



Call for Comments to the Proposed General Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the WESM Amending for this Purpose Department Circular No. DC2015-03-0001)

The Rules Change Committee (RCC) is inviting all WESM Members and interested parties to submit comments to the *Proposed General Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the WESM Amending for this Purpose Department Circular No. DC2015-03-0001) (ORCP-WR-WM-23-01)*.

The proposed amendments seek to:

- 1) amend the classification of priority dispatch generating units to include all biomass plants (with FiT certificate or none), geothermal, and impounding hydro plants;
- 2) provide that controllable generating units involving biomass, geothermal and impounding hydro plants that are currently registered as providers of ancillary services should be registered as scheduled generating units in view of the principles of co-optimizing its energy and reserve capacities through market offers for the upcoming reserve market; and
- 3) define projected output for hydropower and geothermal plants classified as priority dispatch generating units

The WESM documents for amendments are:

- 1) WESM Rules; and
- 2) WESM Manual on Registration, Suspension and De-registration Criteria and Procedures

BACKGROUND:

The proposed amendments were originally initiated by the Independent Electricity Market Operator of the Philippines (IEMOP) on 23 December 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, and immediately deliberated on the proposal on 28 December 2022. The approval and effectivity of the urgent proposal are as follows:

Activity	Date
RCC Approval	09 January 2023
PEM Board Approval	25 January 2023
Effectivity Date of Revised Rule and Manual	27 January 2023

The approved 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 IEMOP \(ORCP-WR-WM-22-13\)](#)
- 2) PEM Board-approved urgent proposal ([RCC Resolution No. 2023-01](#)) per PEM Board Resolution No. 2023-56-01
- 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) through the [File a Submission](#) page no later than **17 March 2023** or 30 working days from the date of publication (03 February 2023). *Please input in the proper field the e-mail address of your point person(s) who we could further contact regarding activities related to the processing of the proposal.*

Thank you.

For the Rules Change Committee,

Rules Review Division

Market Assessment Group

Philippine Electricity Market Corporation

+632 8631 8734 local 244 | mag_rrd@wesm.ph | www.wesm.ph

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

**Proponent's Information (for the Party Submitting the Comments)**

Name	Antonio O. Mercado
Designation	Tariff and Regulatory Affairs Manager
Company	Millennium Energy Inc. Panasia Energy Inc.
Company Address	3204 B East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City 1605
Telephone No.	8661-6282/8310-5737 0917 621-5611
Fax. No.	8310-5739
Email Address	amercado@mei.com.ph

Proposed General Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the WESM Amending for this Purpose Department Circular No. DC2015-03-0001)

WESM Rules								
Title	Clause	Original Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
[Please write general comments here, if any.]								
CATEGORIES OF WESM MEMBERS 2.3.1 Generation Companies	2.3.1.5	A <i>generating unit</i> or group of <i>generating units</i> connected at a common connection point that is <i>intermittent renewable energy resource</i> -based, whether or not under the <i>Feed-In Tariff system</i> , such as wind, solar, run-of-river hydro or ocean energy with the corresponding <i>DOE</i> certification shall be classified as a <i>must dispatch generating unit</i> , but may at its option be classified as a <i>scheduled generating unit</i> or a <i>non-scheduled generating unit</i> subject to Clause 2.3.1.4.	A <i>generating unit</i> or group of <i>generating units</i> connected at a common connection point that is <i>intermittent renewable energy resource</i> -based, whether or not under the <i>Feed-In Tariff system</i> , such as wind, solar, run-of-river hydro or ocean energy with the corresponding <i>DOE</i> certification shall be classified as a <i>must dispatch generating unit</i> , but may at its option be classified as a <i>scheduled generating unit</i> or a <i>non-scheduled generating unit</i> subject to Clause 2.3.1.4.	Clerical correction.				
CATEGORIES OF WESM MEMBERS	2.3.1.6	A <i>generating unit</i> or group of <i>generating units</i> connected at a common connection point that uses biomass as fuel, that is	A <i>generating unit</i> or group of <i>generating units</i> connected at a common connection point that uses are qualified	To comply with DOE DC2022-10-0031, but with consideration that				

WESM Rules								
Title	Clause	Original Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
2.3.1 Generation Companies		under the <i>Feed-In Tariff system</i> , with the corresponding <i>Feed-In Tariff Certificate of Compliance</i> shall be classified as a <i>priority dispatch generating unit</i> , but may at its option be classified as a <i>scheduled generating unit</i> or a <i>non-scheduled generating unit</i> subject to Clause 2.3.1.4.	<u>renewable energy plants that are not <i>must dispatch</i>, such as those using either geothermal energy or biomass as fuel or is an impounding hydro plant, and is not providing reserve or registered as Ancillary Services Provider</u> , that is under the <i>Feed-In Tariff system</i>, with the corresponding <i>Feed-In Tariff Certificate of Compliance</i> shall be classified as a <i>priority dispatch generating unit</i> , but may at its option be classified as a <i>scheduled generating unit</i> or a <i>non-scheduled generating unit</i> subject to Clause 2.3.1.4.	the generating unit is not providing reserve (i.e., ancillary services traded in the WESM) in view of the principles of co-optimizing the plant's energy and reserve capacities through market offers for the upcoming reserve market.				
Glossary	Glossary	Priority Dispatch. Preference to biomass plants under the <i>Feed-In Tariff System</i> in the dispatch schedule pursuant to Section 7 of the <i>Renewable Energy Act</i> .	<u>Priority Dispatch. Option or Preference to all qualified and registered renewable energy plants that are not eligible for Must Dispatch such as biomass, geothermal, and impounding hydro plants</u>	To be consistent with the definition of "priority dispatch" in DOE DC2022-10-0031.				

WESM Rules								
Title	Clause	Original Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
			under the Feed-In Tariff System in the dispatch schedule. Pursuant to Section 7 of the Renewable Energy Act.					
Glossary	Glossary	Projected Output. The <i>loading level</i> nominated by a <i>Generation Company</i> for its <i>must dispatch generating units</i> or <i>priority dispatch generating units</i> indicating the forecasted output of its <i>must dispatch generating unit</i> or <i>priority dispatch generating unit</i> at the end of a <i>dispatch interval</i> .	Projected Output. The <i>loading level</i> nominated by a <i>Generation Company</i> for its <i>must dispatch generating units</i> or <i>priority dispatch generating units</i> indicating the forecasted output of its <i>must dispatch generating unit</i> or <i>priority dispatch generating unit</i> at the end of a <i>dispatch interval</i> . <u>In the case of geothermal or impounding hydro plant which is classified as priority dispatch generating unit, projected output shall refer to its maximum available capacity, as defined in WESM Rules or Market Manual.</u>	To maintain the requirement for geothermal and hydro plants to nominate loading levels corresponding to their maximum available capacity, in keeping with the principle of the must-offer rule.	The projected output of a biomass generating unit is the loading level nominated by the GenCo, which indicates the forecasted output of the unit at the end of a dispatch interval. On the other hand, the projected output of a geothermal or impounding hydro generating unit is referred to as its maximum available capacity. May we know the rationale of having distinct definitions of projected output for these priority			

ANNEX A

Proposed General Amendments to the WESM Rules and WESM Registration Manual in view of DOE DC2022-10-0031 (Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the WESM Amending for this Purpose Department Circular No. DC2015-03-0001)

WESM Rules								
Title	Clause	Original Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
					dispatch generating units? Can the projected output of a biomass generating unit be referred also to its maximum available capacity?			

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 12.1								
Title	Section	Original Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Propose Re-wording based on Comment	Original Proponent's Response	RCC Decision
[Please write general comments here, if any.]								
Generating Unit Classification	2.5.4.1	a) An <i>Applicant</i> wishing to register as <i>Generation Company</i> shall, upon application, classify each of the <i>generating unit</i> or group of <i>generating units</i> which form part of the generating system it owns or operates or controls or from which it otherwise sources electricity as either – xxx (iv) A <i>priority dispatch generating unit</i> for a <i>generating unit</i> or group of <i>generating units</i> connected at a common <i>connection point</i> that uses biomass as fuel, that is under the <i>Feed-In Tariff system</i> , with the corresponding <i>Feed-In Tariff Certificate of Compliance</i> issued by the ERC. However, the	a) An <i>Applicant</i> wishing to register as <i>Generation Company</i> shall, upon application, classify each of the <i>generating unit</i> or group of <i>generating units</i> which form part of the generating system it owns or operates or controls or from which it otherwise sources electricity as either – xxx (iv) A <i>priority dispatch generating unit</i> for a <i>generating unit</i> or group of <i>generating units</i> connected at a common connection point that uses <u>are qualified renewable energy plants that are not must dispatch, such as those using either geothermal energy or biomass as fuel or is an impounding hydro plant</u>	To be consistent with the definition of “priority dispatch” in DOE DC2022-10-0031, but with consideration that the generating unit is not providing reserve (i.e., ancillary services traded in the WESM) in view of the principles of co-optimizing the plant’s energy and reserve capacities through market offers for the upcoming reserve market.				

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 12.1								
Title	Section	Original Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Propose Re-wording based on Comment	Original Proponent's Response	RCC Decision
		<p><i>Generation Company</i> may also elect to have such unit/s classified as <i>scheduled generating unit/s</i> or <i>non-scheduled generating unit/s</i> subject to this Section.</p>	<p><u>and is not providing reserve or registered as Ancillary Services Provider</u>, that is under the <i>Feed-In Tariff system, with the corresponding Feed-In Tariff Certificate of Compliance</i> issued by the <i>ERG</i>. However, the <i>Generation Company</i> may also elect to have such unit/s classified as <i>scheduled generating unit/s</i> or <i>non-scheduled generating unit/s</i> subject to this Section.</p>					