



Philippine Electricity
Market Corporation

SUPPLEMENTAL DISCUSSION ON PROPOSED AMENDMENTS TO THE WESM RULES, AND THE WESM DISPATCH PROTOCOL MANUAL RE: MAXIMUM AVAILABLE CAPACITY

16 December 2022 | via MS Teams

REQUESTED ACTION

- For discussion, and for approval to publish supplemental information

ASSESSMENT OF MAG-RULES REVIEW DIVISION (MAG-RRD)

“Proponent may need to elaborate further the direct “impact or consequence” of ‘circumvention of the must-offer rule’ through submitting offers but opening the breakers or submitting offers with very low ramp rates (e.g., impact on scheduling, real-time dispatch, etc.).”

MARKET IMPACT



On Operation



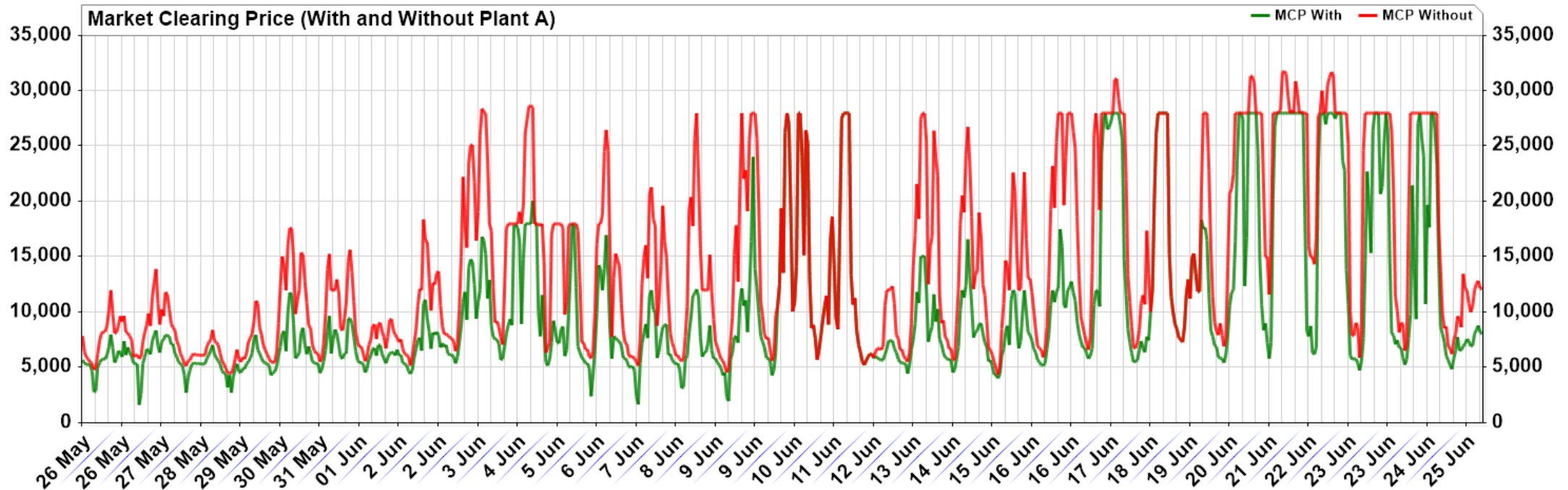
On Governance

CONNECTION STATUS AND RAMP RATE

- Connection Status
 - Based on ICCP / real-time status of the grid
 - **NOT** an input of a participant in the MMS
 - Can be manually controlled in the plant side
- Ramp Rate
 - **IS** an input of a participant in the MMS
 - Submitted alongside capacity offers

ON OPERATION (CONNECTION STATUS)

MO considers real-time data in market runs; thus, takes into account the connection/breaker status of a plant even if they have offers in the MMS



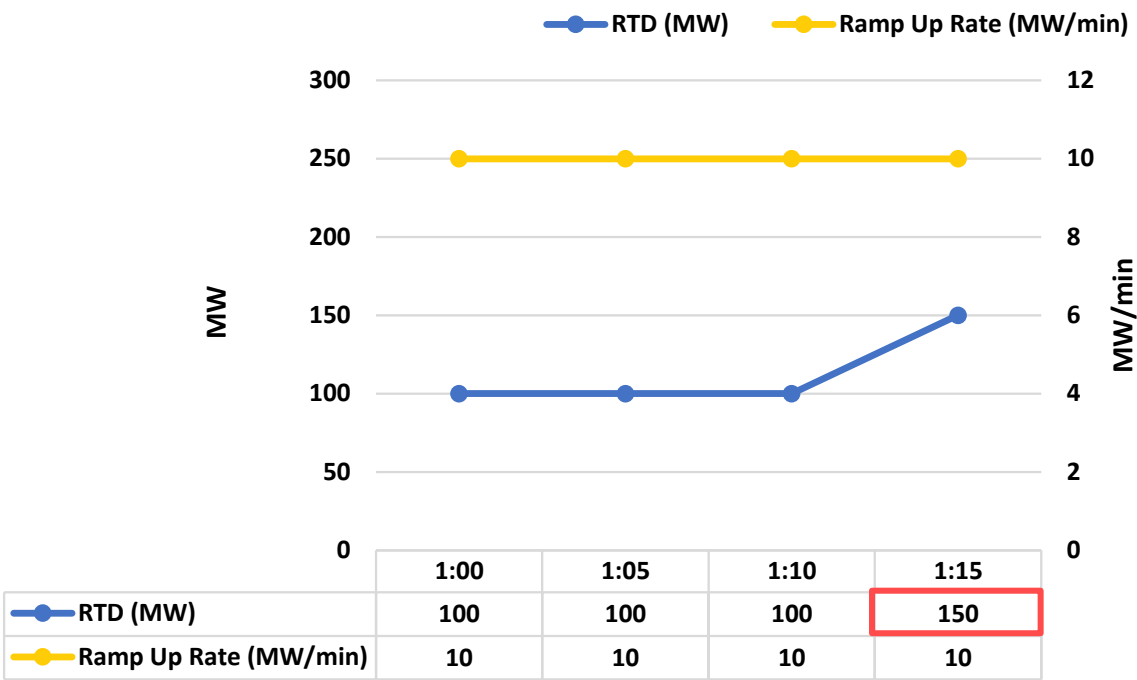
Based on simulation as above:

- Price with consideration of Plant A's offer would have **lowered market clearing prices by 45.84%**

Note: The simulation does not include line constraints and power flow during the optimization run

ON OPERATION (RAMP RATE)

SCENARIO A

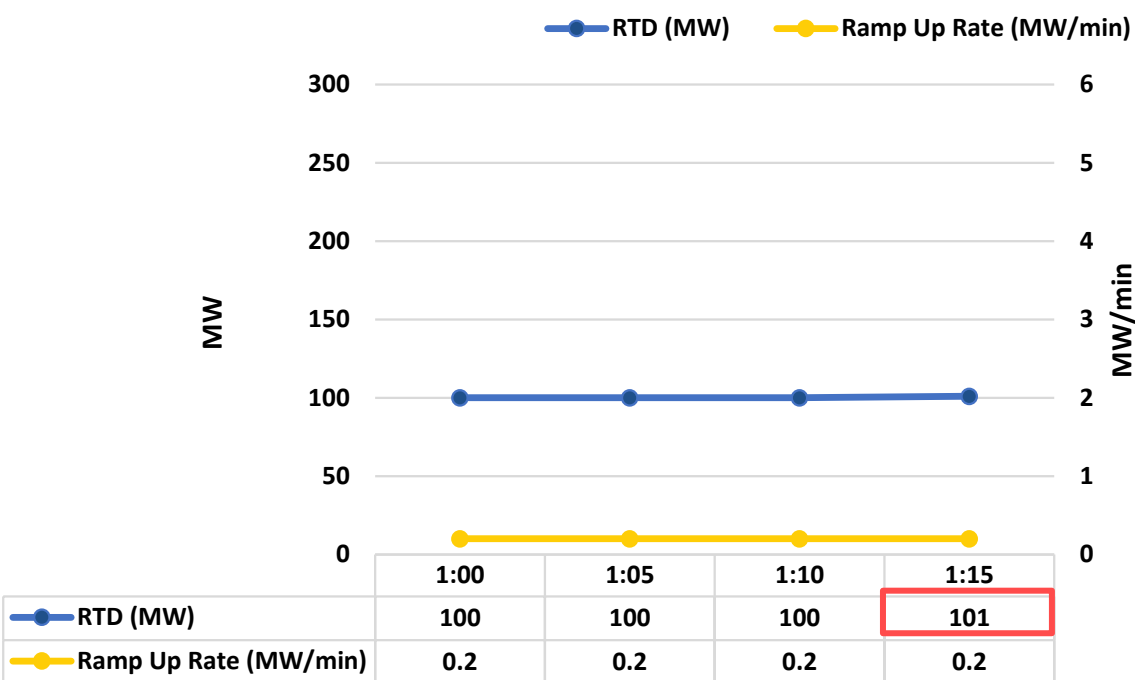


Assumptions:

Little to no change in demand

Increase in demand

SCENARIO B



Little to no change in demand

Increase in demand

ON GOVERNANCE (COMPLIANCE MONITORING AND ASSESSMENT)

- While both scenarios are currently allowed by the rules, this can possibly be used to not fully offer or maximize capacities which may defeat the purpose of the Must Offer Rule (MOR)
- The intention of the rules change proposal is to provide additional basis in the monitoring, and investigation of participants' compliance to the Must Offer Rule (MOR) / Offered Compliance Capacity (OCC) done by PEMC-ECO and Compliance Committee
 - Both information on **connection status** and **ramp rate offers** will also be monitored when proposal is adopted

REQUESTED ACTION

- For discussion and approval to publish supplemental information

Connect with **PEMC**



pemc.info@wesm.ph



+63 2 8631 8734



18F Robinsons Equitable Tower, ADB Avenue
Ortigas Center, Pasig City 1600, Philippines



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