

JOBIN-SQM INC.'S PROPOSED AMENDMENTS TO THE WESM MANUALS FOR THE OPTION TO USE THE FINAL MQ DATA AS THE BASIS FOR THE FINAL BCQ DECLARATION OF A FULLY-CONTRACTED GENCO



August 2025



THE PROPONENT



THE PROPONENT – JOBIN-SQM INC.

- **Jobin-SQM Inc. (JSI).** JSI is a subsidiary of Emerging Power Inc. (EPI), the renewable energy arm of Nickel Asia Corporation (NAC).
- JSI is the owner and operator of two solar facilities, Sta. Rita SPP and Subic New PV PPP, located in Mt. Sta. Rita, Subic Bay Freeport Zone.
- JSI's top officers:
 - Roy Joseph S. Fernandez – President and CEO
 - Jasmin Josefa P.G. Agbon – SVP for Special Projects
 - April Ann B. Nerva – VP for Project Development
 - Edward M. De Leon – Chief Finance Officer
 - Maricar D. Magadia – Data Protection Officer





DETAILS OF THE PROPOSED AMENDMENT



OUTLINE



ACTION
REQUESTED



RATIONALE OF
THE PROPOSAL



SUMMARY OF
THE PROPOSAL

ACTION REQUESTED

- **For RCC's Approval:** For publication for comments of the proposed amendments to the WESM Manuals to allow an option to use the final metered quantity (MQ) data as the basis for a GenCo's final bilateral contract quantity (BCQ) data, if a GenCo's capacity is fully contracted
 - Market Manual on Registration, Suspension and De-Registration Criteria and Procedure Issue 18.0
 - Section 3.5.1
 - Market Manual on Billing and Settlement, Issue No. 15.0
 - Section 9.1
 - Section 9.2
 - Section 9.3

RATIONALE OF THE PROPOSAL

- **Fully Contracted RE Projects.** Many new RE projects are fully contracted under a long-term power supply agreement (PSA) to comply with the requirements of its investors and/or project financing institutions.
- **MQ Variance Results in Incidental WESM Transactions.** Since fully contracted, the projects' capacity is not intended for merchant transactions. However, discrepancies between daily MQ and final MQ results in incidental WESM transactions.

MQ Data Scenario	Basis for Daily BCQ	Implication
Daily MQ is available, complete, and correct, and consistent with the Final MQ (<i>ideal</i>)	Daily MQ	None, no incidental WESM transactions. But this is not the usual case.
Daily MQ is unavailable or incorrect (i.e., with MTR), and/or inconsistent with the Final MQ (<i>usual</i>)	Plant's Statistical/SCADA MQ Data, for days with Daily MQ issues	Incidental WESM transactions <ul style="list-style-type: none"> • If Stat. MQ > Final MQ → BCQ > Final MQ → WESM Purchase • If Stat. MQ < Final MQ → BCQ < Final MQ → WESM Sales, and unintended allocation of RECs to the GenCo

- **Additional BIR-Related Transactions.** With incidental WESM sales, GenCo will be subject to BIR-related transactions for its unintentional spot sales.
- **Additional Adjustment Calculations GenCo and Customer.** With incidental WESM sales or purchases, counterparties conduct additional adjustment calculations to account for the WESM exposures of both parties.

SUMMARY OF THE PROPOSAL

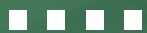
- Summary of process changes under the proposed amendment

WESM Process	Market Operator	Genco	Customer
Customer Enrolment	Allow in the CRSS/WCEF, the option to use Final MQ Data as the basis for the BCQ, if a GenCo is fully contracted to a Customer	<ul style="list-style-type: none"> Declare that it is fully-contracted to a Customer Indicate if it will avail of the said BCQ option 	Confirm GenCo's enrolment and availment of the BCQ option
Daily BCQ Declaration	Process BCQ declaration, as usual	<ul style="list-style-type: none"> Allocate its MQ to its Customer's MTN If no specified allocation, no need to submit daily BCQ 	Confirm allocation, if needed
Prelim and Final Settlement Calculation	If monthly MQ is different from the daily MQ, use monthly MQ as the final BCQ declared by the GenCo to the Customer, allocated to Customer MTNs using the Daily BCQ declaration as basis		

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ILLUSTRATION:

- The variance between the final MQ and daily MQ (either from IEMOP or based on plant's statistical meter if IEMOP MQ is not available) results in incidental WESM exposure.
- For example, table below shows a summary of a sample incremental WESM Sales and WESM Purchases which may amount to several million pesos, depending on prevailing WESM prices.

Month	Final MQ, MWh	Total BCQ Declared, MWh	Total Net Variance, MWh	Incidental WESM Sales, MWh (Positive variance, for intervals where MQ>BCQ)	Incidental WESM Purchase, MWh (Positive variance, for intervals where MQ<BCQ)	Incidental WESM Sales Cost, Php	Incidental WESM Purchase Cost, Php
July 2025	11,595	11,244	351	791	441	~2.2 M	~1.4 M

** Sample calculation is for illustration only, approximated based on actual settlement data of a 100 MW fully-contracted solar power plant*

RECS TRANSACTIONS:

- For the sample table above, the incidental WESM Sales of 791 MWh is equivalent to 791 RECs that will be automatically awarded to the Gen instead of the customer. This incidental RECs issuance will be transferred back to the customer through the PREMS (additional unintended transaction).

