

ORCP-WR-WM-22-12

Call for Comments to the Proposed General Amendments to the WESM Rules and WESM Manual on Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual) on Matters Relating to Enforcement Proceedings and Actions (ORCP-WR-WM-22-12)

The Rules Change Committee (RCC) is inviting all WESM Members and interested parties to submit comments to the PEM Board-approved *Proposed General Amendments to the WESM Rules and WESM Manual on Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual) on Matters Relating to Enforcement Proceedings and Actions (ORCP-WR-WM-22-12)*.

The proposed amendments seek to:

1. address the gap between the FAS Manual and the actual procedures and practices being adopted to implement the provisions of the said Manual;
2. ensure compliance with the requirements set forth in the DOE DC2022-05-0015¹ that seeks to include in the FAS-related enforcement proceedings/actions the must dispatch generating units with issued FCATC;
3. define with more clarity the reference data for the calculation of the forecast percentage error and other terms used in the Manual;
4. address some unique conditions, situations, or circumstances affecting the compliance of the must dispatch generating units but are not otherwise included in the current FAS Manual;
5. give considerations or exemptions for some plants who have just commenced operations and have low chance of passing the mean absolute percentage error (MAPE) or the Percentile 95 of the forecasting error (Perc95) due to their limited time of participation in the WESM within the subject monitoring year; and
6. add provisions that will promote due process before any sanction is imposed relative to a finding of breach of MAPE and PERC95.

The WESM documents for amendments are:

- 1) WESM Rules; and
- 2) WESM Manual on Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)

¹ "Pending the issuance of the COC by the ERC, a Generation Company that has been **issued with a final CATC** may be allowed to continue to operate and be compensated as price taker in the market, unless the ERC issues an Order for the Generation Company's immediate disconnection from the grid.

For this purpose, the Generation Company's dispatch shall be in accordance with the following:

4.4.5.1 For Variable Renewable Energy, the Generation Company shall x x x **comply with applicable forecast accuracy standards**; xxx" DOE DC2022-05-0015 (Emphasis supplied).

BACKGROUND:

The proposed amendments were originally initiated by PEMC on 10 November 2022 by way of the rules change process for urgent amendments. Following the procedures for processing urgent proposals set forth in Section 7 of the Rules Change Manual, the RCC certified the proposal as urgent, immediately deliberated on the proposal on 14 November 2022, and approved it on 18 November 2022.

Activity	Date
RCC Approval	18 November 2022
PEM Board Approval	23 November 2022
Effectivity Date of Revised Rules and Manuals	25 November 2022

The urgent amendments shall remain in effect up to 6 months or until a general amendment on the same matter has been approved by the DOE and becomes continuously in effect, whichever comes first. The updated market rules and manuals could be accessed in this [webpage](#).

DOCUMENTS:

Provided below are the relevant materials for your reference:

- 1) [Original Rules Change Proposal submitted by PEMC \(ORCP-WR-WM-22-09\)](#)
- 2) [PEM Board-approved urgent proposal \(RCC Resolution No. 2022-13\)](#)
- 3) Matrix of Proposed Amendments for Comments - Annexes A to B of this document
(See below. Please write your comments in the proper columns in the matrix.)

Kindly submit your comments (in Word format) by e-mail at mag_rrd@wesm.ph no later than **27 January 2023** or 30 working days from the date of publication (14 December 2022).

Thank you.

For the Rules Change Committee,

Rules Review Division

Market Assessment Group

Philippine Electricity Market Corporation

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I. Proponent's Information (for the Party Submitting the Comments)

Name and Signature	
Designation	
Company	
Company Address	
Telephone No.	
Fax. No.	
Email Address	

Annex A

WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent’s Response	RCC Decision
					<p>GLOSSARY</p> <p>Requesting for clarification on the forecast horizon.</p> <p><u>WESM Rules as of Nov 2022:</u> Variable Renewable Energy (VRE) Aggregated Generation Forecast. A short term forecast, performed by the System Operator, covering at least the following twenty-four (24) hours, of the total aggregated generation expected to be produced by Generation Companies that is authorized by the ERC to</p>			

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WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent’s Response	RCC Decision
					operate wind farms and photovoltaic generation systems in each interconnected system as defined under the Grid Code. <u>PGC 2016:</u> Variable Renewable Energy Aggregated Generation Forecast. A short term forecast, performed by the System Operator, covering at least the following 48 hours , of the total aggregated generation expected to be produced by VRE Generating Facilities in each			

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WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
					interconnected system.			
Section 3.5.5 Generation Offers and Data	3.5.5.10	A Trading Participant who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 in respect of <i>projected outputs</i> for a <i>must dispatch generating unit</i> submitted under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2.	A Trading Participant who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 <u>based on an annual assessment and results</u> in respect of <i>projected outputs</i> for a <i>must dispatch generating unit</i> submitted under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2.	For clarity. ECO monitors monthly and annually. Only the failed <u>annual</u> rating shall be subject to sanctions. Deleted part – redundant; it is already stated in the referred clause 3.5.5.8	Failure to meet the standards, after annual assessment and review of results, shall already warrant corresponding sanctions.	A Trading Participant who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 <u>based on an annual assessment and results, and upon findings of non-compliance by the ECO</u> in respect of <i>projected outputs</i> for a <i>must dispatch generating unit</i> submitted under Clause 3.5.5.5 <u>may shall</u> be liable for sanctions imposed under Clause 7.2.		

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WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
	3.5.5.11	The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> .	The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> , <u>the Compliance Committee</u> , and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> .	To include CC to whom ECO reports as part of the Committee's oversight functions.	Proposing to allow the SO to receive a copy of the annual report, upon request, for verification of the Frequency Limit Violation and Voltage Limit Violation cause.	The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> , and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> . <u>A copy of the report shall be made available to the System Operator upon request.</u>		
	3.5.5.12	The <i>Market Operator</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> .	The <i>Market Operator</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i>.	Redundant provision. Under Clause 3.5.5.11, ECO shall perform this task.	Noted			

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WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
Section 7.2 Enforcement	7.2.10	<p>All <i>WESM Member</i> shall be exempted from an investigation and imposition of sanctions for probable <i>breach</i> that are committed –</p> <p>(a) Within the first one (1) month of membership in the <i>WESM</i> by said <i>WESM Member</i>; or</p> <p>(b) Within the first one (1) month of the issuance of a new provision of the <i>WESM Rules</i> or a new <i>Market Manual</i>, or an amendment thereto, with respect to such new provisions, <i>Market Manual</i> or amendment, if non-compliance with the same amounts to a <i>breach</i>.</p> <p>Notwithstanding, the <i>DOE</i> may issue a longer exemption</p>	<p><u>Unless otherwise provided in the relevant <i>Market Manual</i>, All <i>WESM Members</i></u> shall be exempted from an investigation and imposition of sanctions for probable <i>breach</i> that are committed –</p> <p>x x x</p>	<p>To allow flexibility in setting a different exemption period when the <i>Market Manual</i> provides for a more practicable provision or consideration.</p> <p>Note: Under the <i>WESM Rules</i>, one-month exemption is provided. In the proposed <i>FAS Manual</i>, an exemption is provided if the plant is in operation for 3 months or less prior to the end of the covered monitoring year. (See related proposal, Section 4.6.2 [b] of the <i>FAS Manual</i>)</p>	<p>Deviation from forecasts may result in unforeseen fluctuations in system frequency.</p>	<p>x x x</p> <p>Notwithstanding, the <i>DOE</i> may issue a longer exemption period as it may deem necessary, to ensure the readiness of the <i>WESM Members</i> and in the implementation of a new policy or program that directly impacts the enforcement of the <i>WESM Rules</i> and its <i>Market Manuals</i>. For this purpose, the <i>DOE</i> shall issue an advisory to the <i>Governance Arm</i> providing such details of exemption as necessary.</p> <p><u>The resulting frequency limit and/or voltage limit violation</u></p>		

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		period as it may deem necessary, to ensure the readiness of the <i>WESM Members</i> and in the implementation of a new policy or program that directly impacts the enforcement of the <i>WESM Rules</i> and its <i>Market Manuals</i> . For this purpose, the <i>DOE</i> shall issue an advisory to the <i>Governance Arm</i> providing such details of exemption as necessary.				<u>shall warrant the same exemption from compliances under the Grid Code.</u>		
Chapter 11 GLOSSARY		Must Dispatch Generating Unit. A <i>Generating Unit</i> or <i>Generating System</i> so designated by the <i>Market Operator</i> under Clause 2.3.1.5 and is provided <i>Must Dispatch</i> .	Must Dispatch Generating Unit. A <i>Generating Unit</i> or <i>Generating System</i> so designated by the <i>Market Operator</i> <u>certified by the DOE as must dispatch generating unit</u> under Clause 2.3.1.5 and is provided <i>Must Dispatch</i> <u>registered as such in the WESM by the <i>Market Operator</i></u> .	Use of more appropriate terms. Section 2.3.1.5 speaks of certification by the DOE rather than designation by the Market Operator.	Noted			

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
					<p>1. Add reference/explanation for the basis of MAPE/Perc95 standard values.</p> <p>2. Frequency Limit Violation and Voltage Limit Violation caused by FPE that is >=19% shall not be charged against the System Operator/TNP under the Grid Code.</p> <p>3. Specify the term "period" in Section 4.2 if it refers to "billing period" to be consistent with the Glossary item under Section 2.1.2 (c), Section 4.1.2, and MQ_{max} notation under 4.2.3</p>			

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
					4. GLOSSARY: Projected quantity. Rewording for clarity. 5. There should be an additional validation process between the GenCo's Forecast Quantity and the SO-validated forecast. Both data are received by the MO.	4. Under Section 2.1.2 Projected quantity. Estimated generation of a must dispatch generating unit over a dispatch interval based on its submitted projected output assuming linear ramping calculated in accordance with Section 4.2.4. <u>For clarity, the forecasted generation used in computing the aggregated forecasted VRE generation refers to Projected Output</u>		

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
SECTION 1 – INTRODUCTION 1.1. Background	1.1.3	[NEW]	<u>A Generation Company that has secured a Final Certificate of Approval to Connect for completing the conduct of test and commissioning but with pending issuance of Certificate of Compliance from the ERC for its <i>must</i> dispatch generating unit shall comply with the forecast accuracy standards in respect of its projected outputs.²</u>	To reflect the provisions of DOE DC 2022-05-0015 as regards MDGUs' obligation to comply with forecast accuracy standards	Noted			
SECTION 1 – INTRODUCTION 1.1. Background	1.1.4	[NEW]	<u>A Generation Company that has an <i>expansion unit</i> shall likewise comply with the forecast accuracy standards following the parameters set forth in Section 4.2.8 of this Manual.</u>	To consider the monitoring of a MDGU with expansion unit, i.e., facility with same plant substation and revenue meter; and to comply with the requirements under	Noted			

² Section 4.4.5 of the DOE DC2022-05-0015 “Supplementing Department Circular No. DC2021-06-0013 on the Framework Governing Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network” Published in June 2022

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
SECTION 1 – INTRODUCTION 1.1. Background	1.1.3	A <i>Trading Participant</i> who fails to meet the requisite forecast accuracy standards in respect of <i>projected outputs</i> for a <i>must dispatch generating unit</i> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> .	4.1.3 1.1.5 A <i>Trading Participant</i> <u>referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof, who</u> which fails to meet the requisite forecast accuracy standards in respect of <i>projected outputs</i> for a <i>must dispatch generating unit</i> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> <u>and the WESM Penalty Manual</u> .	<ul style="list-style-type: none"> Renumbered to 1.1.5 with modification For clarity. MDGUs with FCATC are already liable for sanctions in case of violations / breach of FAS. 	For consistency with WESM Rules Sec. 3.5.5.10 and the proposed amendment above.	1.1.5 A <i>Trading Participant</i> <u>referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof, who</u> which fails to meet the requisite forecast accuracy standards in respect of projected outputs for a must dispatch generating unit <u>may be based on an annual assessment and results, and upon findings of non-compliance by the ECO shall</u> be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> <u>and the WESM Penalty Manual</u> .		
SECTION 1 – INTRODUCTION N	1.1.4	Moreover, the <i>Enforcement and Compliance Office</i> is required by the <i>WESM Rules</i> report to the	4.1.4 1.1.6 Moreover, the <i>Enforcement and Compliance Office</i> is required by the <i>WESM Rules</i> <u>to</u> report to the <i>PEM</i>	<ul style="list-style-type: none"> Renumbered to 1.1.6 To include CC's oversight functions. 	Proposing to add the SO as recipient of the report upon request.	1.1.6 Moreover, the <i>Enforcement and Compliance Office</i> is required by the <i>WESM Rules</i> <u>to</u>		

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
1.1. Background		<i>PEM Board and the DOE the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs.</i>	<i>Board, <u>the Compliance Committee</u>, and the DOE the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs.</i>	<ul style="list-style-type: none">There is also a corresponding change in WESM Rules Clause 3.5.5.11		report to the <i>PEM Board, <u>the Compliance Committee</u>, and the DOE</i> the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> . <u>A copy of the report shall be made available to the System Operator upon request.</u>		
SECTION 2 DEFINITIONS, REFERENCES, AND INTERPRETATION 2.1 Definitions	2.1.2	<u>a) (new)</u>	<u>a) Expansion Unit. It shall refer to the expanded capacity of a must-dispatch generating unit or that built in phases and is designed to have the same plant substation and revenue meter as the existing capacity unit.</u>	To clarify the term used in the Manual. To cover the expanded unit in the assessment of the FAS compliance of the MDGUs.	Noted			

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
SECTION 2 DEFINITIONS, REFERENCES, AND INTERPRETATION 2.1 Definitions	2.1.2	<u>b) (new)</u>	<u>b) Forecast Accuracy Standards Report. Reports which are prepared and issued by the Enforcement and Compliance Office, as prescribed in Section 4.4 of this Manual.</u>	For reference to the type/s of report that ECO needs to prepare/issue in compliance with FAS Manual.	Proposing to add separate descriptions for the monthly and annual reports to specify the contents and identify the difference between the two.			
SECTION 2 DEFINITIONS, REFERENCES, AND INTERPRETATION 2.1 Definitions	2.1.2	a) Forecast percentage error. Error (in %) of the <i>projected output</i> submitted by a <i>must dispatch generating unit</i> with respect to its maximum <i>metered quantity</i> over a <i>billing period</i> as dependable capacity and calculated in accordance with Section 4.2.3.	a) c) Forecast percentage error. Error (in %) of the <i>projected output</i> submitted by a <i>must dispatch generating unit</i> with respect to its maximum <i>metered quantity</i> over a <i>billing period</i> as dependable capacity and calculated in accordance with Section 4.2.3.	Clerical correction. Renumbered to c	Noted			

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
	2.1.2	b) Initial loading. Loading (in MW) for the beginning of the <i>dispatch interval</i> assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that <i>dispatch interval</i> .	b) d) Initial loading. Loading (in MW) for the beginning of the <i>dispatch interval</i> assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that <i>dispatch interval</i>. It <u>shall refer to the previous <i>dispatch schedule</i> of the <i>must dispatch generating unit</i>. For example, the initial loading for 0105H shall be the <i>dispatch schedule</i> for 0100H.</u>	To reflect the nearest reference to the load for the beginning of the dispatch interval – which is more appropriate for MDGUs. Note: the IL as originally defined is more appropriate for use by the conventional plants/facilities. Clerical correction. Renumbered to <u>d</u>	Noted			
	2.1.2	c) MAPE. Abbreviation of <i>mean absolute percentage error</i> .	e) e) MAPE. x x x	Clerical correction. Renumbered to <u>e</u>	Noted			
	2.1.2	d) Mean absolute percentage error. Mean of the <i>forecast percentage errors</i> of a <i>must dispatch generating unit</i> over a certain period calculated in	d) f) Mean absolute percentage error. x x x	Clerical correction. Renumbered to <u>f</u>	Noted but proposing to clarify that the MAPE referred to in PGC 2016 refers to the MAPE of the VRE generation facilities while MAPE in this			

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
		accordance with Section 4.2.1.			section refers to the MAPE of individual MDGUs.			
	2.1.2	e) Must dispatch generating unit. A <i>generating unit</i> so designated by the <i>Market Operator</i> under clause 2.3.1.5 of the <i>WESM Rules</i> and is provided <i>Must Dispatch</i> . For brevity and when the context applies, this also refers to a <i>generation company</i> that operates a <i>must dispatch generating unit</i> in this <i>Market Manual</i> .	e) Must dispatch generating unit. A <i>generating unit</i> so designated by the <i>Market Operator</i> under clause 2.3.1.5 of the <i>WESM Rules</i> and is provided <i>Must Dispatch</i>. For brevity and when the context applies, this also refers to a <i>generation company</i> that operates a <i>must dispatch generating unit</i> in this <i>Market Manual</i>.	Deleted since this is already defined in WESM Rules	Noted			
	2.1.2	f) Perc95. Abbreviation of <i>percentile 95 of the forecasting error</i> .	f) g) Perc95. Abbreviation of <i>pPercentile 95 of the forecasting error</i>.	Clerical correction. Renumbered to g	Noted			
	2.1.2	g) Percentile 95 of the forecasting error. The value (in %) not exceeding 95% of the <i>forecast percentage errors</i> of the <i>must dispatch generating unit</i> during a certain period (see Section 6,	g) h) Percentile 95 of the forecasting error. x x x	Clerical correction. Renumbered to h	For clarity. "Not more than 95%" refers to a frequency that is anything below 95% (e.g., 60%, 85%)	<u>The Perc95 of a must dispatch generating unit for a period shall mean that 95% of all the FPEs during the period should not exceed the</u>		

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
		Appendix A of this Manual).				<u>standard value (<30%).</u>		
	2.1.2	h) Projected quantity. Estimated <i>generation of a must dispatch generating unit</i> over a <i>dispatch interval</i> based on its submitted <i>projected output</i> assuming linear ramping calculated in accordance with Section 4.2.4.	h) i) Projected quantity. x x x	Clerical correction. Renumbered to i	For clarity	Projected quantity. Estimated generation of a must dispatch generating OK unit over a dispatch interval based on its submitted projected output assuming linear ramping calculated in accordance with Section 4.2.4. <u>For clarity, the forecasted generation used in computing the MAPE of VRE generation facilities under the Grid Code refers to Projected Output.</u>		
	2.1.2	i) Transition Period. The period specified by the <i>DOE</i> wherein the provisions under Section 4.5 shall apply.	i) j) Transition Period. The period specified by the DOE wherein the provisions under 4.5 shall apply <u>referred to in</u>	Provide for the specific duration of transition for clarity. Section 4.5 – 6 months from	Noted			

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
			<u>Section 4.5 of this Manual.</u>	implementation of the EWDO.				
SECTION 3 – RESPONSIBILITIES 3.1 Enforcement and Compliance Office	3.1.1	The <i>Enforcement and Compliance Office</i> shall evaluate annually the compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards in this <i>Market Manual</i>	<p>The <i>Enforcement and Compliance Office</i> shall assess, evaluate annually and issue the <u>cumulative results of MAPE and PERC95 to</u> compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards in this <i>Market Manual</i>. <u>on a monthly and annual basis in accordance with the procedures set forth in Section 4.4 hereof.</u></p> <p><u>The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish a detailed process or procedure of compliance monitoring and assessment and prescribe a reply format or template that may be accomplished by the Generation Company as</u></p>	<p>For consistency with Section 4.4.2 (renumbered to 4.4.5) of this Manual -requiring <u>monthly</u> reporting; and Section 4.4.1 (renumbered to 4.4.6) -requiring <u>annual</u> reporting</p> <p>2nd paragraph – to integrate current process as would allow ECO to efficiently gather adequate data, information, or evidence from the trading participants.</p>	Proposing to describe contents and identify difference between the monthly and annual reports.			

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			<u>part of the monitoring process.</u>					
	3.1.2	The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> its evaluation on the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to each <i>must dispatch generating unit's</i> projected outputs	The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> , <u>the Compliance Committee</u> , and the <i>DOE</i> its evaluation on the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards <u>as set forth in Section 4.4.6 of this Manual</u> —with respect to each <i>must dispatch generating unit's</i> projected outputs	Included Compliance Committee in view of its oversight functions. Reference to Section 4.4.6, as renumbered (previously Section 4.4.1)	Similar to comment above.	The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> , the <i>Compliance Committee</i> , and the <i>DOE</i> its evaluation on the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards <u>as set forth in Section 4.4.6 of this Manual</u> —with respect to each <i>must dispatch generating unit's</i> projected outputs <u>A copy of the report shall be made available to the System</u>		

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
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						<u>Operator upon request.</u>		
3.4 Generation Companies	<u>3.4.3</u>	[NEW]	<u>Generation companies shall coordinate with the Enforcement and Compliance Office for matters, data, or information necessary to establish, validate, and verify the incidents or circumstances referred to in Sections 4.3, and such other matters, data, or information relative to the calculation of MAPE and PERC95.</u>	To integrate the current process; to ensure that all the data/information used in the calculation of FAS results are verified/validated. This requires active participation of the trading participants. Due process requirement.	Noted			
3.5 Market Operator	<u>3.5.2</u>	[NEW]	<u>The Market Operator shall provide to the Enforcement and Compliance Office all the market data and information necessary for the calculation of MAPE and PERC95 and for verification or validation of data, when necessary.</u>	To integrate the current practice. All market data used in the calculation of FAS by ECO are obtained from IEMOP.	To ensure that the SO-validated individual forecasts returned to the MDGU day-ahead are considered in the latter's projected output submission for RTD. This also ensures that the	The <i>Market Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information, <u>including the SO-validated individual and aggregated</u>		

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
					MDGUs' submission to the MO does not significantly deviate from the aggregated VRE forecast generation unless there are valid circumstances.	<u>forecast data</u> , necessary for the calculation of <i>MAPE</i> and <i>PERC95</i> and for verification or validation of data, when necessary.		
SECTION 4 – FORECAST ACCURACY STANDARDS AND PROCEDURES			SECTION 4 – FORECAST ACCURACY STANDARDS, <u>AND PROCEDURES, AND SANCTIONS</u>	To align the title with the additional proposed sub-section on sanctions (Section 4.6)	Noted			
4.1 Standards	4.1.2	The <i>MAPE</i> and <i>Perc95</i> of each <i>must dispatch generating unit</i> shall be calculated over the period starting on the 26 th of December of a year and ending on the 25 th of December of the succeeding year.	The <i>MAPE</i> and <i>Perc95</i> of each <i>must dispatch generating unit</i> shall be calculated <u>every billing period in cumulative results and shall be reported to each Generation Company within the timeline prescribed in Section 4.4 hereof. The annual cumulative results covering</u> over the period starting on the 26 th of December of a year and ending on the 25 th of	To integrate the current procedure (due process requirement): Issuance of Monthly FASR – to afford the Generation Companies the opportunity to see the results, provide relevant data as basis for recalculation, if any, and be able to catch up by improving its	Table 8.1 of PGC 2016 indicates calculation of forecasting errors “over a complete calendar year”. Per Section 4.4.2, the Generation Company has 15 days to submit data to ECO based on which finality of results for the monthly report will be determined.			

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			December of the succeeding year <u>shall be determined with finality by the Enforcement and Compliance Office within the period prescribed in Section 4.4.6 of this Manual</u>	performance in the succeeding months.	Meanwhile, Section 4.1.2 seems to allow recalculation and submission of additional data for the annual report. Proposing to include a specific timeline or deadline for submission of additional data for consideration in the final annual report. Proposing to specify that the annual report shall include recalculation/reconsideration of values contained in the monthly reports, while the values contained in the latter may still be subject to verification and validation.			

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
	4.1.3	Subject to Section 4.5 of this <i>Market Manual</i> , <i>must dispatch generating units</i> who fail to meet the requisite forecast accuracy standards set out in Section 4.1.1 of this <i>Market Manual</i> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> , and in accordance with the <i>WESM Penalty Manual</i> .	Subject to Sections <u>4.5 and 4.6</u> of this <i>Market Manual</i> , <u>the Generation Companies of the must dispatch generating units</u> who <u>which</u> fail to meet the requisite forecast accuracy standards <u>based on the annual Forecast Accuracy Standards Report shall be considered in breach of</u> set out in Section 4.1.1 of this Market Manual <u>and</u> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> , and in accordance with the <i>WESM Penalty Manual</i> .	For clarity – only the breach based on annual (final) FAS results shall be subject to sanctions per WESM Penalty Manual.	Since failure to meet the standards is already considered a breach, the MDGU should be liable for sanctions.	Subject to Sections <u>4.5 and 4.6</u> of this <i>Market Manual</i> , <u>the Generation Companies of the must dispatch generating units</u> who <u>which</u> fail to meet the requisite forecast accuracy standards <u>based on the annual Forecast Accuracy Standards Report shall be considered in breach of set out in Section 4.1.1 of this Market Manual <u>and may shall</u> be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i>, and in accordance with the <i>WESM Penalty Manual</i>.</u>		

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
4.2 Calculations	4.2.6	A one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output.	A one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output. <u>The non-submission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of nomination based on the zero projection or load profile of the must dispatch generating unit.</u>	To distinguish active nomination of zero (0) MW or cancellation of nomination due to unavailability of the plant, from the non-submission at all.	<p>4.2.5 Max MQ (denominator) should not be zero if MQ (numerator) is not zero, one of the values is invalid. Validity of MQ and Max MQ should be checked. If both MQ and Max MQ are 0 but PQ is not 0, then FPE should be 100%.</p> <p>4.2.6 Non-submission of projected output should have a separate/additional penalty under WESM Rules Sections 3.5.5.5 and 3.5.5.6. Non-submission is different from cancellation of offer or zero (0) MW submission, thus, non-submission of projected output is</p>	<p><u>4.2.5</u> <u>If both MQ and MAX are 0 but PQ is not 0, then FPE should be 100%.</u></p> <p><u>4.2.6</u> <u>Proposal 1:</u> <u>The non-submission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of nomination based on the zero projection or load profile of the must dispatch generating unit and shall be subject to a separate penalty for non-compliance to Section 3.5.5.5 and Section</u></p>		

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					<p>not related to forecast accuracy which is subject to WESM Rules Section 3.5.5.8.</p> <p>If non-submission is also deemed to be a forecast error, then the FPE formula should be retained (using PQ = 0) in addition to the penalty for non-submission (automatic 100%); or an additional 100% shall be imposed. Note that having one computation for two non-compliances results in no additional penalty.</p> <p>4.2.7 To further validate data in this scenario. For clarity, Max MQ (denominator)</p>	<p><u>3.5.5.6 of the WESM Rules.</u></p> <p><u>For non-compliance with Section 3.5.5.8, a one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output.</u></p> <p><u>Proposal 2:</u> <u>The nonsubmission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of nomination based on the zero projection or load profile of the must dispatch generating unit</u></p>		

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					<p>should not be zero if MQ (numerator) is not zero. If MQ is not zero but Max MQ is zero, one of the values is invalid.</p> <p>Specify that if all 3 values are zero, then FPE should be 0%.</p>	<p><u>and shall be subject to a separate penalty for non-compliance to Section 3.5.5.5 and Section 3.5.5.6 of the WESM Rules.</u></p> <p><u>For non-compliance with Section 3.5.5.8, Zero (0) MW may be used for the Projected Output in computing for the Projected Quantity and the corresponding Forecast Percentage Error.</u></p> <p><u>4.2.7</u> A zero (0) percent FPE shall be imposed to a must dispatch generating unit on a particular dispatch interval where its projected</p>		

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						quantity, <u>metered quantity</u> and maximum metered quantity are equal to zero (0).		
	4.2.8	[NEW]	<u>For generating plants with expansion unit that is either on test and commissioning or in actual operation, as may be allowed by the rules, but is awaiting the issuance of the Certificate of Compliance or the Provisional Authority to Operate, the following shall apply:</u>	To address changes and possible constraints in the nominations, meter readings of the existing unit, and additional unit while the latter is on test and commissioning stage or before the commercial operation registration.	For consistency with Section 4.4.5.2 of the DOE DC2022-05-0015: “All Generation Companies with final CATC but with pending issuance of COC, who submitted day ahead projected output or nomination shall be	For generating plants with <u>expansion unit that has a Final Certificate of Approval to Connect is either on test and commissioning or in actual operation, as may be allowed by the rules, but is awaiting the issuance of the</u>		

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
			<p><u>a) A zero (0) FPE shall be imposed if the projected quantity is less than the combined metered quantity.</u></p> <p><u>b) A one hundred (100) FPE shall be imposed if the projected quantity is greater than the combined metered quantity.</u></p> <p><u>For this purpose, the combined metered quantity shall refer to the sum of the metered quantity of the existing capacity unit and that of the expansion unit.</u></p> <p><u>This provision shall apply until the registered Pmax of the power plant or facility is updated in the WESM to include both the capacity of the existing and expansion unit.</u></p>	<p>Note: The IEMOP cannot update the Pmax of the generating facility (original capacity plus expanded capacity) in the WESM registration unless the same is supported by COC/PAO even if it had been issued with FCATC already. The generation company could not yet nominate its full/combined capacity in the MMS-MPI. Meanwhile, the meter reading already reflects the total capacity. In such a situation, the generation company would be adversely affected by the results of the FPE if it will be based on the normal computation.</p>	<p>monitored by the Enforcement and Compliance Office and be subject to imposition of financial penalties.”</p> <p>Requesting for clarification on whether the formula under Section 4.2.3 will not be used under this condition based on the note that “In such a situation, the generation company would be adversely affected by the results of the FPE if it will be based on the normal computation.”</p>	<p><u>Certificate of Compliance or the Provisional Authority to Operate, the following shall apply:</u></p>		

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
4.3 Exclusions			4.3 Exclusions <u>and Other Basis for Recalculation</u>	Align the title with the additional provisions under this Sub-section	Noted			
	<u>4.3.2</u>	[NEW]	<u>Any variance in the market data used in the calculation of MAPE and/or PERC95 that may be discovered during the monitoring and assessment must be properly addressed, validated, and verified within the prescribed timeline. The Generation Company shall provide adequate supporting documents to substantiate any claim of data variance. Only those data that have been proven and verified to be inaccurate, inconsistent, or erroneous shall be considered in the recalculation of the results.</u>	<p>To address the recurring problem on data inconsistency, non-updating, or variance.</p> <p>Due process requirement.</p>	Requesting for clarification on the timeline/deadline for submission of additional data and documents for consideration in the final annual report.			

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
4.4. Monitoring, Reporting, and Review	4.4.1	[NEW]	<u>The Enforcement and Compliance Office shall monitor the compliance of the Generation Company of each must dispatch generating unit, calculate the MAPE and PERC95 and issue the Preliminary Forecast Accuracy Standards Reports including the data used in the calculation within 30 business days from the end of the calendar month of the covered monitoring period. For instance, the Preliminary Forecast Accuracy Standards Report for September billing period shall be issued not later than 30 October.</u>	To provide general provision on monitoring and issuance of preliminary results to the trading participants.	Noted			

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	<u>4.4.2</u>	[NEW]	<u>The Generation Company shall provide a reply or confirmation of the MAPE and PERC95 results, as the case may be, to the Enforcement and Compliance Office within fifteen (15) business days from receipt of the Preliminary Forecast Accuracy Standards Report. If any of the circumstances fall within the exclusions and data variance under Section 4.3 of this Market Manual, the Generation Company shall likewise provide and submit the documents or proof thereof as basis for recalculation of the results.</u>	To afford the participants the opportunity to check the results and provide adequate basis for recalculation of the results, as may be allowed under Section 4.3 of the Manual Due process requirement	Clarify if this is the only stage/period for reply/confirmation and that all data will be considered valid when no reply is received after the 15-day period.			
	<u>4.4.3</u>	[NEW]	<u>The Enforcement and Compliance Office shall assess, validate, and verify the responses and documents submitted by the Generation Company. It may also</u>	To ensure that there is adequate basis for recalculation. Due process requirement	For the verification of generator data, we would like to clarify on what data will be provided by the SO.			

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			<u>consult the <i>Market Operator</i>, the <i>System Operator</i>, or the <i>Metering Service Provider</i>, as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Generation Company</i>. The <i>Enforcement and Compliance Office</i> shall perform the recalculation, as may be appropriate.</u>		We also would like to inquire if the ECO will use the forecasting results of SO, being submitted by SO to MO.			
	4.4.4	[NEW]	<u>The <i>Enforcement and Compliance Office</i> shall issue the <i>Final Forecast Accuracy Standards Report</i> within seventy (70) business days from the end of the calendar month of the covered monitoring period regardless of whether a reply or confirmation is submitted by the concerned <i>Generation Company</i> or whether a recalculation of the results was performed</u>	To issue the final monthly results after recalculation. The ECO is mandated to issue the Final monthly reports – with or without change from preliminary results as official reference for the monthly performance or compliance of the MDGU.	Requesting for confirmation if the final monthly reports are still subject to verification in view of the annual report, or if there will be any possible difference between the two final reports.	The Enforcement and Compliance Office shall issue the Final Forecast Accuracy Standards Report within seventy (70) business days from the end of the calendar month of the covered monitoring period <u>indicating considerations made based on the submitted reply or</u>		

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			<u>for a particular <i>must dispatch generating unit</i>.</u>			<u>confirmation by the concerned Generation Company</u> , or whether a recalculation of the results was performed for a particular must dispatch generating unit.		
	4.4.1	4.4.1 The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> within two (2) calendar months after the end of the period specified in Section 4.1.2.	4.4.1 4.4.5 The <i>Enforcement and Compliance Office</i> shall <u>submit a consolidated monthly</u> report to the <i>PEM Board</i> , <u>the Compliance Committee</u> , and the <i>DOE</i> <u>containing</u> the status of the compliance of each <i>must dispatch generating unit</i> to the <i>forecast accuracy standards</i> as of the most recent <i>Billing Period</i> with a <i>final statement on a monthly basis</i> <u>based on the Final Forecast Accuracy Standards Report within the same timeline provided in Section 4.4.4 of this Manual.</u>	<ul style="list-style-type: none">• Re-arranged for coherence. Previously Section 4.4.2 with modification• Renumbered to 4.4.5• Included Compliance Committee in view of its oversight functions.	For verification by the System Operator in line with monitoring frequency and voltage limit violations	4.4.5 The <i>Enforcement and Compliance Office</i> shall submit a consolidated monthly report to the <i>PEM Board</i> , <i>the Compliance Committee</i> , and the <i>DOE</i> containing the status of the compliance of each <i>must dispatch generating unit</i> to the <i>forecast accuracy standards</i> as of the most recent <i>Billing Period</i> with a <i>final statement on a monthly basis</i>		

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						based on the Final <i>Forecast Accuracy Standards Report</i> within the same timeline provided in Section 4.4.4 of this Manual. <u>A copy of the report shall be made available to the System Operator upon request.</u>		
	4.4.2	4.4.2 The <i>Enforcement and Compliance Office</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the status of the compliance of each <i>must dispatch generating unit</i> to the <i>forecast accuracy standards</i> as of the most recent <i>Billing Period</i> with a <i>final statement</i> on a monthly basis.	4.4.2 4.4.6 The <i>Enforcement and Compliance Office</i> shall <u>likewise submit an annual consolidated report to the PEM Board the Compliance Committee,</u> and the <i>DOE</i> the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs within two (2) calendar months after the end of the period specified in Section 4.1.2. <u>on or before 31 March of</u>	<ul style="list-style-type: none">• Re-arranged for coherence. Previously Section 4.4.1 with modification• Renumbered to 4.4.6• Provide a more definitive period for compliance• Proposed period based on the calculated period to process one whole year of data.• Included Compliance	Requesting for confirmation if the final monthly reports are still subject to verification in view of the annual report, or if there will be any possible difference between the two final reports.	4.4.6 The <i>Enforcement and Compliance Office</i> shall <u>likewise submit an annual consolidated report to the PEM Board the Compliance Committee,</u> and the <i>DOE</i> the annual compliance of each <i>must dispatch generating unit</i> to the <i>forecast accuracy standards</i> with respect to its		

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			<u>the year following the covered monitoring period.</u>	Committee in view of its oversight functions.		projected outputs within two (2) calendar months after the end of the period specified in Section 4.1.2. on or before 31 March of the year following the covered monitoring period. <u>A copy of the report shall be made available to the System Operator upon request.</u>		
	4.4.3	4.4.3 The <i>Market Operator</i> shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i> .	4.4.3 <u>4.4.7</u> The <i>Market Operator</i> <u>or the Enforcement and Compliance Office</u> shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i> .	<ul style="list-style-type: none">• Renumbered to <u>4.4.7</u>• To include ECO being the office in charge of the monitoring of FAS.	For consistency with SD 8.2.5.2 of PGC 2016	<u>4.4.7 The Market Operator or the Enforcement and Compliance Office, in consultation with the System Operator,</u> shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i>		

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4.5 Transition Period	4.5.1	A <i>transition period</i> covering the period specified by the <i>DOE</i> shall be implemented. The sanction on the non-compliance with the forecast accuracy standards shall be implemented upon the commercial operation of the enhanced <i>WESM</i> design and operations.	A <i>transition period</i> <u>shall be six (6) months</u> covering the period specified by the <i>DOE</i> shall be implemented. The sanction on the non-compliance with the forecast accuracy standards shall be implemented upon <u>from</u> the commercial operation of the enhanced <i>WESM</i> design and operations <u>unless extended by the DOE through appropriate issuance.</u>	<p>To reflect the current practice (as consulted with DOE – DOE will no longer issue formal issuance re: lifting of transition period; and the monitoring officially starts in January 2022 billing period).</p> <p>Given that the annual FAS rating is reckoned from 26 December of the year until 25 December of the succeeding year, the annual FAS rating could NOT be computed for 2021 as the EWDO commenced only on 26 June 2021 (or short of 6 months for annual rating).</p> <p>The annual FAS rating (Jan to Dec billing period) could be computed</p>	Noted			

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
				beginning January 2022				
	4.5.3	Before the end of the <i>transition period</i> , the <i>Market Operator</i> shall submit to the <i>DOE</i> and other concerned government agencies a report on the compliance of <i>must dispatch generating units</i> to the forecast accuracy standards, and it shall inform the <i>must dispatch generating units</i> on their performance with respect to the forecast accuracy standards.	Before the end of the <i>transition period</i> , the <i>Market Operator</i> <u>Enforcement and Compliance Office</u> shall submit to the <i>DOE</i> and other concerned government agencies a report on the compliance of <i>must dispatch generating units</i> to the forecast accuracy standards, and it shall inform the <i>must dispatch generating units</i> on their performance with respect to the forecast accuracy standards.	For consistency with Responsibilities of ECO under Section 3.1 of this Manual. Not included in the PEM Board's approved Urgent amendments (RCC Reso 2022-13)	Noted			
4.6 PENALTIES AND SANCTIONS		[NEW]	New sub-section	For clarity of the application of the penalty based on possible sets of circumstances.	Noted			
	4.6.1	[NEW]	<u>One breach is counted for each category of forecast accuracy standard that was not complied with based on</u>	For clarity: separate finding for MAPE and PERC95; and separate penalty imposition;	Non-submission of projected output should have a separate/additional penalty under			

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			<u>the Annual Forecast Accuracy Standards Report. The breach of MAPE and PERC95 shall be counted as separate breach even if they occur on the same period subject to penalty under Clause 7.2 of the WESM Rules and the relevant provisions of WESM Penalty Manual.</u>	consistent with the provisions of the WESM Penalty Manual.	WESM Rules Sections 3.5.5.5 and 3.5.5.6. Non-submission is different from cancellation of offer or zero (0) MW submission, thus, non-submission of projected output is not related to forecast accuracy which is subject to WESM Rules Section 3.5.5.8.			
	4.6.2	[NEW]	<u>The Generation Company with must dispatch generating unit that is in operation for less than a year and is found in breach of MAPE or PERC95, shall be:</u> <u>a) imposed a penalty in proportion to the number of months in operation during the covered monitoring year. For instance, the plant commenced operation on 26 March,</u>	To consider situation where the duration of commercial operation is less than one year. For (a): duration of commercial operation within the year is 9 months and above. Proportionate penalty. For (b): duration is less 3 months or less. MDGUs which commenced		<u>b) exempted from liability, if it commences operation within three (3) months prior to the end of the covered monitoring year. The resulting frequency limit and/or voltage limit violation shall warrant the same exemption.</u>		

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			<p><u>the financial penalty to be imposed shall be in proportion to the nine (9) billing months over the twelve (12) month-period.</u></p> <p><u>b) exempted from liability, if it commences operation within three (3) months prior to the end of the covered monitoring year.</u></p> <p><u>A must dispatch generating unit shall be considered in operation, for purposes of this Section, upon commencement of its operation or participation in the WESM either by virtue of the Final Certificate of Approval to Connect or the commercial operation registration in the WESM, whichever is applicable.</u></p>	<p>operation in October, November, and December billing period – exempted. This is in consideration of the adjustments during the initial period of operation.</p> <p>Reckoning of operation: Issuance of FCATC (if plant opts to operate already); or commercial operation registration, as the case may be.</p>				

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC Decision
SECTION 5 – AMENDMENT, PUBLICATION, AND EFFECTIVITY 5.3 Effectivity	5.3.2	[NEW]	<u>The amendments made herein and approved pursuant to the <i>Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals</i> shall have a retroactive effect from the beginning of the year that the said amendments are approved, unless the application thereof becomes inequitable and impracticable under the circumstances. For avoidance of doubt, the amended provisions that are given retroactive effect shall be indicated in the PEM Board resolution and/or DOE issuance approving or promulgating them.</u>	<p>The final FAS results are <u>cumulative</u> in nature and are determined on <u>annual</u> basis. It would be impractical to have different sets of the governing rule in different months in one year. Thus, to always ensure uniformity and practicality in the application of the rules/provisions, the same should be applied for the whole year.</p> <p>For instance, the amendment is approved in July 2023, it shall be applied from January to December 2023 billing period.</p> <p><i>“unless the application thereof becomes inequitable and impracticable</i></p>	Noted			

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				<i>under the circumstances” –to consider the prospective application of the amendment in the event that it would become unjust or affect the vested rights of the generation company (e.g. stricter rule).</i>				