

Call for Comments to the Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program Implementation

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 Various WESM Manuals on the Interruptible Load Program Implementation*.

The proposed amendments seek to harmonize the WESM Rules and relevant Manuals with the DOE policies and ERC regulations related to ILP and to recommend improvements to existing market processes to aid in smooth implementation of ILP.

The WESM documents for amendments are:

- 1) WESM Rules;
- 2) WESM Manual on Dispatch Protocol;
- 3) WESM Manual on Load Forecasting Methodology; and
- 4) WESM Manual on Billing and Settlement.

BACKGROUND:

The proposed amendments were submitted by the Independent Electricity Market Operator of the Philippines (IEMOP) on 17 February 2023 by way of the rules change process for urgent amendments. However, after deliberating the urgent proposals in two (2) meetings, the RCC, during its 212th Regular Meeting, certified the proposal as not urgent and reclassified the same to be a general proposal. Correspondingly, on 29 March 2023, the PEM Board during its 58th Meeting concurred with the RCC's decision on the said proposal.

DOCUMENTS:

Provided below are the relevant materials for your reference:

- 1) Original Rules Change Proposal submitted by IEMOP (ORCP-WR-WM-23-02)
- 2) PEM Board-approved proposal (RCC Resolution No. 2023-03) per PEM Board Approval on 29 March 2023
- 3) Matrix of Proposed Amendments for Comments - Annexes A to D 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 **18 May 2023** or 30 working days from the date of publication (31 March 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

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WESM Rules								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re- wording based on Comment	Original Proponent's Response	RCC Decision
Please write your general comment here, if any:								
Submission of Offers, Bid and Data – Load Forecasting	3.5.8	(new)	<u>3.5.8 Network Service Providers shall inform the Market Operator of the total MW demand per hour that is committed for the implementation of the Interruptible Load Program for the next day.</u>	To enable MO to consider ILP de-loading capacity in forecasted demand during real-time scheduling	<p>We respectfully recommend deleting the proposed amendment to require NSPs to submit day-ahead information on ILP capacity for consideration in demand forecasting.</p> <p><i>As currently implemented, the amount of ILP de-loading is capped at the demand reduction level assigned by the System Operator to the DU during Red Alert.</i> This means that a DU can either implement ILP and/or MLD to comply with the SO's demand control instruction. So, if ILP de-loading is not enough to avoid power interruptions, DUs will still implement MLD. Conversely, if, for example, 200 MW of de-loading capacity was committed under ILP, but the demand control required by SO is only 100</p>	3.5.8 Network Service Providers shall inform the Market Operator of the total MW demand per hour that is committed for the implementation of the Interruptible Load Program for the next day.		

WESM Rules								
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					<p>MW, then ILP de-loading will be at a maximum of 100 MW.</p> <p>As emphasized by MERALCO during the 17 March 2023 RCC meeting, ILP participants can choose not to commit capacity for de-loading upon receiving advice on Red Alert. ILP participants also have the discretion on the amount of actual de-loading. For example, even if the capacity declared in the ILP agreement is 3 MW, a participant can commit 2 MW upon receiving advice on Red Alert, and de-load only 1 MW during Red Alert. Moreover, ILP participants can choose to go back to the grid at any time, even when Red Alert is still in effect. <i>Thus, the capacity declared by ILP participants under the agreement, and even during notification on the day of activation, is indicative.</i> As observed in</p>			

WESM Rules								
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					<p>past activations, committed de-loading capacity during notification is below enrolled capacity, and actual de-loading is also below commitment.</p> <p>ILP is also voluntary for DUs. As provided in Article III Section 1 of ERC Resolution No. 5, Series of 2015, DUs, with or without ILP participants in their respective areas, may opt to join NGCP's ILP instead of implementing the program on their own. <i>DUs may also choose not to join NGCP's ILP or implement the program, since compliance to the SO's demand control instruction can be done through MLD.</i> As such, if information only on ILP will be required, then not all DUs will be compelled to provide the information.</p> <p>Finally, we believe that ILP should not affect the demand forecast, since it is only a subset of the MLD</p>			

WESM Rules								
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					<p>instruction issued by the SO to DUs. <i>There may also still be forecasted deficiency in the grid even if ILP capacity was already accounted for, and the DU with ILP may then be assigned a greater MLD allocation, as a result of considering its ILP capacity in the demand projection.</i></p> <p>Thus, we suggest that the proposed amendments focus on institutionalizing the BCQ re-declaration process, as contained in the Interim Protocol.</p>			

WESM Rules								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re- wording based on Comment	Original Proponent's Response	RCC Decision
GLOSSARY	11	(new)	<u>Interruptible Load Program. The program where an End-user, in accordance with its protocol with its Network Service Providers, voluntarily agrees to either fully de-load, by disconnecting its delivery point that receives electricity, or partially de-load by reducing its load in response to an alert or notice issued by the System Operator of an expected power shortage.</u>	To define Interruptible Load Program based on provisions of relevant rules and issuances on ILP	As provided in ERC Resolution No. 5, Series of 2015, the ILP agreement, which contains the protocol for implementation of the program, refers to an agreement: (1) among NGCP, GenCo/RES and a Directly-Connected Customer/PEZA/Ecozone Utility Enterprise, (2) between a DU and its Captive Customer, and (3) tripartite between a DU, a RES or Local RES and its Contestable Customer. Thus, it is suggested to include Retail Electricity Suppliers (RESs) in the proposed definition of ILP to recognize the tripartite nature of ILP agreement for contestable customers.	Interruptible Load Program. The program where an End-user, in accordance with its protocol with its Network Service Providers, <u>and Retail Suppliers for End-users under the Retail Market,</u> voluntarily agrees to either fully de-load, by disconnecting its delivery point that receives electricity, or partially de-load by reducing its load in response to an alert or notice issued by the System Operator of an expected power shortage.		

WESM Manual on Dispatch Protocol Issue 18.0												
Title	Clause	Original Provision			Proposed Amendment (as amended by RCC)			Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
Please write your general comment here, if any:												
WESM Timetable – Week-Ahead Projection	4.3.2	WAP Timeline			WAP Timeline			To establish that Market Participants should provide inputs based on reasonable estimates of their expected capability for the upcoming week.	We would like to seek clarification on how the proposed amendment relates to ILP.			
		Time	Activity	Responsible Party	Time	Activity	Responsible Party					
		Before 0845H	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the WAP run	Trading Participants	Before 0845H	Submit the most recent self-scheduled nominations, bids and offers for all relevant hours of the WAP run consistent with the provisions of Clauses 6.1.7 and 6.13 of this Manual.	Trading Participants					

WESM Manual on Dispatch Protocol Issue 18.0												
Title	Claus e	Original Provision			Proposed Amendment (as amended by RCC)			Rationale	Comment	Proposed Re- wording based on Comment	Original Proponent's Response	RCC Decision
WESM Timetable – Day- Ahead Projection	4.4.2	DAP Timeline			DAP Timeline			To establish that Market Participants should provide inputs based on reasonable estimates of their expected capability for the upcoming week.	We would like to seek clarification on how the proposed amendment relates to ILP.			
		Ti me	Activi ty	Respon sible Party	Time	Activity	Respo nsible Party					
		Bef ore [ST PH 1* - 10 min ute s]	Sub mit the most recen t self- sche duled nomi natio ns, bids and offers for all relev ant hours of the DAP run	Trading Particip ants	Befo re [STP H1* - 10 minu tes]	Submit the most recent self- scheduled nominations , bids and offers for all relevant hours of the DAP run consistent with the provisions of Clauses 6.1.7 and 6.13 of this Manual.	Tradin g Partici pants					

WESM Manual on Dispatch Protocol Issue 18.0								
Title	Claus e	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re- wording based on Comment	Original Proponent's Response	RCC Decision
Real-Time Dispatch Schedulin g - Responsibilit ies	9.3.4	(new)	<u>9.3.4 Network Service Providers shall be responsible for providing information on the committed MW demand for the implementation of the Interruptible Load Program in accordance with the WESM Manual on Load Forecasting Methodology</u>	To enable MO to consider ILP de- loading capacity in forecasted demand during real-time scheduling	Same comment as in WESM Clause 3.5.8	9.3.4 Network Service Providers shall be responsible for providing information on the committed MW demand for the implementation of the Interruptible Load Program in accordance with the WESM Manual on Load Forecasting Methodology		

WESM Manual on Load Forecasting Methodology Issue 4.0								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
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Responsibilities	3.4	(new)	<u>3.4 Network Service Providers shall be responsible for submitting the Market Operator of the total MW demand per hour that is committed for the implementation of the Interruptible Load Program in accordance with Section 7.3 of this Manual and ensure such information's accuracy.</u>	To enable MO to consider ILP de-loading capacity in forecasted demand during real-time scheduling	Same comment as in WESM Clause 3.5.8	3.4 Network Service Providers shall be responsible for submitting the Market Operator of the total MW demand per hour that is committed for the implementation of the Interruptible Load Program in accordance with Section 7.3 of this Manual and ensure such information's accuracy.		
Customer Forecasts	7.3	(new)	<u>7.3 INFORMATION ON INTERRUPTIBLE LOAD PROGRAM IMPLEMENTATION</u> <u>7.3.1 By 2000H, Network Service Providers shall submit the Market Operator of the total MW demand per hour that is committed for the implementation of the Interruptible Load Program for the next day.</u>	To enable MO to consider ILP de-loading capacity in forecasted demand during real-time scheduling	Same comment as in WESM Clause 3.5.8	7.3 INFORMATION ON INTERRUPTIBLE LOAD PROGRAM IMPLEMENTATION 7.3.1 By 2000H, Network Service Providers shall submit the Market Operator of the total MW demand per hour that is committed for the implementation of the Interruptible Load Program for the next day.		

WESM Manual on Billing and Settlement Issue 12.1								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
<i>Please write your general comment/s here, if any:</i>								
Bilateral Contract Declaration	9.5	(new)	<p><u>REDECLARATIONS FOR ENERGY TRANSACTIONS</u></p> <p><u>9.5.1 Generation Companies may re-declare bilateral contract quantities in respect to:</u></p> <p>a) <u>Contestable Customers that are registered with the Distribution Utility as Interruptible Load Program participants;</u></p> <p>b) <u>Directly connected customers that are registered with NGCP as Interruptible Load Program participants;</u></p> <p>c) <u>Force majeure events resulting to inability to access the Market Operator's electronic submission platform</u></p>	<p>To institutionalize the Interim Protocol, which is currently not officially part of the WESM Manuals</p> <p>Section 9.5.1.a and 9.5.1.b are adopted from the Interim Protocol. Section 9.5.1.c is added to accommodate cases of Trading Participants requesting for re-declaration during force majeure events resulting to inability to access the Central Registration and Settlement System</p>				
		(new)	<p><u>9.5.2 In relation to Section 9.5.1.a and 9.5.1.b of this Manual, the System Operator and Distribution Utilities shall provide the Market Operator the list of their respective customers participating in the</u></p>	<p>Section 9.5.2 is adopted from the Interim Protocol.</p>	<p>We would like to seek clarification if the list of ILP participants to be submitted by the DU to the MO will be limited to contestable customers, as currently being provided to</p>	<p>9.5.2 In relation to Section 9.5.1.a and 9.5.1.b of this Manual, the System Operator and Distribution Utilities shall provide the Market Operator</p>		

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Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
			<u>Interruptible Load Program every 15th day of the month.</u>		the MO to comply with Section 3.1.2 of the Interim Protocol. For clarity, since there is no BCQ re-declaration for the de-loading of captive ILP participants, it is suggested to indicate that the list of ILP participants to be submitted refers to participating contestable customers.	the list of their respective <u>contestable</u> customers participating in the Interruptible Load Program every 15 th day of the month.		
		(new)	<u>9.5.3 If re-declaration is due to Section 9.5.1.a of this Manual, the Generation Companies shall enroll the applicable Distribution Utility as a supply customer with the Market Operator prior to re-declaration in accordance with Section 3.5 of the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures.</u>	Section 9.5.3 is adopted from the Interim Protocol.				
		(new)	<u>9.5.4 The System Operator and Distribution Utilities shall inform the Market Operator of the actual time and duration of</u>	Section 9.5.4 is adopted from the Interim Protocol.	1. We would like to seek clarification if the definition of "business day" refers to 'any on which the spot			

WESM Manual on Billing and Settlement Issue 12.1								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
			<u>de-loading of their customers participating in the Interruptible Load Program no later than one (1) business day from the end of the relevant trading day the Interruptible Load Program was activated.</u>		<p><i>market is open for business'</i>, as provided in the WESM Rules.</p> <p>2. We would also like to seek clarification on the phrase '<i>actual time and duration of de-loading</i>'. Does it refer to the exact de-loading hour/s for each participating contestable customer? If yes, it should be noted that actual duration of de-loading may not be determined for all participating contestable customers a day after ILP implementation, since consumption meters still need to be read to check if the ILP participant went back to the grid before the end of the Red Alert period.</p> <p>What can be provided a day after ILP implementation is a <i>list of participating contestable customers that declared availability to de-load and the de-loading</i></p>			

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					<i>schedule as advised by the DU</i> , which is based on the Red Alert notice and inclusive of one hour before and after Red Alert. The actual duration of de-loading of each participating contestable customer is determined within the prescribed timeline for submission of BCQ re-declaration for ILP.			
		(new)	<u>9.5.5 If re-declaration is due to Section 9.5.1.a of this Manual, the Generation Companies shall submit the re-declaration of bilateral contract quantities for the applicable Contestable Customers for the account of the corresponding Distribution Utilities no later than seven (7) business days from the end of the relevant trading day when the Interruptible Load Program was activated.</u>	Section 9.5.5 is adopted from the Interim Protocol.	We would like to seek clarification if the definition of “business day” refers to ‘any on which the spot market is open for business’, as provided in the WESM Rules.			
		(new)	<u>9.5.6 If re-declaration is due to Section 9.5.1.b of this Manual, the Generation Companies shall submit the re-declaration of bilateral contract quantities</u>	Section 9.5.6 is adopted from the Interim Protocol.				

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Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
			<u>for the applicable directly connected customers no later than seven (7) business days from the end of the relevant trading day when the Interruptible Load Program was activated.</u>					
		(new)	<u>9.5.7 If re-declaration is due to Section 9.5.1.c of this Manual, the Generation Companies shall submit the re-declaration of bilateral contract quantities for the affected dispatch intervals, with accompanying proof of inability to access the Market Operator's electronic submission platform, no later than seven (7) business days from the end of the relevant trading day when the force majeure event occurred, provided that the Generation Company shall immediately report the inability to access the Market Operator's electronic submission platform within the day of occurrence of the force majeure event.</u>	Section 9.5.7 is proposed to accommodate cases of Trading Participants requesting for re-declaration during force majeure events resulting to inability to access the Central Registration and Settlement System				

WESM Manual on Billing and Settlement Issue 12.1								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
		(new)	<p><u>9.5.8 The Market Operator is authorized to approve a request for re-declaration of bilateral contract quantities made under Section 9.5.5 and 9.5.6 of this Manual provided that such re-declaration complies with all the following requirements:</u></p> <p><u>a) The bilateral contract quantity re-declarations were submitted no later than seven (7) business days from the end of the relevant trading day when the Interruptible Load Program was activated;</u></p> <p><u>b) The bilateral contract quantity re-declarations were only for intervals when the Interruptible Load Program was activated;</u></p> <p><u>c) The bilateral contract quantity re-declarations of Generation Companies correspond with their respective contract enrolments; and</u></p> <p><u>d) The bilateral contract re-declarations of Generation Companies follow the prescribed</u></p>	Section 9.5.8 is adopted from the Interim Protocol.				

WESM Manual on Billing and Settlement Issue 12.1								
Title	Clause	Original Provision	Proposed Amendment (as amended by RCC)	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
			<u>format and mode of submissions.</u>					
		(new)	9.5.9 The Market Operator is authorized to approve a request for re-declaration of bilateral contract quantities made under Section 9.5.7 of this Manual provided that such re-declaration complies with all the following requirements: a) <u>The bilateral contract quantity re-declarations were submitted no later than seven (7) business days from the end of the relevant trading day when the force majeure event occurred;</u> b) <u>The bilateral contract quantity re-declarations were only for intervals when the Market Operator's electronic submission platform was inaccessible;</u> c) <u>The bilateral contract quantity re-</u>	Section 9.5.9 is proposed to provide guidance to the Market Operator and Generation Companies on criteria for evaluation of submitted re-declarations.				

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			<p><u>declarations of Generation Companies correspond with their respective contract enrolments;</u></p> <p>d) <u>The bilateral contract re-declarations of Generation Companies follow the prescribed format and mode of submissions;</u></p> <p>e) <u>The Generation Company immediately reported the inability to access the Market Operator's electronic submission platform within the day of occurrence of the <i>force majeure</i> event; and</u></p> <p>f) <u>The Generation Company attests, by way of a public document, to the truthfulness and correctness of the submitted proof of inability to access the Market Operator's electronic submission platform.</u></p>					

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		(new)	<u>9.5.10 The Market Operator shall act upon requests for re-declaration within a period of five (5) working days from receipt thereof.</u>	To provide timeline for approval/disapproval of request for redeclarations	We would like to seek clarification on why the proposed period for evaluation of requests for re-declaration is 5 working days from receipt thereof.			
		(new)	<u>9.5.11 Disputes in respect of the Market Operator's disapproval of a request for redeclaration may be raised within six (6) months from the WESM Member's receipt of the Market Operator's decision. It shall be resolved pursuant to the dispute resolution procedure set out in the WESM Rules Clause 7.3.</u>	To provide recourse for participants in case of disputes in line with existing dispute resolution process				
		(new)	<u>9.5.12 Re-declarations approved after the 28th day of the calendar month shall not be included in the computation of the preliminary settlement statement and instead shall be included in the final settlement statements for that billing month.</u>	To be consistent with new clauses 9.5.10 and 9.5.11 above, we propose that cut-off for inclusion of redeclarations in the preliminary statements shall be reckoned from approval date. In addition, we propose to move cut-off to 28 th of	As proposed in Section 9.5.12, re-declarations approved after the 28 th day of the calendar month (possibly, for ILP activations toward the end of a supply month) may only be reflected in the final bill. Thus, DUs may not have time to conduct	9.5.12 Re-declarations approved after the 28 th day of the calendar month shall not be included in the computation of the preliminary settlement statement and instead shall be included in the final settlement statements for that		

WESM Manual on Billing and Settlement Issue 12.1								
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				the calendar month. This is because IEMOP's run for preliminary billing starts on the 29th.	its own validation of BCQ re-declaration. To ensure that necessary adjustment in erroneous re-declarations can be accounted for, it is recommended that corrections be allowed within five (5) days from issuance of the final bill and be reflected in the prelim bill for the immediately succeeding month.	billing month. <u>Necessary adjustments in erroneous re-declarations related to Section 9.5.1 of this Manual shall be allowed within five (5) days from issuance of the final settlement statement and reflected in the preliminary settlement statement for the immediately succeeding month.</u>		
		(new)	<u>9.5.13 The Market Operator shall issue advisories on the mode of submissions of the re-declaration and publish the same in its website.</u>	To institutionalize the Interim Protocol, which is currently not officially part of the WESM Manuals				