalty Manual

- Timeline



Proposed WESM Penalty Manual

- Objectives
 - To promote and ensure efficiency and competition in the WESM
 - To promote a culture of compliance with WESM Rules among WESM Participants
 - To provide specific penalties for non-compliances of WESM Rules

Proposed WESM Penalty Manual

- Summary of Major Changes

1.
Definition
and
clarification
of the
scope of
application
of the
penalty
system

- **Scope of Application**
 - Covers breaches of the WESM Rules and Retail Rules
 - Not applicable for anti-competitive behavior or abuse of market power

Proposed WESM Penalty Manual

- Summary of Major Changes

2. Penalty levels and qualifying circumstances

- **Revision of penalty levels**
 - Covers both non-financial and financial penalties, taking into consideration of the nature of the breach and circumstances surrounding the breach

Proposed WESM Penalty Manual

- Summary of Proposed Changes

2. Penalty levels and qualifying circumstances

- **Revision to and clarification of qualifying circumstances to be considered in determining the applicable penalty level in case of actual breach**
 - Qualifying circumstances proposed are simpler to determine as these are based on same data used in establishing whether a breach occurred or not, and will not require separate and extensive analysis of market impact.

Proposed WESM Penalty Manual

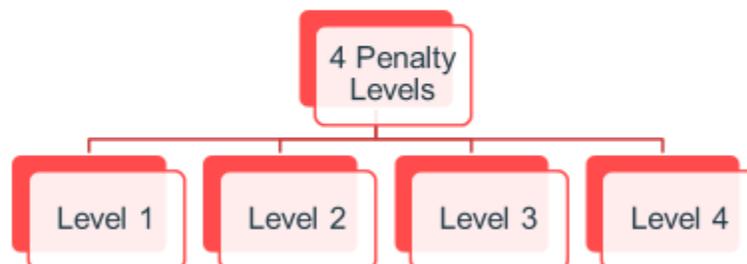
- Summary of Proposed Changes

3. Schedule of breaches and corresponding applicable penalties.

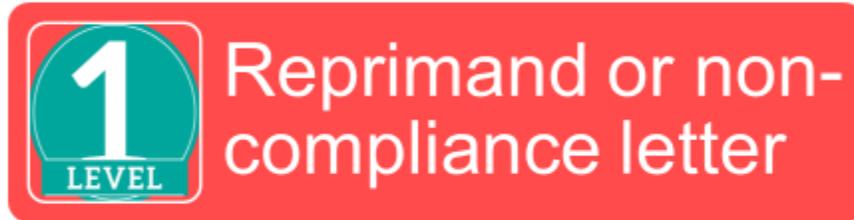
- Clarification of the application of the penalty system particularly the categories of non-compliances that the penalty system applies
 - Includes the schedule of breach and corresponding applicable penalties and penalty levels
 - Penalties may only be imposed for non-compliances that are included in the schedule of breaches.

Proposed WESM Penalty Manual

- Penalty Levels



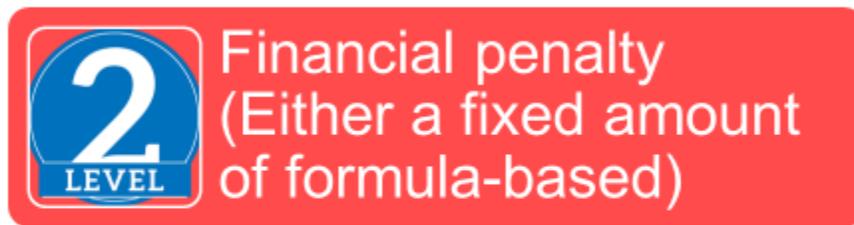
Proposed WESM Penalty Manual



1
LEVEL

Reprimand or non-compliance letter

Proposed WESM Penalty Manual



2
LEVEL

Financial penalty
(Either a fixed amount
of formula-based)

- [Formula-based](#)
- [Fixed amount](#) – Php 10,000; Php 1,000; Php 1,000,000
- [Fixed amount](#) – Php 5,000

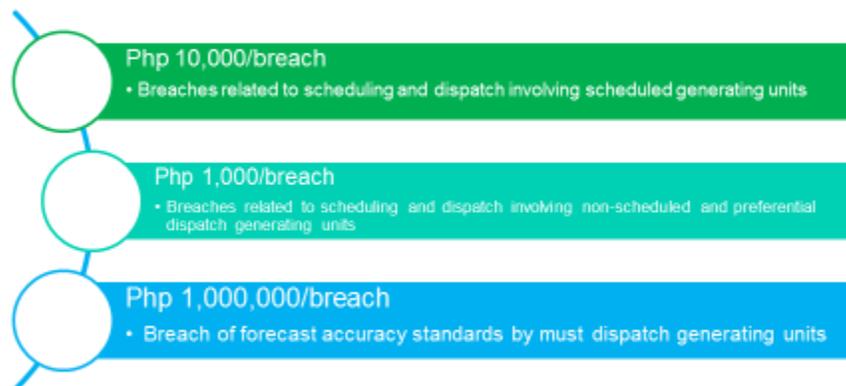
Proposed WESM Penalty Manual

- [Level 2](#) – Formula based



Proposed WESM Penalty Manual

- [Level 2](#) – Fixed Amount



Proposed WESM Penalty Manual

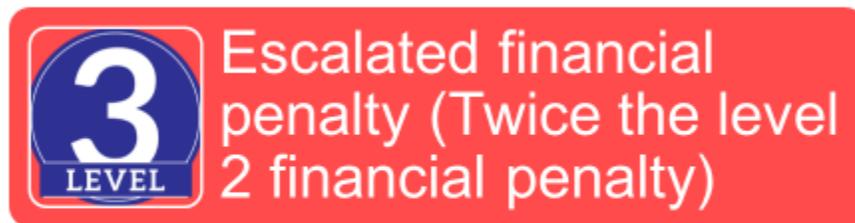
- [Level 2](#) – Fixed Amount



Php 5,000.00/breach

- all other types of breaches

Proposed WESM Penalty Manual



3
LEVEL

Escalated financial
penalty (Twice the level
2 financial penalty)

Proposed WESM Penalty Manual



4
LEVEL

Exclusion (Suspension and Deregistration)

- Imposed successively
- Suspension – first imposed
- Deregistration - automatically imposed if breach is continuing and is not rectified



Penalty Level

Penalty Level	Main Qualifying Circumstances	Additional Qualifying Circumstances
Level 1 – Reprimand	<ul style="list-style-type: none"> • First time occurrence, or • Isolated occurrence (see Frequency of Occurrence Matrix) 	<ul style="list-style-type: none"> • Does not constitute a non-compliance during emergency state, market suspension or intervention; <u>or</u> • Does not pose a threat to market scheduling and pricing processes, or to power system security and reliability.
Level 2 – Financial Penalty	<ul style="list-style-type: none"> • Recurring or repetitive occurrence, with frequency level applicable for Level 2 as set out in Frequency of Occurrence Matrix. 	<ul style="list-style-type: none"> • Does not constitute a non-compliance during emergency state, market suspension or intervention; <u>or</u> • Does not pose a threat to market scheduling and pricing processes, or to power system security and reliability.
Level 3 – Escalated Financial Penalty	<ul style="list-style-type: none"> • Recurring or repetitive occurrence, with frequency level applicable for Level 3 as set out in Frequency of Occurrence Matrix; or • Non-compliance while power system was on emergency state or the WESM was under suspension or intervention. 	<ul style="list-style-type: none"> • Breach during emergency state, market intervention or suspension will always warrant Level 3 penalty regardless of frequency of occurrence.
Level 4 – Exclusion (Suspension & Deregistration)	<ul style="list-style-type: none"> • Threat to market scheduling and pricing processes, or to power system security or reliability. 	<ul style="list-style-type: none"> • Deregistration may be imposed only after the party has already been suspended; and has failed or refuses to rectify the conditions that led to suspension.



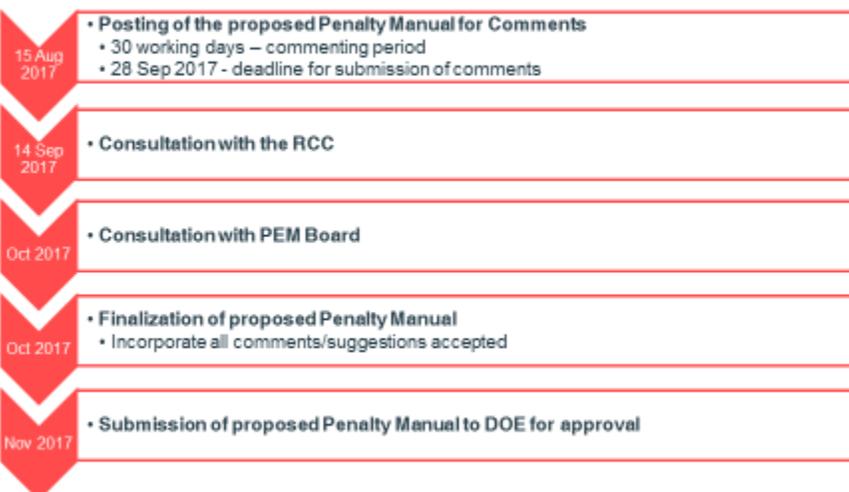
One Year Transition Period

Set effectivity date of the Penalty Manual to 1 year after meeting the following conditions:

- Declaration of the commercial operation of the new market management system by the DOE
- Approval of changes to the WESM Rules and various Market Manuals, and the revised Price Determination Methodology embodying all changes associated with the enhanced market design
- Approval of the proposed Enforcement and Compliance Manual and Market Surveillance Manual

During the 1-year period, there will be compliance monitoring but no investigation or penalties

MSC Action Item: Consultation on the Proposed Penalty Manual



Proposed Amendments to the WESM Rules on Change of Metering Point Location

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
Customer	2.3.2.4 (new)	(blank)	A <i>Customer</i> shall register each of its <i>connection points</i> with the <i>Market Operator</i> .	The proposed change in the location of the metering point to the connection point of a trading participant would require the identification of connection points during registration.	Agree with the proposal. Further, we suggest to extend the responsibility for the Generation Company to register every connection points with the Market Operator	A Customer shall register each of its connection points with the Market Operator. <u>For contestable customers, there shall be one registration for each certificate of contestability from ERC.</u> <i>For clarity</i> <i>For contestable customers, there shall be one registration for each certificate of contestability from ERC.</i>	MERALCO: No issue. This is consistent with Clause 2.4.5 of the Retail Rules. DOE: Generation companies essentially already register their connection points since they are required to register their generating units in the WESM.
Market Trading Nodes	3.2.2.2	Each <i>market trading node</i> defined under clause 3.2.2.1 shall: (a) Be assigned to a <i>Trading Participant</i> that intends to buy or sell <i>energy</i> and is capable of complying with the <i>dispatch</i> and <i>settlement</i> requirements in the WESM; (b) Be associated with a revenue <i>metering</i> and remote telemetering facilities capable of measuring all relevant incoming and outgoing energy deliveries for the purpose of <i>dispatch</i> and <i>settlement</i> in the WESM; and	Each <i>market trading node</i> defined under clause 3.2.2.1 shall <u>either be:</u> <u>(a) a scheduling node if it is associated with a remote telemetering facility capable of measure all relevant incoming and outgoing energy deliveries;</u> <u>(b) a settlement node if it represents the connection point of a Trading Participant and is associated with revenue metering; or</u> <u>(c) both a scheduling node and a settlement node if it is associated with a remote telemetering facility, represents the connection</u>	Since not all connection points have remote telemetering facilities, it is proposed that market trading nodes be distinguished either as scheduling nodes or settlement nodes. Scheduling nodes would contain the remote telemetering facilities, which is required for scheduling purposes, while settlement nodes would represent the connection point of	Suggest to retain the original provision. Further, we recommend to include additional term “scheduling point” to differentiate the generator market trading node and the point where the dispatch and schedules of the generators are determined in real time. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007) on the appropriate location of metering points and market</i>		DOE: The proposal is not inconsistent with the Circular and WESM Rules clause 3.2.2.1. The proposal merely provides classifications for market trading nodes to allow participants to be settled at a location different from where it is scheduled (e.g., generators, modelled DUs) to reflect actual technical and commercial arrangements. It should be noted that the suggested use of a “scheduling point” will provide the same results as the proposal. Suggestion will require re-drafting of proposed amendments to Rules and three (3) manuals. Use of SSLA is minimized under the proposal since settlement nodes are specifically designated at connection points. In the current set-up, market trading nodes are at RTUs point,

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
		(c) As much as possible, represent the <i>connection point</i> between the <i>Network Service Provider</i> and the <i>Trading Participant</i> .	<p><u>point of a Trading Participant and is associated with revenue metering.</u></p> <p>(a) Be assigned to a Trading Participant that intends to buy or sell energy and is capable of complying with the dispatch and settlement requirements in the WESM;</p> <p>(b) Be associated with a revenue metering and remote telemetering facilities capable of measuring all relevant incoming and outgoing energy deliveries for the purpose of dispatch and settlement in the WESM; and</p> <p>(c) As much as possible, represent the connection point between the Network Service Provider and the Trading Participant.</p>	<p>the trading participant. Schedules would be determined at the scheduling nodes while settlement prices and metered quantities will be determined at the settlement nodes. If the remote telemetering facility is at the connection point then the scheduling node and settlement node of the trading participant is at the same location.</p>	<p><i>trading node. Pursuant to the said Circular, the Metering Installations and Installations of Remote Terminal Units (RTU) shall be properly installed at the Connection Point, which shall also represent the Market Trading Node.</i></p> <p><i>The proposal is inconsistent with the said Circular and provisions of market trading node as stipulated in WESM Rules clause 3.2.2.1 (i.e. 3.2.2.1 A market trading node is a designated point in the market network model where energy is bought or sold based on the schedules and prices determined by the market dispatch optimization model.) It will not address the issues on the implementation of Site Specific Loss Adjustment (SSLA). This will complicate further the classification of market trading node which shall be either a generator market trading node or customer trading node.</i></p>		<p>which require substantial SSLA calculations.</p> <p>Generator market trading nodes and customer market trading nodes are simply market trading nodes of generators and customers.</p>

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
Market Trading Nodes	3.2.2.3	If the connection point of the <i>Trading Participant</i> could not be represented in the <i>market network model</i> or if a particular <i>market trading node</i> must be assigned to more than one <i>Trading Participant</i> because the conditions set in Clause 3.2.2.2 are not met, the affected <i>Trading Participants</i> , the <i>Metering Services Provider</i> and the <i>Network Service Provider</i> will mutually agree on adjustments that will be implemented by the <i>Market Operator</i> and the <i>System operator</i> .	(Deleted) If the connection point of the <i>Trading Participant</i> could not be represented in the <i>market network model</i> or if a particular <i>market trading node</i> must be assigned to more than one <i>Trading Participant</i> because the conditions set in Clause 3.2.2.2 are not met, the affected <i>Trading Participants</i>, the <i>Metering Services Provider</i> and the <i>Network Service Provider</i> will mutually agree on adjustments that will be implemented by the <i>Market Operator</i> and the <i>System operator</i>.	Since the connection point does not require a remote telemetering facility under the proposal, all connection points should be representable in the market network model.	Suggest to retain the original provision. <i>As stipulated in the DC2016-05-0007, all Connection Point should be provided with RTU to eliminate the use of SSLA. Clause 3.2.2.3 is transitory provision while the NGCP (as MSP and NSP) would fulfill its obligation under the said DOE Circular.</i>	We propose to retain the current provision. <i>For clarification.</i> <i>For grid-connected customers, we recommend that the Market Operator (MO) continue to perform the SSLA calculations. Replicating the existing system and having a system in each MSP is not cost-effective for end-users.</i> <i>For metering points inside the DU system, there is no need to compute for the SSLA, since the ERC has already established a mechanism for addressing distribution system loss. Section 5.4 of the Distribution Services and Open Access Rules (DSOAR) states:</i> <i>“Connection Customers and the DU shall handle system losses in accordance with the ERC's rules and regulations. The DU is responsible for procuring all energy related to distribution system losses and will be allowed to recover such costs through ERC-approved System Loss Charges, subject to a System Loss Cap. A RES shall also pay any applicable distribution</i>	MERALCO: It is recommended that the MSP perform SSLA since it is their responsibility to provide PEMC metered quantities at connection points. Moreover, the MSP (i.e., NGCP) already performs this adjustment in its own billing procedures. This would also ensure that there would be no inconsistencies on metered quantities among PEMC, NGCP and the trading participants. The proposal does not intend to require DUs to calculate SSLA for metering points of contestable customers. A separate rules change proposal aims to clarify this. DOE: The provision refers to adjustments used in modelling when there is no RTU or there is a shared RTU and is not related to SSLA. It should be noted that providing all connection points with RTUs would still require SSLA if the metering point and the connection point are not co-located.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
						<i>System Loss Charge to the DU for the procurement of energy related to distribution system losses.”</i>	
Market Trading Nodes	3.2.2.4	Nodal prices at market trading nodes shall be used for the settlement of energy for both generators and customers.	Nodal prices at market trading settlement nodes shall be used for the settlement of energy for both generators and customers.	Specify that prices at the settlement nodes will be used during settlement. Prices at the scheduling nodes will not be used during settlements.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Customer Pricing Zones	3.2.3.1	<i>Customer market trading nodes may be grouped into Customer pricing zones in accordance with the procedures to be developed by the Market Operator and subject to the approval of the PEM Board. The Market Operator shall maintain and publish the Customer pricing zones to be used for the settlement of energy for Customers.</i>	<i>Customer market trading settlement nodes may be grouped into Customer pricing zones in accordance with the procedures to be developed by the Market Operator and subject to the approval of the PEM Board. The Market Operator shall maintain and publish the Customer pricing zones to be used for the settlement of energy for Customers.</i>	Clarify that prices from customer settlement nodes will be used for pricing zones.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Load Forecasting	3.5.4	All <i>load forecasts</i> at each <i>Customer market trading node</i> in the <i>market network model</i> shall be specified in units of megawatt (MW) and will apply to the end of the relevant <i>dispatch interval</i> unless otherwise stated.	All <i>load forecasts</i> at each <i>Customer market trading scheduling node</i> in the <i>market network model</i> shall be specified in units of megawatt (MW) and will apply to the end of the relevant <i>dispatch interval</i> unless otherwise stated.	Since remote telemetering facilities are at the scheduling nodes, forecasts will be made on scheduling nodes.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
SCHEDULING AND DISPATCH	3.8.1(b)	Prepare a forecast of the <i>unrestrained net load</i> expected at each <i>market</i>	Prepare a forecast of the <i>unrestrained net load</i> expected at each <i>market trading</i>	Since remote telemetering facilities are at the scheduling	Suggest to retain the original provision.		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
IMPLEMENTATION – Responsibilities of the Market Operator		<i>trading node</i> for the end of that <i>dispatch interval</i> ;	scheduling <i>node</i> for the end of that <i>dispatch interval</i> ;	nodes, forecasts will be made on scheduling nodes.	<i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		proposal is not inconsistent with the circular.
Market Operator Advice on Nodal Loss of Load	3.9.2(b)	<i>dispatch optimization</i> performed under Clause 3.8, indicates that nodal loads are expected to be reduced by the presence of non-zero nodal <i>energy constraint violation variables</i> or <i>nodal energy dispatch prices</i> which are expected to be equal to, or exceed, <i>nodal value of lost load</i> at any <i>Customer market trading node</i> in the <i>market network model</i> , then the <i>Market Operator</i> shall immediately inform the <i>System Operator</i> of the presence of nodal loss of <i>load</i> .	<i>dispatch optimization</i> performed under Clause 3.8, indicates that nodal loads are expected to be reduced by the presence of non-zero nodal <i>energy constraint violation variables</i> or <i>nodal energy dispatch prices</i> which are expected to be equal to, or exceed, the <i>nodal value of lost load</i> at any <i>Customer market trading scheduling node</i> in the <i>market network model</i> , then the <i>Market Operator</i> shall immediately inform the <i>System Operator</i> of the presence of nodal loss of <i>load</i> .	Since schedules are determined at the scheduling nodes, scheduled loss of load would also be reflected on those nodes.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Defining the Gross Energy Settlement Quantity for Market Trading Nodes	3.13.6	For each <i>dispatch interval</i> , the <i>gross energy settlement quantity</i> for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows:	For each <i>dispatch interval</i> , the <i>gross energy settlement quantity</i> for each <i>market trading</i> settlement <i>node</i> shall be determined by the <i>Market Operator</i> as follows:	Clarify that settlement quantities are determined at settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Defining the Gross Energy Settlement Quantity for Market Trading Nodes	3.13.6(a)	If the <i>market trading node</i> is defined under Clause 3.2.2.1 is located on the boundary of the <i>power system</i> operated by the <i>System Operator</i> , the <i>gross energy settlement</i>	If the <i>market trading</i> settlement <i>node</i> is defined under clause 3.2.2.1 as lying on the boundary of the <i>power system</i> operated by the <i>System Operator</i> , the <i>gross ex-post</i>	Clarify that settlement quantities are determined at settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
		quantity for the market trading node is the net metered flow into the power system operated by the System Operator through the associated meter, provided however, that if the market trading node is a Customer market trading node, and there is no ERC-registered embedded generation facility associated with that node, or the source of injection cannot be traced, any injection shall not be accounted for in determining the gross energy settlement quantity for that node;	energy settlement quantity for the market trading settlement node is the net metered flow into the power system operated by the System Operator through the associated meter, provided however, that if the market trading settlement node is associated with a Customer market trading node, and there is no ERC-registered embedded generation facility associated with that node, or the source of injection cannot be traced, any injection shall not be accounted for in determining the gross energy settlement quantity for that node;		Policy/Circular (i.e. DC2016-05-0007).		
Defining the Gross Energy Settlement Quantity for Market Trading Nodes	3.13.6(b)	If the market trading node defined under Clause 3.2.2.2 is a generator market trading node lying on the interface between networks, apparatus or equipment operated by parties other than the System Operator, the gross energy settlement quantity for the market trading node is the net metered flows through the associated meter from the Generation Company to the Customer side of the meter;	If the market trading settlement node defined under Clause 3.2.2.2 associated with is a generator market trading node lying on the interface between networks, apparatus or equipment operated by parties other than the System Operator, the gross energy settlement quantity for the market trading settlement node is the net metered flows through the associated meter from the Generation Company to the Customer side of the meter;	Clarify that settlement quantities are determined at settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
Defining the Gross Energy Settlement Quantity for Market Trading Nodes	3.13.6(c)	If the <i>market trading node</i> defined under Clause 3.2.2.2 is a <i>Customer market trading node</i> located on the interface between networks, or equipment operated by parties other than the <i>System Operator</i> , the gross energy settlement quantity for the <i>market trading node</i> is the negative of the amount determined for the corresponding <i>generator market trading node</i> in Clause 3.13.6.1(b); and	If the <i>market trading node</i> defined under Clause 3.2.2.2 is a <u>associated with</u> a <i>Customer market trading node</i> located on the interface between networks, or equipment operated by parties other than the <i>System Operator</i> , the gross energy settlement quantity for the <i>market trading</i> <u>settlement node</u> is the negative of the amount determined for the corresponding <i>generator settlement node</i> in clause 3.13.6.1(b); and	Clarify that settlement quantities are determined at settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Defining the Gross Energy Settlement Quantity for Market Trading Nodes	3.13.6(d)	If the net metered flows registered through a meter is inconsistent with the expected power flow to the <i>market trading node</i> to which that meter is associated, the <i>Metering Services Provider</i> shall determine and shall notify the <i>Market Operator</i> and the relevant <i>Trading Participant</i> the appropriate manner of determining the gross settlement quantity for that <i>market trading node</i> .	If the net metered flows registered through a meter is inconsistent with the expected power flow to the <i>market trading</i> <u>settlement node</u> to which that meter is associated, the <i>Metering Services Provider</i> shall determine and shall notify the <i>Market Operator</i> and the relevant <i>Trading Participant</i> the appropriate manner of determining the gross settlement quantity for that <i>market trading</i> <u>settlement node</u> ; and	Clarify that settlement quantities are determined at settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Defining the Gross Energy Settlement Quantity for	<u>3.13.6(e) (new)</u>	(blank)	<u>If a settlement node is associated with a single revenue meter and is shared by multiple generating units,</u>	It has been observed that there are some generating units that share a connection point. Since	Please see comments on the proposed amendment under Section 3.2.2.2		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
Market Trading Nodes			<u>the gross energy settlement quantity for each generating unit at that settlement node shall be the net metered flow into the power system operated by the System operator through the associated meter of the settlement node pro-rated to each generating unit based on the measurements of the remote telemetering facility of each generating unit at the end of the dispatch interval. For purposes of settlement, each generating unit shall be considered to have individual settlement nodes at the shared settlement node.</u>	generating units are settled on a per-unit basis, this amendment is proposed to provide basis in allocating metered quantities to the generating units sharing connection points.	<i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		
Determining the Energy Trading Amount	3.13.7.1	For <i>settlement</i> purposes, the <i>energy trading amount</i> for each <i>market trading node</i> and <i>settlement interval</i> will be determined as the aggregate of the: (a) Final nodal energy dispatch prices multiplied by the gross energy settlement quantity (in MWh); less (b) Reference final nodal energy dispatch price multiplied by the	For <i>settlement</i> purposes, the <i>energy trading amount</i> for each <u>trading participant</u> and <i>settlement interval</i> will be determined as the aggregate <u>in all dispatch intervals within that settlement interval</u> of the: (a) <u>Sum of the product of the final nodal energy dispatch prices multiplied by and the gross energy settlement quantity (in MWh) of all settlement nodes of the trading participant;</u> less	Clarify that quantities and prices that would be used for settlement those that are determined at settlement nodes.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
		corresponding <i>bilateral contract</i> quantity (in MWh) as determined under Clause 3.13.1.1 for that node in all <i>dispatch intervals</i> within that <i>settlement interval</i> .	(b) Reference final <i>nodal energy dispatch price</i> multiplied by the corresponding <i>bilateral contract</i> quantity (in MWh) as determined under Clause 3.13.1.1 for that node in all dispatch intervals within that settlement interval of all bilateral contract declarations associated with the trading participant.				
Settlement Amounts for Trading Participants	3.13.11.2(a)	the <i>energy trading amounts</i> for each <i>market trading node</i> for which that <i>Trading Participant</i> is responsible calculated in accordance with Clause 3.13.7 (which may be positive or negative for any <i>Trading Participant</i>); plus	the <i>energy trading amounts</i> for each market trading node for which that Trading Participant is responsible calculated in accordance with Clause 3.13.7 (which may be positive or negative for any <i>Trading Participant</i>); plus	Calculation of energy trading amounts in Clause 3.13.7 is already per Trading Participant and not per market trading node	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Metering – Application of Chapter	4.2(a)	A <i>Customer</i> in respect of any <i>market trading node</i> that is assigned to it through which it purchases electricity from the <i>spot market</i> ;	A <i>Customer</i> in respect of any market trading settlement node that is assigned to it through which it purchases electricity from the <i>spot market</i> ;	Since settlement nodes represent the connection point of trading participants, metered quantities will be determined at the settlement nodes.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Metering – Application of Chapter	4.2(b)	A <i>Generation Company</i> in respect of a <i>market trading node</i> that is assigned to it through which it sells electricity to the spot market, and	A <i>Generation Company</i> in respect of a market trading settlement node that is assigned to it through which it sells electricity to the spot market, and	Since settlement nodes represent the connection point of trading participants, metered quantities will be determined at the settlement nodes.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Metering – Obligations of	4.3.1.1	Before a <i>Trading Participant</i> who is a <i>Direct WESM</i>	Before a <i>Trading Participant</i> who is a <i>Direct WESM Member</i>	Settlement nodes should represent the	Suggest to retain the original provision.		DOE: Installation of RTUs and meters at connection points is not

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
Trading Participants		Member will be permitted by the <i>Market Operator</i> to participate in the <i>spot market</i> in respect of a <i>market trading node</i> , the <i>Trading Participant</i> shall ensure that: (a) Each of its assigned <i>market trading node</i> has a metering installation; XXX	will be permitted by the <i>Market Operator</i> to participate in the <i>spot market</i> in respect of a market trading settlement node , the <i>Trading Participant</i> shall ensure that: (a) Each of its assigned market trading settlement node has a metering installation; XXX	connection point and have revenue metering.	<i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		affected by the proposal; hence, the proposal is not inconsistent with the circular.
Metering – Obligations of Trading Participants	4.3.1.2	The <i>Market Operator</i> may refuse to permit a <i>Trading Participant</i> who is a <i>Direct WESM member</i> to participate in the <i>spot market</i> in respect of any assigned <i>market trading node</i> if the <i>metering installation</i> associated with that <i>market trading node</i> does not comply with the provisions of this chapter 4, the <i>Grid Code</i> and <i>Distribution Code</i> .	The <i>Market Operator</i> may refuse to permit a <i>Trading Participant</i> who is a <i>Direct WESM member</i> to participate in the <i>spot market</i> in respect of any assigned market trading settlement node if the <i>metering installation</i> associated with that market trading settlement node does not comply with the provisions of this chapter 4, the <i>Grid Code</i> and <i>Distribution Code</i> .	Clarify that settlement nodes would have the metering installation	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
REGISTRATION OF METERING SERVICES PROVIDERS	4.4.2	A <i>Generation Company</i> or <i>Customer</i> which is involved in the trading of <i>energy</i> shall not be registered as a <i>Metering Services Provider</i> for any <i>market trading node</i> assigned to it.	A <i>Generation Company</i> or <i>Customer</i> which is involved in the trading of <i>energy</i> shall not be registered as a <i>Metering Services Provider</i> for any market trading settlement node assigned to it.	Clarify that metering will be performed on settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
REGISTRATION OF METERING SERVICES PROVIDERS	4.4.3	If a <i>Trading Participant</i> is a <i>Customer</i> and also a <i>Network Service Provided</i> , the <i>Trading Participant</i> may register as a	If a <i>Trading Participant</i> is a <i>Customer</i> and also a <i>Network Service Provided</i> , the <i>Trading Participant</i> may register as a	Clarify that metering will be performed on settlement nodes	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
		<p><i>Metering Services Provider</i> only for connection points that it does not own.</p> <p>Provided, however, that if such <i>Trading Participant</i> is also a <i>Metering Services Provider</i> and there is only one <i>Metering Services Provider</i> registered with the <i>Market Operator</i> (in the Transmission Level), then it shall be allowed to provide <i>metering services</i> on an interim basis for a <i>market trading node</i> assigned to it or a connection point that it owns until another <i>Metering Services Provider</i> becomes authorized by the <i>ERC</i> and is registered with the <i>Market Operator</i> upon which the <i>metering services</i> shall be transferred to another <i>Metering Services Provider</i> following the applicable procedures.</p>	<p><i>Metering Services Provider</i> only for connection points that it does not own.</p> <p>Provided, however, that if such <i>Trading Participant</i> is also a <i>Metering Services Provider</i> and there is only one <i>Metering Services Provider</i> registered with the <i>Market Operator</i> (in the Transmission Level), then it shall be allowed to provide <i>metering services</i> on an interim basis for a market trading settlement node assigned to it or a connection point that it owns until another <i>Metering Services Provider</i> becomes authorized by the <i>ERC</i> and is registered with the <i>Market Operator</i> upon which the <i>metering services</i> shall be transferred to another <i>Metering Services Provider</i> following the applicable procedures.</p>		<p>Policy/Circular (i.e. DC2016-05-0007).</p>		
Location of Metering Point	4.5.2.1	The <i>Metering Services Provider</i> shall ensure that the <i>metering point</i> is located as close as practicable to the <i>market trading node</i> .	The <i>Metering Services Provider</i> shall ensure that the <i>metering point</i> is located as close as practicable to the market trading settlement node.	Since settlement nodes represent the connection points, metering should be performed at the settlement node. Metering point should be at the connection point per GRM 9.2.1.1 of the PGC.	<p>Suggest to retain the original provision.</p> <p><i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i></p>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
Location of Metering Point	4.5.2.2	The <i>Trading Participant</i> , the <i>Network Service Provider</i> and the <i>Market Operator</i> shall use their best endeavors to agree to adjust the <i>metering data</i> to allow for physical losses between the actual <i>metering point</i> and the relevant <i>market trading node</i> .	<u>If the metering point is not located at the settlement node, the Metering Services Provider, in coordination with the Market Operator and Network Service Provider,</u> The <i>Trading Participant</i>, the <i>Network Service Provider</i> and the <i>Market Operator</i> shall use their best endeavors to agree to adjust the <i>metering data</i> to allow for <u>to include</u> physical losses between the actual <i>metering point</i> and the relevant <u>settlement node</u> .	SSLA would only be performed from the metering point to the settlement node (connection point). Based on the coordination with NGCP, it is proposed that the MSP perform metering data adjustments up to the connection point based on its current methodology for billing.	Suggest to retain the original provision. <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>	We propose to retain the current provision. <i>For clarification.</i> <i>For grid-connected customers, we recommend that the Market Operator (MO) continue to perform the SSLA calculations. Replicating the existing system and having a system in each MSP is not cost-effective for end-users.</i> <i>For metering points inside the DU system, there is no need to compute for the SSLA, since the ERC has already established a mechanism for addressing distribution system loss. Section 5.4 of the Distribution Services and Open Access Rules (DSOAR) states:</i> <i>“Connection Customers and the DU shall handle system losses in accordance with the ERC’s rules and regulations. The DU is responsible for procuring all energy related to distribution system losses and will be allowed to recover such costs through ERC-approved System Loss Charges, subject to a System Loss Cap. A RES shall also pay any applicable</i>	MERALCO: It is recommended that the MSP perform SSLA since it is their responsibility to provide PEMC metered quantities at connection points. Moreover, the MSP (i.e., NGCP) already performs this adjustment in its own billing procedures. This would also ensure that there would be no inconsistencies on metered quantities among PEMC, NGCP and the trading participants. The proposal does not intend to require DUs to calculate SSLA for metering points of contestable customers. A separate rules change proposal aims to clarify this. DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Clause	Provision	Proposed Amendment	Rationale	DOE	MERALCO	PEMC Responses
						<i>distribution System Loss Charge to the DU for the procurement of energy related to distribution system losses."</i>	
Glossary	Gross Energy Settlement Quantity	The <i>energy quantity</i> determined in accordance with Clauses 3.13.6 for a <i>market trading node</i> , in a <i>dispatch interval</i> .	The energy quantity determined in accordance with clauses 3.13.6 for a <i>market trading settlement node</i> , in a <i>dispatch interval</i> .	Clarify that settlement quantities will be determined on settlement nodes	Please see comments on the proposed amendment under Section 3.2.2.2 <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Glossary	<u>Scheduling Node (new)</u>	(blank)	<u>A market trading node that is associated with a remote telemetering facility capable of measure all relevant incoming and outgoing energy deliveries for the purpose of scheduling.</u>	Provide definition of new defined term	Please see comments on the proposed amendment under Section 3.2.2.2 <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Glossary	<u>Settlement Node (new)</u>	(blank)	<u>A market trading node that represents the connection point of a Trading Participant and is associated with revenue metering.</u>	Provide definition of new defined term	Please see comments on the proposed amendment under Section 3.2.2.2 <i>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</i>		DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Proposed Amendments to the WESM Manual on Metering Standards and Procedures on Change of Metering Point Location

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
General Comment						In addition, we are proposing to change the settlement node to		

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
						<p>connection point for SSLA 9.1, 9.2, 9.3, 9.4, 9.5, 9.7.1.1 and 9.7.3; since this relates to the physical location of the meter as well as computing the losses of meter data. Section 2.2 specifically states connection point. The GMC, DMC and the DU/participants are more familiar or knowledgeable on the definition of the connection point which is the asset boundary. This is also to avoid further explanation from the DU, GMC and/or DMC the meaning of settlement node. Changes should also be reflected in the Retail Rules particularly Chapter 4.</p> <p>Also, in the Metering Manual SSLA 9.7.4.1 – it should be both Participant and Net Service Provider. The technical requirement may also be submitted by the participant considering the asset is own by the participant/s. 9.7.4.3 – should be retained.</p>		
Location of the Metering Point	2.2	The location of the <i>metering point</i> is ideally at the <i>market trading node</i> and shall be in accordance with the <i>WESM</i>	The location of the <i>metering point</i> is ideally at the <u>connection point of the trading participant, which is</u>	It is proposed that the location of the metering point be set at the connection point of the			DOE: Suggest to revise as follows:	DOE: Installation of RTUs and meters at connection points is not affected by the proposal;

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p><i>Rules, the Grid Code, and the Distribution Code.</i></p> <p>If the <i>metering point</i> is not located at the <i>market trading node</i>, an agreed Site Specific Loss Adjustment (SSLA) shall be applied to the <i>meter</i> data representing the energy supplied by the <i>Generator</i> or consumed by the <i>Customer</i> at that <i>metering point</i> for determining the quantities to be settled in the <i>WESM</i>.</p>	<p>represented by its settlement node, and shall be in accordance with the <i>WESM Rules, the Grid Code, and the Distribution Code.</i></p> <p>If the <i>metering point</i> is not located at the connection point of the trading participant market trading node, an agreed Site Specific Loss Adjustment (SSLA) shall be applied to the <i>meter</i> data representing the energy supplied by the <i>Generator</i> or consumed by the <i>Customer</i> at that <i>metering point</i> for determining the quantities to be settled in the <i>WESM</i>.</p>	<p>trading participant (settlement node) as per GRM 9.2.1.1 of the Grid Code</p> <p>instead of the market trading node where the remote telemetering facilities are located</p>			<p>The location of the <i>metering point</i> is ideally at the connection point, which shall be considered as the market trading node, and shall be in accordance with the <i>WESM Rules, the Grid Code, and the Distribution Code.</i></p> <p>If the <i>metering point</i> is not located at the <i>market trading node</i>, an agreed Site Specific Loss Adjustment (SSLA) shall be applied to the <i>meter</i> data representing the energy supplied by the <i>Generator</i> or consumed by the <i>Customer</i> at that <i>metering point</i> for determining the quantities to be settled in the <i>WESM</i>.</p> <p>For consistency with DOE Policy/Circular (i.e. DC2016-05-0007).</p>	<p>hence, the proposal is not inconsistent with the circular.</p>
Site-Specific Loss Adjustment – Introduction	9.1	<p>The <i>WESM Rules</i> states that the ideal location of the <i>metering point</i> should be at the <i>market trading node</i> (MTN). The <i>Trading Participant</i>, the <i>Network Service Provider</i>, and the <i>Market Operator</i>, as mandated by the <i>WESM Rules</i>,</p>	<p>The <i>WESM Rules</i> states that the ideal location of the <i>metering point</i> should be at the settlement market trading node (MTN). The Metering Services Provider, in coordination with the Market Operator and Network</p>	<p>Since the proposed ideal location of the metering point is at the connection point, application of SSLA shall only be up to the connection point (settlement node)</p>	<p>We propose to retain the current provision.</p> <p><i>For clarification.</i></p> <p><i>For grid-connected customers, we recommend that the Market Operator (MO)</i></p>		<p>DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators.</p> <p>Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007). The existing</p>	<p>MERALCO: It is recommended that the MSP perform SSLA since it is their responsibility to provide PEMC metered quantities at connection points. Moreover, the MSP (i.e., NGCP) already performs this adjustment in its own billing</p>

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>shall use their best endeavor to adjust the <i>meter</i> registration to account for electrical losses when the <i>metering point</i> is not physically located at the MTN.</p>	<p>Service Provider, Trading Participant, the Network Service Provider, and the Market Operator, as mandated by the <i>WESM Rules</i>, shall use their best endeavor to adjust the <i>meter</i> registration to account for electrical losses when the <i>metering point</i> is not physically located at the <u>settlement node</u> MTN.</p>	<p>Based on the coordination with NGCP, it is proposed that the MSP perform metering data adjustments up to the connection point based on its current methodology for billing.</p>	<p><i>continue to perform the SSLA calculations. Replicating the existing system and having a system in each MSP is not cost-effective for end-users.</i></p> <p><i>For metering points inside the DU system, there is no need to compute for the SSLA, since the ERC has already established a mechanism for addressing distribution system loss. Section 5.4 of the Distribution Services and Open Access Rules (DSOAR) states:</i></p> <p><i>“Connection Customers and the DU shall handle system losses in accordance with the ERC’s rules and regulations. The DU is responsible for procuring all energy related to distribution system losses and will be allowed to recover such costs through ERC-approved System Loss Charges, subject to a System Loss Cap. A RES shall also pay any applicable distribution System Loss Charge to the DU for the</i></p>		<p>provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007) on the appropriate location of metering points and market trading node. Pursuant to the said Circular, the Metering Installations and Installations of Remote Terminal Units (RTU) shall be properly installed at the Connection Point, which shall also represent the Market Trading Node.</p> <p>The proposal is inconsistent with the said Circular and provisions of market trading node as stipulated in WESM Rules clause 3.2.2.1 (i.e. 3.2.2.1 A market trading node is a designated point in the market network model where energy is bought or sold based on the schedules and prices determined by the market dispatch optimization model.) It will not address the issues on the implementation of Site Specific Loss Adjustment (SSLA). This will complicate further the classification of market trading node which shall be either a generator market</p>	<p>procedures. This would also ensure that there would be no inconsistencies on metered quantities among PEMC, NGCP and the trading participants.</p> <p>The proposal does not intend to require DUs to calculate SSLA for metering points of contestable customers. A separate rules change proposal aims to clarify this.</p> <p>DOE: The proposal is not inconsistent with the Circular and WESM Rules clause 3.2.2.1. The proposal merely provides classifications for market trading nodes to allow participants to be settled at a location different from where it is scheduled (e.g., generators, modelled DUs) to reflect actual technical and commercial arrangements. It should be noted that the suggested use of a “scheduling point” will provide the same results as the proposal. Suggestion will require re-drafting of proposed</p>

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
					<i>procurement of energy related to distribution system losses.”</i>		trading node or customer trading node.	<p>amendments to Rules and three (3) manuals.</p> <p>Use of SSLA is minimized under the proposal since settlement nodes are specifically designated at connection points. In the current set-up, market trading nodes are at RTUs point, which require substantial SSLA calculations.</p> <p>Generator market trading nodes and customer market trading nodes are simply market trading nodes of generators and customers.</p>
Site-Specific Loss Adjustment – Definition	9.2	The Site-Specific Loss Adjustment (SSLA) is a procedure developed for determining the amount of electrical losses between the Metering Point and the MTN.	The Site-Specific Loss Adjustment (SSLA) is a procedure developed for determining the amount of electrical losses between the Metering Point and the settlement node MTN.	Reflect the proposed change in the location of the metering point from the market trading node to the connection point			<p>DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators.</p> <p>Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007).</p> <p>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</p>	DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Site-Specific Loss	9.3	This Procedure shall be used to adjust <i>Trading Participant’s</i>	This Procedure shall be used to adjust <i>Trading Participant’s</i>	Since the proposed ideal location of the metering			DOE: Suggest to retain the original provision, but we may	DOE: Installation of RTUs and meters at connection points is

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
Adjustment – Purpose		<p><i>meter</i> data to compensate for the electrical losses in the components that come between the <i>metering point</i> and the MTN. The <i>power</i> and <i>energy</i> registered at the <i>metering point</i> shall be adjusted to reflect <i>meter</i> readings that would have been obtained if the revenue <i>meter</i> is physically located at the MTN.</p> <p>XXX</p>	<p><i>meter</i> data to compensate for the electrical losses in the components that come between the <i>metering point</i> and the settlement node MTN. The <i>power</i> and <i>energy</i> registered at the <i>metering point</i> shall be adjusted to reflect <i>meter</i> readings that would have been obtained if the revenue <i>meter</i> is physically located at the settlement node MTN.</p> <p>XXX</p>	<p>point is at the connection point, application of SSLA shall only be up to the connection point (settlement node)</p>			<p>adopt the term “scheduling points” for the generators.</p> <p>Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007).</p> <p>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</p>	<p>not affected by the proposal; hence, the proposal is not inconsistent with the circular.</p>
Site-Specific Loss Adjustment – Loss Factor	9.4	<p>XXX</p> <p>The SSLF is a unit-less number that shall be multiplied to the original <i>meter</i> data of its corresponding <i>dispatch interval</i>. The end-product of the SSLF and the original <i>meter</i> data is the adjusted <i>power</i> or <i>energy</i> of the <i>Trading Participant</i> as seen from the MTN.</p>	<p>XXX</p> <p>The SSLF is a unit-less number that shall be multiplied to the original <i>meter</i> data of its corresponding <i>dispatch interval</i>. The end-product of the SSLF and the original <i>meter</i> data is the adjusted <i>power</i> or <i>energy</i> of the <i>Trading Participant</i> as seen from the settlement node MTN.</p>	<p>Since the proposed ideal location of the metering point is at the connection point, application of SSLA shall only be up to the connection point (settlement node)</p>			<p>DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators.</p> <p>Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007).</p> <p>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</p>	<p>DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.</p>
Site-Specific Loss Adjustment – Scope	9.5	<p>This Procedure applies to all Revenue <i>metering installations</i> of <i>Trading Participants</i> in the WESM, where the <i>metering</i></p>	<p>This Procedure applies to all Revenue <i>metering installations</i> of <i>Trading Participants</i> in the WESM, where the <i>metering</i></p>	<p>Since the proposed ideal location of the metering point is at the connection point, application of SSLA shall only be up to the</p>			<p>DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators.</p>	<p>DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.</p>

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<i>point</i> is not physically located at the MTN.	<i>point</i> is not physically located at the <u>settlement node</u> MTN.	connection point (settlement node)			Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007). The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).	
Site-Specific Loss Adjustment – Roles and Responsibilities – Network Service Provider	9.7.1.1	The <i>Network Service Provider</i> shall submit to the <i>Market Operator</i> every six months all significant conductor and <i>power</i> transformer data between the <i>metering point</i> and the <i>market trading node</i> and as often as it implements significant changes in the actual physical configuration of the conductor and power transformer between the <i>metering point</i> and the <i>market trading node</i> . XXX	The <i>Network Service Provider</i> shall submit to the <i>Market Operator</i> every six months all significant conductor and <i>power</i> transformer data between the <i>metering point</i> and the <i>market trading settlement node</i> and as often as it implements significant changes in the actual physical configuration of the conductor and power transformer between the <i>metering point</i> and the <i>market trading settlement node</i> . XXX	Since the proposed ideal location of the metering point is at the connection point, application of SSLA shall only be up to the connection point (settlement node)			DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators. Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007). The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).	DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Site-Specific Loss Adjustment – Roles and Responsibilities – Metering	9.7.2	9.7.2.1 The <i>Metering Services Provider</i> shall collect and deliver to the <i>Market Operator</i> the <i>meter</i> data containing the daily <i>energy</i> consumption or delivery of all <i>Trading Participants</i> .	9.7.2.1 <u>The Metering Services Provider shall, on a monthly basis, adjust the metered quantities of all Trading Participant for losses up to their corresponding connection points using the</u>	Based on the coordination with NGCP, it is proposed that the MSP perform metering data adjustments up to the connection point based on its current methodology for billing. The adjustment	We propose to retain the current provision. <i>For clarification.</i> <i>For grid-connected customers, we recommend that the Market Operator (MO)</i>		DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators. Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007).	MERALCO: It is recommended that the MSP perform SSLA since it is their responsibility to provide PEMC metered quantities at connection points. Moreover, the MSP (i.e., NGCP) already performs this adjustment in its own billing

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
Services Provider			<p><u>general equations under Section 9.7 of this Manual.</u></p> <p><u>9.7.2.2</u> The Metering Services Provider shall collect and deliver to the Market Operator the meter data containing the daily monthly adjusted energy consumption or delivery of all Trading Participants.</p> <p><u>9.7.2.3 Calculate the loss adjustment in accordance with this procedure.</u></p> <p><u>9.7.2.4 Develop in consultation with the WESM Participants, a standard table of reference, containing data for power transformers and conductors.</u></p>	<p>is proposed to be performed on a monthly basis.</p> <p>Subsequently, functions related to the calculation of SSLA are also proposed to be transferred to the MSP.</p>	<p><i>continue to perform the SSLA calculations. Replicating the existing system and having a system in each MSP is not cost-effective for end-users.</i></p> <p><i>For metering points inside the DU system, there is no need to compute for the SSLA, since the ERC has already established a mechanism for addressing distribution system loss. Section 5.4 of the Distribution Services and Open Access Rules (DSOAR) states:</i></p> <p><i>“Connection Customers and the DU shall handle system losses in accordance with the ERC’s rules and regulations. The DU is responsible for procuring all energy related to distribution system losses and will be allowed to recover such costs through ERC-approved System Loss Charges, subject to a System Loss Cap. A RES shall also pay any applicable distribution System Loss Charge to the DU for the</i></p>		<p>The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).</p>	<p>procedures. This would also ensure that there would be no inconsistencies on metered quantities among PEMC, NGCP and the trading participants.</p> <p>The proposal does not intend to require DUs to calculate SSLA for metering points of contestable customers. A separate rules change proposal aims to clarify this.</p> <p>DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.</p>

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
					<i>procurement of energy related to distribution system losses.”</i>			
Site-Specific Loss Adjustment – Roles and Responsibilities – Trading Participant	9.7.3	The <i>Trading Participant</i> , in coordination with the <i>Network Service Provider</i> , shall submit to the <i>Market Operator</i> all significant conductor and power transformer data between its <i>metering point</i> and the <i>market trading node</i> upon its registration in the <i>WESM</i> , and as often as it notices significant changes in the actual physical configuration of the conductor and power transformer between its <i>metering point</i> and the <i>market trading node</i> . The <i>Trading Participant</i> shall submit the same type of data stated in Sub-sections 9.7.1.1.1 and 9.7.1.1.2.	The <i>Trading Participant</i> , in coordination with the <i>Network Service Provider</i> , shall submit to the <i>Market Operator</i> all significant conductor and power transformer data between its <i>metering point</i> and the <i>market trading settlement</i> <i>node</i> upon its registration in the <i>WESM</i> , and as often as it notices significant changes in the actual physical configuration of the conductor and power transformer between its <i>metering point</i> and the <i>market trading settlement</i> <i>node</i> . The <i>Trading Participant</i> shall submit the same type of data stated in Sub-section 9.7.1.1.1 and 9.7.1.1.2.	Since the proposed ideal location of the metering point is at the connection point, application of SSLA shall only be up to the connection point (settlement node)			DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators. Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007). The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).	DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Site-Specific Loss Adjustment – Roles and Responsibilities – Market Operator	9.7.4.1	The <i>Market Operator</i> shall reconcile the data submitted by the <i>Network Service Provider</i> and the <i>Trading Participant</i> . The reconciled data shall be agreed by the <i>Market Operator</i> , <i>Network Service Provider</i> and the <i>Trading Participants</i> . The	The <i>Market Operator</i> shall <u>provide the Metering Services Provider the conductor and power transformer data related to its metering points as provided by the Network Service Providers.</u> reconcile the data submitted by the	This provision is proposed to facilitate the provision of system data to the MSP if the NSP is a different organization (e.g., DU).			DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators. Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007).	DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		Market Operator shall use the reconciled data starting on the current billing month only, then progressively for the succeeding billing months until a new conductor and power transformer data is submitted.	Network Service Provider and the Trading Participant. The reconciled data shall be agreed by the Market Operator, Network Service Provider and the Trading Participants. The Market Operator shall use the reconciled data starting on the current billing month only, then progressively for the succeeding billing months until a new conductor and power transformer data is submitted.				The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).	
Site-Specific Loss Adjustment – Roles and Responsibilities – Market Operator	9.7.4.2	Calculate the loss adjustment in accordance with this procedure using Microsoft Excel.	<u>The Market Operator shall use the adjusted metered quantities submitted by the Metering Services Providers for settlement purposes.</u> Calculate the loss adjustment in accordance with this procedure using Microsoft Excel.	Calculation of the loss adjustment is proposed to be performed by the MSPs. The proposed new clause aims to clarify that the MO will use the adjusted data for settlement.			DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators. Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007). The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).	DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.
Site-Specific Loss Adjustment – Roles and Responsibilities – Market Operator	9.7.4.3	9.7.4.3 Develop in consultation with the WESM Participants, a standard table of reference, containing data for power transformers and conductors.	9.7.4.3 Develop in consultation with the WESM Participants, a standard table of reference, containing data for power transformers and conductors.	This function is proposed to be transferred to the MSP since they are proposed to be the ones to calculate SSLA.			DOE: Suggest to retain the original provision, but we may adopt the term “scheduling points” for the generators.	DOE: Installation of RTUs and meters at connection points is not affected by the proposal; hence, the proposal is not inconsistent with the circular.

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
							Further, kindly harmonize with DOE Policy/Circular (i.e. DC2016-05-0007). The existing provision is more consistent with DOE Policy/Circular (i.e. DC2016-05-0007).	
Site-Specific Loss Adjustment – Loss Calculation	9.8.1 to 9.8.2	9.8.1 Load Customer Cases: XXX 9.8.2 Generator Cases: XXX 8 8	9.8.1 Load Customer Cases: XXX 9.8.2 Generator Cases: XXX 8 8	The cases provided under this section consider adjustments up to the market trading nodes. This results in cases when there are multiple metering points in one market trading node. Since it is proposed that the metering point should be at the connection point, there will only be one metering point per connection point; hence, the cases provided would not be applicable anymore.				
Site-Specific Loss Adjustment – Loss Calculation	9.8.3	9.8.3 General Equations: The following are the equations to be used for calculating the SSLF: $kW_{\text{Meter}} = \text{ (kWhM)}$	9.8.3 General Equations: The following are the equations to be used for calculating the SSLF: $kW_{\text{Meter}} = \text{ (kWhMet)}$	The general equations are revised to reflect the equations used by the MSP in its current methodology.				

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		$\frac{kWh_{Meter}}{eter-15min + kWh_{Meter} + 30min + kWh_{Meter} + 45min + kWh_{Meter} + 00min) \div 1h}$ $kVar_{Meter} = (kVarh_{Meter} + 15min + kVarh_{Meter} + 30min + kVarh_{Meter} + 45min + kVarh_{Meter} + 00min) \div 1h$ $I_{Line} = \frac{kW_{Meter}}{\div ((\sqrt{3}) * V * pf_{Meter})}$	$\frac{kWh_{Meter}}{er-15min + kWh_{Meter} + 30min + kWh_{Meter} + 45min + kWh_{Meter} + 00min) \div 1h}$ $kVar_{Meter} = (kVarh_{Meter} + 15min + kVarh_{Meter} + 30min + kVarh_{Meter} + 45min + kVarh_{Meter} + 00min) \div 1h$ $I_{Line} = \frac{kW_{Meter}}{\div ((\sqrt{3}) * V * pf_{Meter})}$					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		$pf_{\text{Meter}} = \cos(\tan^{-1}(\frac{kVar_{\text{Meter}}}{kW_{\text{Meter}}}))$ $Line_{kW-Loss} = \frac{(I_{\text{Line}})^2 * R_{\text{Line}}}{1000}$ $R_{\text{Line}} = r_a * L$ $Line_{kVar-Loss} = \frac{(I_{\text{Line}})^2 * X_{\text{Line}}}{1000}$ $X_{\text{Line}} = X_l * L$ $Transformer_{Loss} = T_{\text{Core}_{Loss}} + T_{\text{Copper}_{Loss}}$ $T_{\text{Core}_{Loss}} = \text{constant loss from the open-circuit test}$	 $pf_{\text{Meter}} = \cos(\tan^{-1}(\frac{kVar_{\text{Meter}}}{kW_{\text{Meter}}}))$ $Line_{kW-Loss} = \frac{(I_{\text{Line}})^2 * R_{\text{Line}}}{1000}$ $R_{\text{Line}} = r_a * L$ $Line_{kVar-Loss} = \frac{(I_{\text{Line}})^2 * X_{\text{Line}}}{1000}$ $X_{\text{Line}} = X_l * L$ $Transformer_{kW-Loss} = \frac{kW_{\text{meter}} * \% \text{Transformer}_{Loss}}{T_{\text{Core}_{Loss}} + T_{\text{Copper}_{Loss}}}$ $T_{\text{Core}_{Loss}} = \text{constant loss from the}$ 					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p> $TCopper_{Loss} = \text{full-load copper loss from the short-circuit test or } P_{Short-Circuit}$ $Core_{Loss-Meter} = \frac{TCore_{Loss} * kW_{M1}}{\sum kW_{Meters}}$ (Formula to be used if all meters register consumption, core loss being shared by all meters proportionally) </p>	<p> open-circuit test $TCopper_{Loss} = \text{full-load copper loss from the short-circuit test or } P_{Short-Circuit}$ $Core_{Loss-Meter} = \frac{TCore_{Loss} * kW_{M1}}{\sum kW_{Meters}}$ (Formula to be used if all meters register consumption, core loss being shared by all meters proportionally) </p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>onal to its consumption)</p> $Core_{Loss-Meter} = \frac{TCore_{Loss} * kW_{M1} * HLS_{M1}}{}$ <p>(Formula to be used if one or more or all of the meter/s register/s zero, core loss being shared according to the historical load factor of each metering point)</p>	<p><i>meters proportional to its consumption)</i></p> $Core_{Loss-Meter} = \frac{TCore_{Loss} * kW_{M1} * HLS_{M1}}{}$ <p><i>(Formula to be used if one or more or all of the meter/s register/s zero, core loss being shared according to the historical load factor of each metering point)</i></p> $Copper_{Loss-Meter} = (kW_{Meter})$					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>Copper_{Loss-Meter} =</p> $\frac{((kW_{Meter} \cdot r \cdot pf_{Meter}) \div T_{kVA-Rating})^2 \cdot P_{Short-Circuit}}{P_{Short-Circuit}}$ <p>Total_{kW-Loss} =</p> $Line_{kW-Loss} + Core_{Loss-Meter} + Copper_{Loss-Meter}$ <p>SSLF = 1 + (Total_{kW-Loss} ÷ kW_{Meter})</p> <p>Adjusted_{kW} = SSLF * kW_{Meter}</p> <p>Total_{kW-Loss} =</p> $Line_{kW-Loss} + Core_{Loss-Meter} + Copper_{Loss-Meter}$ <p>Where:</p>	$\frac{((kW_{Meter} \cdot r \cdot pf_{Meter}) \div T_{kVA-Rating})^2 \cdot P_{Short-Circuit}}{P_{Short-Circuit}}$ <p>Total_{kW-Loss} = Line_{kW-Loss} + Transfer_{kW-Loss} + Core_{Loss-Meter} + Copper_{Loss-Meter}</p> <p>SSLF = 1 + (Total_{kW-Loss} ÷ kW_{Meter})</p> <p>Adjusted_{kW} = SSLF * kW_{Meter}</p> <p>Total_{kW-Loss} =</p> $Line_{kW-Loss} + Core_{Loss-Meter} + Copper_{Loss-Meter}$ <p>Adjusted_{kWh} = Adjusted_{kW} * t</p> <p>Where:</p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		$kWh_{\text{Meter-XXMin},i}$: 15- minute active energy meter registrat ion	$kWh_{\text{Meter},i}$: dispatch interval active energy meter registrati on					
		$kVarh_{\text{Meter-XXMin},i}$: 15- minute reactive energy meter registrat ion	$kVarh_{\text{Meter},i}$: dispatch interval reactive energy meter registrati on					
		kW_{Meter} : active power derived from the meter registrat ion	kW_{Meter} : active power derived from the meter registrati on					
		I_{Line} : current (Amper e) along the line	I_{Line} : current (Ampere) along the line					
		V : voltage						

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>(kV) level of the line</p> <p>pf_{Meter} : power factor from the derived <i>active</i> and <i>reactive</i> power</p> <p>$kVar_{\text{Meter}}$: <i>reactive</i> power derived from the <i>meter</i> registrat ion</p> <p>$Line_{kW-Loss}$: the active loss (kW) along the line</p> <p>$Line_{kVar-Loss}$: the reactive loss (kVar)</p>	<p>V : <i>voltage</i> (kV) level of the line</p> <p>pf_{Meter} : power factor from the derived <i>active</i> and <i>reactive</i> power</p> <p>$kVar_{\text{Meter}}$: <i>reactive</i> power derived from the <i>meter</i> registrati on</p> <p>$Line_{kW-Loss}$: the active loss (kW) along the line</p> <p>$Line_{kVar-Loss}$: the reactive loss (kVar)</p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>along the line</p> <p>R_{Line} : total resistance (ohm) of the line</p> <p>X_{Line} : total inductive reactance (ohm) of the line</p> <p>r_a : resistance per unit length (ohm/km) of the line</p> <p>X_l : total inductive reactance per unit length</p>	<p>along the line</p> <p>R_{Line} : total resistance (ohm) of the line</p> <p>X_{Line} : total inductive reactance (ohm) of the line</p> <p>r_a : resistance per unit length (ohm/km) of the line</p> <p>X_l : total inductive reactance per unit length (ohm/km) of the line</p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		(ohm/km) of the line	L : total line length (km)					
		L : total line length (km)	Transformer _{kW-Loss} : total loss (kW) in the transformer					
		Transformer _{Loss} : total loss (kW) in the transformer	T _{Core} _{Loss} : constant loss (kW) from the open-circuit test					
		T _{Core} _{Loss} : constant loss (kW) from the open-circuit test	T _{Copper} _{Loss} : full-load copper loss (kW) from the short-circuit test					
		T _{Copper} _{Loss} : full-load copper loss (kW) from the short-	P _{Short-Circuit} : same meaning					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>circuit test</p> <p>$P_{\text{Short-Circuit}}$: same meaning as the T_{Copper} r_{Loss}</p> <p>$\text{Core}_{\text{Loss-Meter}}$: <i>meter's</i> equivalent share (kW) of the $T_{\text{Core}_{\text{Loss}}}$</p> <p>$\text{Copper}_{\text{Loss-Meter}}$: <i>meter's</i> equivalent share (kW) of the T_{Copper} r_{Loss}</p> <p>$\sum kW_{\text{Meters}}$: summation of active</p>	<p>as the T_{Copper} Loss</p> <p>$\text{Core}_{\text{Loss-Meter}}$: <i>meter's</i> equivalent share (kW) of the $T_{\text{Core}_{\text{Loss}}}$</p> <p>$\text{Copper}_{\text{Loss-Meter}}$: <i>meter's</i> equivalent share (kW) of the T_{Copper} Loss</p> <p>$\sum kW_{\text{Meters}}$: summation of active power derived from the <i>meter</i> readings of all <i>metering</i></p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>power derived from the meter readings of all metering points under the same transformer</p> <p>HLS : Historical Load Share; the fraction or ratio of a metering point's total energy, against the total energy of all metering points</p>	<p>points under the same transformer</p> <p>HLS : Historical Load Share; the fraction or ratio of a metering point's total energy, against the total energy of all metering points under the same transformer. The HLS for the current billing month</p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>under the same transformer. The HLS for the current billing month shall be based on the energy of the last twelve (12) billing months.</p> <p>M₁ : pertains to the first <i>meter</i>, and so on</p> <p>T_{kVA-Rating} : transformer</p>	<p>shall be based on the energy of the last twelve (12) billing months.</p> <p>M₁ : pertains to the first <i>meter</i>, and so on</p> <p>T_{kVA-Rating} : transformer rating (kVA)</p> <p>Total_{kW-Loss} : total active loss (kW) for a <i>metering point</i></p>					

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
		<p>rating (kVA)</p> <p>Total_{kW-Loss} : total active loss (kW) for a metering point</p> <p>Adjusted_{kW} : adjusted (kW) active power</p> <p>SSLF : Site – Specific Loss Factor</p>	<p>Adjusted_{kW} : adjusted (kW) active power</p> <p>SSLF : Site – Specific Loss Factor</p>					
Site-Specific Loss Adjustment – Loss Calculation	9.8.4	<p>9.8.4 Detail Loss Calculation:</p> <p>The detailed example loss calculations for every case are included in the Appendix of this Market Manual under “Site – Specific Loss Adjustment”.</p>	<p>9.8.4 Detail Loss Calculation:</p> <p>The detailed example loss calculations for every case are included in the Appendix of this Market Manual under “Site – Specific Loss Adjustment”.</p>	Since cases would not be applicable anymore, this section is proposed to be deleted.				
Site-Specific Loss Adjustment – Procedural	9.9	<p>9.9 Procedural Steps for SSLA</p> <p>XXX</p>	<p>9.9 Procedural Steps for SSLA</p> <p>XXX</p>	This section is proposed to be deleted since the MSP will perform the adjustments.				

Title	Section	Provision	Proposed Amendment	Rationale	MERALCO	PEMC – BSMD	DOE	PEMC Responses
Steps for SSLA								
SITE – SPECIFIC LOSS ADJUSTME NT	Appendix	SITE – SPECIFIC LOSS ADJUSTMENT XXX	SITE – SPECIFIC LOSS ADJUSTMENT XXX	The cases provided under this section consider adjustments up to the market trading nodes. This results in cases when there are multiple metering points in one market trading node. Since it is proposed that the metering point should be at the connection point, there will only be one metering point per connection point; hence, the cases provided would not be applicable anymore.				

Proposed Amendments to the WESM Rules for Clarifications on Retail Market Integration

Title	Clause	Provision	Proposed Amendment	Rationale	DOE
Market Trading Nodes	3.2.2.6 (new)	(blank)	<u>A connection point of a customer that is a contestable customer and is directly connected to a distribution system shall be represented in the market network model by the market trading node of its grid off-take metering point.</u>	<p>This proposal provides for a basis in the representation of CCs within a DU franchise area, which are WESM trading participants, in the market network model through its host DU's trading nodes. This is in compliance with the WESM Rules 3.2.2.1 which requires the assignment of a market trading node to a WESM trading participant for purposes of dispatch and settlement in the WESM.</p> <p>As such, the price at the DU's market trading node where the CC's grid off-take metering point is associated will be used for the settlement of energy for CCs.</p>	<p>Suggest to revise the proposal as follows:</p> <p><u>A connection point of a customer that is a contestable customer and is directly connected to a distribution system shall be represented in the market network model by the market trading node of its grid off-take metering point.</u></p> <p><i>For clarity</i></p>
Defining the Gross Energy Settlement Quantity for Market Trading Nodes	3.13.6	<p>For each <i>dispatch interval</i>, the gross energy settlement quantity for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows:</p> <p>XXX</p> <p>(d) If the net metered flows registered through a meter is inconsistent with the expected power flows at the <i>market trading node</i> to which that meter is associated, the <i>Metering</i></p>	<p>For each <i>dispatch interval</i>, the gross energy settlement quantity for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows:</p> <p>XXX</p> <p><u>(d) The gross energy settlement quantity of a market trading node of a Customer who is a Distribution Utility with a contestable customer connected to its distribution system</u></p>	<p>Provide reference to the Retail Rules on the calculation of GESQ for DUs with contestable customers, and contestable customers. Determination of GESQ of retail participants is different from the rest of the WESM trading participants.</p>	

Title	Clause	Provision	Proposed Amendment	Rationale	DOE
		<p><i>Services Provider</i> shall determine and shall notify the <i>Market Operator</i> and the relevant <i>Trading Participant</i> the appropriate manner of determining the gross <i>ex-post settlement quantity</i> for that <i>market trading node</i>.</p>	<p><u>shall be determined in accordance with Retail Rules Clause 3.3.3.3.</u></p> <p><u>(e) The gross energy settlement quantity of a market trading node of a contestable customer shall be determined in accordance with Retail Rules Clause 3.3.4.</u></p> <p><u>(f)</u> If the net metered flows registered through a meter is inconsistent with the expected power flows at the <i>market trading node</i> to which that meter is associated, the <i>Metering Services Provider</i> shall determine and shall notify the <i>Market Operator</i> and the relevant <i>Trading Participant</i> the appropriate manner of determining the gross <i>ex-post settlement quantity</i> for that <i>market trading node</i>.</p>		
Settlement Amounts for Trading Participants	3.13.11.1	<p>For each <i>billing period</i>, the <i>Market Operator</i> shall determine the <i>settlement amount</i> for each <i>Trading Participant</i> as the sum of the aggregate trading amounts for the <i>settlement intervals</i> in that <i>billing period</i>, determined in accordance with clause 3.13.11.2: plus</p> <p>XXX</p>	<p><u>Subject to WESM Rules Clause 3.13.11.4,</u> for each <i>billing period</i>, the <i>Market Operator</i> shall determine the <i>settlement amount</i> for each <i>Trading Participant</i> as the sum of the aggregate trading amounts for the <i>settlement intervals</i> in that <i>billing period</i>, determined in accordance with clause 3.13.11.2: plus</p> <p>XXX</p>	Provide reference to the Retail Rules on the calculation of settlement amounts of suppliers and contestable customers. Calculation of settlement amounts of retail participants is different from the rest of the WESM trading participants.	

Title	Clause	Provision	Proposed Amendment	Rationale	DOE
Settlement Amounts for Trading Participants	3.13.11.4 (new)	(blank)	<u>Settlement amounts of customers that are contestable customers or suppliers shall be determined in accordance with Retail Rules Clause 3.3.9.</u>	Provide reference to the Retail Rules on the calculation of settlement amounts of suppliers and contestable customers. Calculation of settlement amounts of retail participants is different from the rest of the WESM trading participants.	As discussed, for consistency/clarity, same with suggested DOE wording on 3.2.2.6
Metering – Application of Chapter	4.2	This chapter 4 applies to: XXX (d) All WESM members as far as applicable.	This chapter 4 applies to: XXX (d) All WESM members as far as applicable. <u>This chapter 4 does not apply to customers that are contestable customers and are directly connected to distribution systems. Obligations, requirements, and procedures related to the metering of customers that are contestable customers and are directly connected to distribution systems are provided under Section 4 of the Retail Rules.</u>	Clarify that contestable customers within DUs are subject to the metering requirements in the Retail Rules and not the WESM Rules although they are also WESM trading participants. Contestable customers within DUs are subject to the Distribution Code instead of the Grid Code.	As discussed, for consistency/clarity, same with suggested DOE wording on 3.2.2.6
Glossary	<u>Contestable Customer (new)</u>	(blank)	<u>An electricity end user that is certified by the ERC as having met the demand threshold for contestability as set out in the Act. Collectively, these end users make up the contestable market.</u>	Definition is provided since the term will be used with the proposal. Definition is from the Retail Rules.	

Title	Clause	Provision	Proposed Amendment	Rationale	DOE
Glossary	Customer	A person who: (a) engages in the activity of purchasing electricity supplied through a transmission or distribution system other than where all that person's electricity requirements are purchased from a Supplier, and (b) registers with the <i>Market Operator</i> in that capacity under clause 2.3.2.	A person who: (a) engages in the activity of purchasing electricity supplied through a transmission or distribution system other than where all that person's electricity requirements are purchased from a Supplier , and (b) registers with the <i>Market Operator</i> in that capacity under clause 2.3.2.	Since contestable customers are registered in the WESM, phrase proposed to be removed is not true.	
Glossary	<u>Grid off-take metering point (new)</u>	(blank)	<u>Metering point at a grid at which the settlement quantity of a Contestable Customer connected to a distribution system shall be determined.</u>	Definition is provided since the term will be used in determination of GESQ with the proposal. Definition is from the Retail Rules.	
Glossary	<u>Retail Rules (new)</u>	(blank)	<u>The rules promulgated by the DOE governing the integration of retail competition in the operations and governance processes of the WESM and the management of the transactions of Suppliers and Contestable Customers in the WESM, and the operations of the Central Registration Body.</u>	Definition is provided since the term will be used with the proposal. Definition is from the Retail Rules.	

Proposed Amendments to the Retail Rules for Clarifications on Retail Market Integration

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
Defining Gross Energy Settlement Quantities	3.3.3.1	The gross <i>energy settlement quantity</i> determined in accordance with the <i>WESM Rules</i> at each <i>grid off-take metering point</i> for each <i>dispatch interval</i> in the settlement intervals in the billing period shall be allocated among the <i>Trading Participants</i> connected at said <i>grid off-take metering point</i> as specified in Appendix A of these <i>Retail Rules</i> .	(Deleted) The gross <i>energy settlement quantity</i> determined in accordance with the <i>WESM Rules</i> at each <i>grid off-take metering point</i> for each <i>dispatch interval</i> in the settlement intervals in the billing period shall be allocated among the <i>Trading Participants</i> connected at said <i>grid off-take metering point</i> as specified in Appendix A of these <i>Retail Rules</i>.	It is proposed that losses from SSLA be allocated to the DU only. The current process requires the DU to take into account SSLA allocations of contestable customers when charging distribution losses. Allocating SSLA fully to the DU clarifies that the quantities of contestable customers refer only to energy consumption. This clause provides for the allocation of the gross energy settlement quantity, which includes SSLA, to CCs and the DU; hence, the provision	We support the proposal to allocate the SSLA to the DU only and not to individual contestable customers.

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
				is proposed to be deleted.	
Defining Gross Energy Settlement Quantities	3.3.3.2	The <i>site specific loss adjustments</i> determined at a <i>grid off-take metering point</i> shall be allocated among the <i>Trading Participants</i> connected at said <i>grid off-take metering point</i> in the proportion that their respective metered quantities bear to the total metered quantities at said <i>grid off-take metering point</i> .	The <i>site specific loss adjustments</i> determined at a <i>grid off-take metering point</i> shall be allocated to the <u>Distribution Utility</u> , among the <i>Trading Participants</i> connected at said <i>grid off-take metering point</i> in the proportion that their respective metered quantities bear to the total metered quantities at said <i>grid off-take metering point</i> .	It is proposed that losses from SSLA be allocated to the DU only. The current process requires the DU to take into account SSLA allocations of contestable customers when charging distribution losses. Allocating SSLA fully to the DU clarifies that the quantities of contestable customers refer only to energy consumption.	We support the proposal to allocate the SSLA to the DU only and not to individual contestable customers.
Determining the Metered Quantities of Contestable Customers	3.3.4	Determining the Metered Quantities of Contestable Customers	Determining the Gross Energy Settlement Metered Quantities of Contestable Customers	Clarify that quantities from the metering data of contestable customers will already be their settlement quantities since SSLA is proposed not to be applied to contestable customers.	We support the proposal to allocate the SSLA to the DU only and not to individual contestable customers.

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
Determining the Metered Quantities of Contestable Customers	3.3.4.1	The <i>metered quantity</i> of each <i>Contestable Customer</i> connected to a <i>grid off-take metering point</i> shall be determined as the net metered flows at their respective metering installations associated with such <i>grid off-take metering point</i> , before adjustment for site specific losses.	The <i>gross energy settlement quantity</i> of each <i>Contestable Customer</i> connected to a <i>grid off-take metering point</i> shall be determined as the net metered flows at their respective metering installations associated with such <i>grid off-take metering point</i> , before adjustment for site specific losses.	Clarify that quantities from the metering data of contestable customers will already be their settlement quantities since SSLA is proposed not to be applied to contestable customers.	We support the proposal to allocate the SSLA to the DU only and not to individual contestable customers.
Determining the Metered Quantities of Contestable Customers	3.3.4.2	The <i>Central Registration Body</i> shall determine the <i>metered quantity</i> of the <i>Contestable Customers</i> at a <i>grid off-take metering point</i> using the meter data provided by the relevant <i>Metering Services Provider</i> and <i>Retail Metering Services Provider</i> to the <i>Central Registration Body</i> in accordance with the <i>billing and settlement timetable</i> .	The <i>Central Registration Body</i> shall determine the <i>gross energy settlement quantity</i> of the <i>Contestable Customers</i> at a <i>grid off-take metering point</i> using the meter data provided by the relevant <i>Metering Services Provider</i> and <i>Retail Metering Services Provider</i> to the <i>Central Registration Body</i> in accordance with the <i>billing and settlement timetable</i> .	Clarify that quantities from the metering data of contestable customers will already be their settlement quantities since SSLA is proposed not to be applied to contestable customers.	We support the proposal to allocate the SSLA to the DU only and not to individual contestable customers.
Determining the Metered Quantities of Contestable Customers	3.3.4.3	If no meter data is submitted by the relevant <i>Metering Services Provider</i> or <i>Retail Metering Services Provider</i> in accordance with the <i>billing and settlement timetable</i> : a) The <i>Central Registration Body</i> shall determine the <i>metered quantity</i> of a <i>Contestable</i>	If no meter data is submitted by the relevant <i>Metering Services Provider</i> or <i>Retail Metering Services Provider</i> in accordance with the <i>billing and settlement timetable</i> : a) The <i>Central Registration Body</i> shall determine the <i>gross energy settlement</i>	Clarify that quantities from the metering data of contestable customers will already be their settlement quantities since SSLA is proposed not to be applied to	We support the proposal to allocate the SSLA to the DU only and not to individual contestable customers.

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
		<p><i>Customer</i> using that <i>Contestable Customer's</i> historical load profiles, and the <i>metered quantity</i> so determined shall be used for determining the <i>Contestable Customer's</i> settlement quantities for the billing period.</p> <p>b) Upon provision by the <i>Metering Services Provider or Retail Metering Services Provider</i> of the meter data, a settlement revision shall be performed on the succeeding billing period using the metered quantities based on the meter data so provided.</p> <p>c) The <i>Central Registration Body</i> shall develop and publish the methodologies and procedures for determining <i>metered quantity</i> by using historical load profiles.</p>	<p><i>quantity</i> of a <i>Contestable Customer</i> using that <i>Contestable Customer's</i> historical load profiles, and the <i>gross energy settlement quantity</i> so determined shall be used for determining the <i>Contestable Customer's</i> settlement quantities for the billing period.</p> <p>b) Upon provision by the <i>Metering Services Provider or Retail Metering Services Provider</i> of the meter data, a settlement revision shall be performed on the succeeding billing period using the <i>gross energy settlement</i> quantities based on the meter data so provided.</p> <p>c) The <i>Central Registration Body</i> shall develop and publish the methodologies and procedures for determining <i>gross energy settlement quantity</i> by using historical load profiles.</p>	contestable customers.	
Determining the Trading Amounts of Suppliers	3.3.8	The <i>trading amount</i> of each <i>Supplier</i> for each <i>settlement interval</i> in the billing period shall be the sum of all the <i>trading</i>	The <i>trading amount</i> of each <i>Supplier</i> for each <i>settlement interval</i> in the billing period shall be <i>its trading amount</i>	Clarify that suppliers can have trading amounts calculated in accordance with	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
		<p>amounts determined for each of the <i>Contestable Customers</i> for which such the <i>Supplier</i> is transacting as <i>Direct WESM Member counterparty</i>.</p>	<p>calculated in accordance with the <i>WESM Rules</i> clause 3.13.11.2 plus the sum of all the <i>trading amounts</i> determined for each of the <i>Contestable Customers</i> for which such the <i>Supplier</i> is transacting as <i>Direct WESM Member counterparty</i>.</p>	<p>the WESM Rules. The trading amounts would be from bilateral contract declarations directly to the suppliers.</p>	
Determining Settlement Amounts	3.3.9.1	<p>For each billing period, the settlement amount for each <i>Supplier</i> shall be:</p> <p>The sum of the aggregate <i>trading amounts</i> of all the <i>Contestable Customers</i> for which it is transacting as <i>Direct WESM Member counterparty</i>; any market fees and transaction fees which the <i>Supplier</i> and its <i>Contestable Customers</i> are required to pay to the <i>Market Operator</i> and the <i>Central Registration Body</i>; and any other amounts payable to the <i>Market Operator</i> or the <i>Central Registration Body</i> by the <i>Supplier</i> and its <i>Contestable Customers</i>;</p> <p>XXX</p>	<p>For each billing period, the settlement amount for each <i>Supplier</i> shall be:</p> <p>The sum of the aggregate <i>trading amounts</i> determined in accordance with clause 3.3.8 of all the <i>Contestable Customers</i> for which it is transacting as <i>Direct WESM Member counterparty</i>; any market fees and transaction fees which the <i>Supplier</i> and its <i>Contestable Customers</i> are required to pay to the <i>Market Operator</i> and the <i>Central Registration Body</i>; and any other amounts payable to the <i>Market Operator</i> or the <i>Central Registration Body</i> by the <i>Supplier</i> and its <i>Contestable Customers</i>;</p> <p>XXX</p>	<p>Reflect proposed change to clause 3.3.8. Since trading amounts of contestable customers are already aggregated to the supplier per interval then the monthly settlement amount of a supplier may simply be stated as the aggregate of its per interval trading amounts.</p>	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
Provision of Metering Installations	4.3.1.2	Comply in all respects with the requirements of Chapter 8 of the <i>Distribution Code</i> relating to unbundled service, to the <i>WESM Rules</i> , and relevant <i>market manual</i> being implemented by the <i>Central Registration Body</i> .	Comply in all respects with the requirements of Chapter 8 of the <i>Distribution Code</i> relating to unbundled service, to the <i>WESM Rules</i> , relevant regulatory issuances , and relevant <i>market manual</i> being implemented by the <i>Central Registration Body</i> .	Clarify that metering provisions from regulatory issuances would also apply to the Retail Market	
Provision of Metering Installations	4.3.2	<p>A <i>metering installation</i> shall:</p> <p>4.3.2.1 Be registered in the <i>WESM</i> through the <i>Central Registration Body</i>;</p> <p>4.3.2.2 Be accurate in accordance with this Chapter 4, the <i>Grid Code</i>, the <i>Distribution Code</i> and the <i>WESM Rules</i> and relevant <i>Market manuals</i>;</p> <p>XXX</p> <p>4.3.2.9 Have an active energy meter, and, if required in accordance with the <i>Grid Code</i> or <i>Distribution Code</i>, a reactive energy meter having an internal data logger.</p>	<p>A <i>metering installation</i> shall:</p> <p>4.3.2.1 Be registered in the <i>WESM</i> through the <i>Central Registration Body</i>; and</p> <p>4.3.2.2 Be accurate in accordance with this Chapter 4, the <i>Grid Code</i>, the <i>Distribution Code</i> and the <i>WESM Rules</i> and relevant <i>Market manuals</i>;</p> <p>XXX</p> <p>4.3.2.62 Have electronic data recording facilities such that all metering data can be measured and recorded in accordance with the relevant <i>Market Manual</i> in each dispatch interval;</p> <p>XXX</p>	Clarify that retail metering installations are only required to comply with existing issuances (e.g., PDC, ERC resolutions). The retail market, however, additionally requires that metering data is available on a per dispatch interval basis.	<p>A <i>metering installation</i> shall:</p> <p>4.3.2.1 Be registered in the <i>WESM</i> through the <i>Central Registration Body</i>; and</p> <p>4.3.2.2 Have electronic data recording facilities such that all metering data can be measured and recorded in each dispatch interval, as approved by ERC.</p> <p><i>To consider the need to secure ERC approval.</i></p> <p><i>With regard to clause 4.3.2.2, the length of the dispatch interval must be approved by ERC, prior to any changes in the DU's metering facilities. The ERC shall also review and approve the proposed</i></p>

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
			4.3.2.9 Have an active energy meter, and, if required in accordance with the Grid Code or Distribution Code , a reactive energy meter having an internal data logger.		<p>CAPEX for the replacement of metering installations that would facilitate the measuring and recording of 5-minute meter data.</p> <p>In accordance to Commonwealth Act (CA) 146, Sec. 16 (d), ERC is the sole authority to impose metering standards:</p> <p><i>SEC. 16. Proceedings of the Commission, upon notice and hearing. - The Commission shall have power, upon proper notice and hearing in accordance with the rules and provisions of this Act, subject to the limitations and exception mentioned and saving provisions to the contrary:</i></p> <p>x x x</p> <p><i>(d) To fix just and reasonable standards, classification, regulations, practices,</i></p>

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
					<p><i>measurements, or service to be furnished, imposed, observed, and followed thereafter by any public service. (emphasis supplied)</i></p> <p><i>With regard to the length of the recording interval, clause 8.4.4.1 of the Philippine Distribution Code provides:</i></p> <p><i>“Integrating pulse recorders required for unbundled service shall be capable of recording integrated Demand periods adjustable between 15 minutes and 60 minutes.”</i></p>
Meter Accuracy	4.3.3	The class of <i>metering installation</i> and the accuracy requirements for a metering point shall be as set out in the relevant <i>Market manual</i> and in accordance with the <i>Grid Code</i> , and the <i>Distribution Code</i> .	The class of <i>metering installation</i> and the accuracy requirements for a metering point shall be as set out in the relevant <i>Market Manual</i> and in accordance with the <i>Grid Code</i> , and the <i>Distribution Code</i> .	Since this chapter only applies to contestable customers within DUs, their metering installations are only required to comply with the PDC. Contestable customers that are directly connected to	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
				the grid are covered by the WESM Rules.	
Security of Metering Equipment	4.3.5	The <i>Retail Metering Services Provider</i> shall use reasonable endeavors to protect the <i>metering installation</i> from unauthorized interference, both intentional and inadvertent, by providing secure housing for metering equipment or otherwise ensuring that security at the metering point is adequate to protect against such interference.	The <i>Retail Metering Services Provider</i> shall <u>comply with the Philippine Distribution Code with regard to the security of metering equipment.</u> use reasonable endeavors to protect the metering installation from unauthorized interference, both intentional and inadvertent, by providing secure housing for metering equipment or otherwise ensuring that security at the metering point is adequate to protect against such interference.	Clarify that retail metering installations are only required to comply with existing issuances (e.g., PDC, ERC resolutions).	
Security of Metering Data Held in a Metering Installation	4.3.6	The <i>Retail Metering Services Provider</i> shall ensure that <i>metering data</i> held in a <i>metering installation</i> is protected from local or remote electronic access or manipulation of data by the installation of suitable security electronic access controls.	The <i>Retail Metering Services Provider</i> shall <u>comply with the Philippine Distribution Code with regard to the security of metering data.</u> ensure that metering data held in a metering installation is protected from local or remote electronic access or manipulation of data by the installation of suitable security electronic access controls.	Clarify that retail metering installations are only required to comply with existing issuances (e.g., PDC, ERC resolutions).	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
Performance of Metering Installations	4.3.7.1	The <i>Retail Metering Services Provider</i> shall use all reasonable endeavours to ensure that <i>metering data</i> is capable of being transmitted to the metering database from its <i>metering installations</i> : a) Within the applicable accuracy parameters described in the <i>Grid Code</i> , the <i>Distribution Code</i> and relevant <i>market manual</i> ; and XXX	The <i>Retail Metering Services Provider</i> shall use all reasonable endeavours to ensure that <i>metering data</i> is capable of being transmitted to the metering database from its <i>metering installations</i> : a) Within the applicable accuracy parameters described in the <i>Grid Code</i> , the <i>Distribution Code</i> and relevant <i>market manual</i> ; and XXX	Since this chapter only applies to contestable customers within DUs, their metering installations are only required to comply with the PDC. Contestable customers that are directly connected to the grid are covered by the WESM Rules.	
Data Transfer and Collection	4.4.2.3	The <i>Retail Metering Services Provider</i> must be capable of sending <i>metering data</i> in the required format to the <i>Central Registration Body</i> and must have its own meter data retrieval system compatible with the <i>Central Registration Body</i> meter data collection system.	The <i>Retail Metering Services Provider</i> must be capable of sending <i>metering data</i> in the required format to the <i>Central Registration Body</i> and must have its own meter data retrieval system compatible with the <i>Central Registration Body</i> meter data collection system.	It is proposed that the requirement be simplified. The RMSP may employ any meter data retrieval system as long as the RMSP is able to submit metering data at the required format to the CSB.	
Formulation and Publication of Market Manual	4.9	The <i>Central Registration Body</i> shall formulate and publish a <i>market manual</i> that: 4.9.1 Describes the class and accuracy requirements; XXX	The <i>Central Registration Body</i> shall formulate and publish a <i>market manual</i> that: 4.9.1 Describes the class and accuracy requirements of meters metering installations consistent with the	Clarify that retail metering installations are only required to comply with existing issuances (e.g., PDC, ERC resolutions).	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
			<p><u>Distribution Code and relevant regulatory issuances;</u></p> <p>XXX</p>		
Allocation of Gross Energy Settlement Quantities	Appendix A.3	<p>A.3 ALLOCATION OF GROSS ENERGY SETTLEMENT QUANTITIES</p> <p>The gross energy energy settlement quantities for determined at the grid off-take metering point shall be allocated among the Contestable Customers and Distribution Utilities connected at said grid off-take metering point in proportion that their respective metered quantities bear to the total metered quantities at the said grid off-take metering point.</p> <p>XXX</p>	<p>A.3 (DELETED) ALLOCATION OF GROSS ENERGY SETTLEMENT QUANTITIES</p> <p>The gross energy energy settlement quantities for determined at the grid off-take metering point shall be allocated among the Contestable Customers and Distribution Utilities connected at said grid off-take metering point in proportion that their respective metered quantities bear to the total metered quantities at the said grid off-take metering point.</p> <p>XXX</p>	Reflect proposed deletion of Clause 3.3.3.1 related to the allocation of SSLA to distribution utilities only.	
Determination of the Metered Quantities for Distribution Utilities		<p>A.4 DETERMINATION OF THE METERED QUANTITIES FOR DISTRIBUTION UTILITIES</p> <p><i>The metered quantities for Distribution Utilities is calculated based on the difference of the metered</i></p>	<p>A.4 DETERMINATION OF THE GROSS ENERGY SETTLEMENT QUANTITIES FOR DISTRIBUTION UTILITIES</p> <p><i>The <u>gross energy settlement</u> quantities for Distribution</i></p>	Reflect proposed deletion of Clause 3.3.3.1 related to the allocation of SSLA to distribution utilities only. Deduction of the gross energy settlement quantities	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
		<p>quantities at the grid off-take metering point</p> $MQ_{du,i}^m = MQ_i^m - \sum_{cc} MQ_{cc,i}^m$ <p>Where:</p> <p>$MQ_{du,i}^m$ is the metered quantity of Distribution Utility "du" for dispatch interval "i" and grid off-take metering point "m";</p> <p>$MQ_{cc,i}^m$ is the metered quantity of Contestable Customer "cc" for dispatch interval "i" and grid off-take metering point "m";</p> <p>$\sum_{cc} MQ_{cc,i}^m$ is the summation of the metered quantity of each Contestable Customer "cc" in dispatch interval "i" and market trading node "m" associated with the grid off-take</p>	<p>Utilities is calculated based on the difference of the <u>gross energy settlement</u> quantities at the grid off-take metering point</p> $GESQ_{du,i}^m = GESQ_i^m - \sum_{cc} GESQ_{cc,i}^m$ <p>Where:</p> <p>$GESQ_{du,i}^m$ is the <u>gross energy settlement</u> quantity of Distribution Utility "du" for dispatch interval "i" and grid off-take metering point "m";</p> <p>$GESQ_{cc,i}^m$ is the <u>gross energy settlement</u> quantity of Contestable Customer "cc" for dispatch interval "i" and grid off-take metering point "m";</p> <p>$\sum_{cc} GESQ_{cc,i}^m$ is the summation of the <u>gross energy settlement</u> quantity of each Contestable Customer "cc" in</p>	<p>of contestable customers, which are equivalent to their metered quantities, from the gross energy settlement quantity of the grid-offtake metering point would allocate all SSLA to the distribution utility.</p>	

Title	Clause	Provision	Proposed Amendment	Rationale	MERALCO
		<i>metering point "m";</i>	<i>dispatch interval "i" and market trading node "m" associated with the grid off-take metering point "m";</i>		