



MEETING MINUTES

Subject/Purpose : 171st Rules Change Committee Meeting
 Date & Time : 20 November 2020, 09:05
 Venue : Online via Microsoft Teams
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ATTENDEES

	Name	Designation/Position	Department/Company
1	Maila Lourdes G. De Castro	Chairperson, Independent	RCC
2	Francisco Leodegario R. Castro, Jr.	Member, Independent	RCC
3	Allan C. Nerves	Member, Independent	RCC
4	Concepcion I. Tanglao	Member, Independent	RCC
5	Dixie Anthony R. Banzon	Member, Generation Sector	RCC
6	Cherry A. Javier	Member, Generation Sector	RCC
7	Carlito C. Claudio	Member, Generation Sector	RCC
8	Jessie B. Victorio	Member (Alternate), Generation Sector (Panasia Energy, Inc.)	RCC
9	Mark D. Habana	Member, Generation Sector	RCC
10	Ryan S. Morales	Member, Distribution Sector	RCC
11	Virgilio C. Fortich, Jr.	Member, Distribution Sector	RCC
12	Ricardo G. Gumalal	Member, Distribution Sector	RCC
13	Nelson M. Dela Cruz	Member, Distribution Sector	RCC
14	Lorreto H. Rivera	Member, Supply Sector	RCC
15	Dennis Paragas	Member (Alternate), Generation Sector (TeaM (Philippines) Energy Corp.)	RCC
16	Ambrocio R. Rosales	Member, System Operator	RCC
17	Isidro E. Cacho, Jr.	Member, Market Operator	RCC
18	Dennis Paragas	Alternate, Generation Sector	TPEC
19	Karen A. Varquez	Manager, MAG-Rules Review Division (RCC Secretariat)	PEMC
20	Divine Gayle C. Cruz	Specialist, MAG-Rules Review Division (RCC Secretariat)	PEMC
21	Dianne L. De Guzman	Specialist, MAG-Rules Review Division (RCC Secretariat)	PEMC
22	Kathleen R. Estigoy	Specialist, MAG-Rules Review Division (RCC Secretariat)	PEMC
23	Jonathan B. dela Viña	Proponent	IEMOP
24	Valfia U. Gregorio	Proponent	IEMOP
25	Katrina A. Garcia-Amuyot	Proponent	IEMOP
26	Jenny I. Jalandoni	Proponent	IEMOP
27	Ferdinand B. Binondo	DOE Observer	DOE
28	Melanie C. Papa	DOE Observer	DOE
29	Mari Josephine C. Enriquez	DOE Observer	DOE
30	Lex J. Magtalas	DOE Observer	DOE
31	Ryan Jaspher M. Villadiego	DOE Observer	DOE



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Agenda	Agreements / Action Taken / Action Required
I. Call to Order / Determination of Quorum	<ul style="list-style-type: none"> The meeting was conducted via Microsoft Teams and was called to order at 9:05 AM. The meeting was initially chaired by Mr. Francisco Leodegario R. Castro, Jr. (Independent) and continued by Atty. Maila Lourdes G. de Castro (Chairman/Independent). All 15 RCC principal members and 2 alternate members were in attendance.
II. Presentation and Approval of the Proposed Agenda	With no other inputs / comments, the provisional agenda of the meeting was approved by the body.
III. Approval of the Minutes of Previous Meeting	The minutes of the 170 th RCC Meeting held on 16 October 2020 was approved as presented.
IV. Matters Arising from Previous Meeting	
4.1. Discussion of Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines	<p><u>Presenter:</u> Engr. Valfia U. Gregorio (IEMOP)</p> <p><u>Action Requested:</u> For deliberation and approval to endorse to PEM Board</p> <p><u>Meeting Materials:</u> Annex A (matrix of proposed amendments and RCC decision)</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> Ms. Gregorio (IEMOP) discussed the IEMOP's responses to PEMC's comments on the proposal. IEMOP was amenable to the following suggestions and RCC adopted these proposed revisions to WESM Rules: <ul style="list-style-type: none"> Reckoning of timeline for reporting of settlement discrepancies shall be from the receipt of the final statement; A 5-month period after the issuance of final statement shall be given to the WESM Members to raise their concerns; Requiring the trading participants to report any discrepancies in the billing prior to filing of dispute under the new clause 3.14.5.4. Atty. De Castro (Independent) asked how long will the dispute resolution process take. Ms. Gregorio responded that it is out of the Market Operator's control. She also added that PEMC suggested that a reconciliation on the final statement will take place after the WESM Member notifies MO on the error. If the WESM Member still disagrees with the revised settlement, the participant may proceed with the dispute resolution process.



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	<ul style="list-style-type: none"> • Ms. Javier (Aboitiz) asked if the proposal is retroactive or prospective. Ms. Gregorio answered that it is prospective and also added that only final statements after the effectivity will be covered by the proposed amendment. Further, the effectivity will still depend on DOE's approval. • Ms. Cruz (Secretariat) clarified that PEMC's comments on Clause 3.14.8.2 still pertains to MO's process, thus the word "dispute" means disagreement. However, on Clause 3.14.8.3, the word "dispute" pertains to dispute resolution process. She added that there might be confusion since both clauses used the term "dispute". <p>To avoid such confusion, Atty. De Castro asked if it is possible to use reporting of errors rather than dispute. Though IEMOP was amenable to the suggestion, Ms. Gregorio emphasized that the Section Title is "Disputes".</p> <p>Atty. De Castro asked the Secretariat if the section was envisioned for the resolution of final settlement discrepancies to go through the dispute resolution process when it was drafted. Ms. Cruz responded that the original purpose was to provide an option for market participants to go through the dispute process, but because of PEMC's proposed sequential process, Clause 3.14.8.2 will only pertain to MO process and the proposed additional clause pertains to the dispute resolution process.</p> <p>Ms. Cruz informed the body that PEMC is amenable on the previous suggestion to reword "dispute" in Clause 3.14.8.2 to clarify the difference. Per suggestion of Atty. De Castro, the RCC agreed for PEMC or IEMOP to either revise the title or refine the section, for review of the RCC.</p> <ul style="list-style-type: none"> • Through comments, PEMC asked the proponent why the proposed period for the issuance of final statement is up to six (6) months. Ms. Gregorio explained that the rationale is to lessen the financial risk of the trading participants from 12 months. Though IEMOP is open to shorter correction timelines, their preference is still 6 months to consider the duration of possible additional obligations.



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	<ul style="list-style-type: none"> • Moving forward, the proposed amendments to the WESM Rules were also reflected in WESM Manual on Billing and Settlement. Thus, same agreements will be applied to the said manual. • On Clause 8.2.2 of WESM Manual on Metering Standards and Procedures 12.0, Ms. Cruz explained that PEMC's comments on the adjusted timeline is based on IEMOP's rationale to provide the Market Operator one (1) month to revise the statements upon receipt of the corrected metered data. Also, it was assumed that all the necessary data needed to correct the final statement is already with the Market Operator, thus, no need for a longer period of revision. <p>Mr. Jalandoni (IEMOP) explained that the corrections given by the Metering Service Providers (MSP) are not constantly submitted every month. There were instances when some MSPs maximize the allowable time to provide adjusted meter data, even providing these corrections in bulk towards the deadline. To avoid confusion and to provide corrected information every month, it will be better for the MO and participants to reflect all the corrections only once during the sixth month. Also, the proposed six (6) months is consistent with the timeline given by the Market Operator to the MSPs for the correction of meter data.</p> <p>For this item, the RCC agreed to retain the six (6) months proposal of IEMOP.</p> <ul style="list-style-type: none"> • The last manual to be amended for this proposal is the WESM Manual on Dispute Resolution 6.0 wherein the agreements will be reflected for consistency. <p>Resolution: The RCC approved the proposed changes to the following documents for endorsement to the PEM Board:</p> <ol style="list-style-type: none"> 1. WESM Rules; 2. WESM Manual on Billing and Settlement Issue 6.1; 3. WESM Manual on Metering Standards and Procedures 12.0; and 4. WESM Manual on Dispute Resolution Issue 6.0



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	<p>The proposed amendments were approved during this meeting shall be harmonized and finalized in the RCC resolution. The RCC shall approve and sign said resolution in the December 2020 meeting.</p>
<p>4.2. RCC Resolution No. 2020-16: Proposed General Amendments to WESM Rules and WESM Manual on BCQ Declaration</p>	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For deliberation and approval to endorse to PEM Board</p> <p><u>Meeting Material:</u> Annex B (matrix of proposed amendments and RCC decision)</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman (Secretariat) reminded the RCC that the comments received for the proposed amendments to the WESM Manual on Billing and Settlement 6.0 were not deliberated upon during the previous RCC Meeting. Prior to the approval of RCC Resolution, the Secretariat requested the RCC to review the comments line-by-line.</p> <ul style="list-style-type: none"> On PEMC's comments requesting MO to provide a reasonable timeline for Sections 9.1.8 and 9.1.9, notification that standing bilateral contract will be used, the MO responded that their proposal is D+2 timeline. Ms. De Guzman requested approval from the RCC on the D+2 timeline. She also added that there were no objections from the last RCC meeting on the proposed timeline. <p>Ms. Varquez (Secretariat) cited that the D+2 timeline for BCQ declaration is not part of the original proposal from Pagbilao. This may entail enhancements in the system and new set of proposed rules changes. Mr. Dela Viña (IEMOP) clarified that the D+2 timeline is for the notification after the submission of BCQ has been made. PEMC also commented that MO should provide timeline for the notification.</p> <p>Atty. De Castro asked if this enhancement to the system will require additional cost. Mr. Dela Viña answered that the whole concept of BCQ declaration will entail additional cost considering that it is a new feature in the system.</p>



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	<p>Mr. Binondo (DOE) sought clarification on whether there will be no re-declaration of BCQ that will happen on the D+2 timeline. Mr. Dela Viña assured that no re-declaration will happen and that D+2 timeline will be for notification that standing BCQ was used.</p> <ul style="list-style-type: none"> For Shell's comments, IEMOP responded that the additional process of BCQ declaration will require additional features to CRSS and may entail additional cost. This enhancement cost will be coursed through the ERC and subsequently collected from Participants through market fees. <p>Atty. De Castro asked IEMOP for the timeline on identifying the additional cost and the timeline for the implementation of the enhancement. Mr. Dela Viña informed the body that the development timeline is around two (2) months. The additional cost for the enhancement will entail Eight Hundred Thousand Pesos (Php 800,000.00). The timeline and cost provided excludes the software audit by PEMC.</p> <p>Mr. Claudio (PEI/MEI) asked if there is an existing maintenance agreement with the developer that may cover such enhancement. Mr. Dela Viña said that the maintenance was also discussed with the developer, however, the current maintenance component pertains to other areas/activities. Thus, the additional feature is not included the maintenance.</p> <p>Mr. Morales (Meralco) asked if the additional cost will be passed on to all market participants even for those who will not benefit from the additional feature. Mr. Dela Viña confirmed that it will be passed on to all market participants, since it is the current structure of market fees.</p> <p>Mr. Fortich (CEBECO III) asked if IEMOP is allowed to use savings from the market fees collected, if any, rather than charging the market participants. Mr. Dela Viña cited that ERC's instructions on the savings is that it will be deducted from the requirement of the following year. Thus, the additional cost will still be collected from the market participants through market fees.</p> <p>Atty. De Castro queried if Mr. Dela Viña has an idea on the charge per market participant. Mr. Morales also asked if the Php 800,000.00 will be a one-time payment or a recurring payment.</p>



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	<p>Mr. Dela Viña answered that the approximate charge will be Php 0.00012/kWh and the enhancement cost will be a one-time payment.</p> <p>As suggested by Mr. Morales, the RCC agreed not to include the Php 0.00012/kWh charge in the RCC resolution because it may be interpreted to mean that said charge is a recurring cost for every kWh.</p> <ul style="list-style-type: none"> The RCC agreed to reflect the cost and timeline of this enhancement as amended on the presented draft RCC Resolution, as follows: <p><i>WHEREAS, during the 171st RCC Meeting held on 20 November 2020, the RCC continued the deliberation of comments received to the proposed amendments, wherein the IEMOP confirmed the need for the enhancements to the Central Registration and Settlement System (CRSS) for the implementation of the proposal initially estimated at Eight Hundred Thousand Pesos (Php 800,000), and development timeline of approximately two (2) months;</i></p> <p><u>Resolution:</u> The RCC approved the endorsement to the PEM Board and agreed to affix their e-signature on RCC Resolution No. 2020-16: Proposed General Amendments to WESM Rules and WESM Manual on BCQ Declaration</p>
<p>4.3. RCC Resolution No. 2020-17: Proposed General Amendments to WESM Rules and WESM Manual on Billing and Settlement on Prudential Requirements</p>	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval to endorse to PEM Board</p> <p><u>Meeting Material:</u> Annex C (draft RCC Resolution 2020-17)</p> <p><u>Proceedings:</u> Ms. De Guzman presented the draft resolution to the RCC and no comments were received.</p> <p><u>Resolution:</u> The RCC approved the endorsement to the PEM Board and all members present agreed to affix their e-signature on RCC Resolution No. 2020-17: Proposed General Amendments to WESM Rules and WESM Manual on Billing and Settlement on Prudential Requirements</p>



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V. New Business	
5.1 Proposed Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership	<p><u>Presenter:</u> Engr. Jonathan B. dela Viña (IEMOP - Proponent)</p> <p><u>Action Requested:</u> For approval for publication</p> <p><u>Meeting Material:</u> Annex D (presentation material)</p> <p><u>Proceedings:</u></p> <p>As a backgrounder, the WESM Rules require that all grid loads should register in the WESM. However, it has been found out that there are ten (10) unregistered metered loads. With this, IEMOP has been constrained to assign their consumption to whom they currently have bilateral contracts with. However, if the contract expires and said loads continue to be unregistered, there will be an issue in the settlement. IEMOP already noted that this is a compliance issue on market registration.</p> <p>IEMOP sent letters to these unregistered companies and these companies responded that they would comply to the registration. However, there has been no movement in the registration. IEMOP thus looked into the WESM Rules and Manuals where these issues may be addressed. There is also a need to clarify on how transactions of Indirect Members are made so that there will be a clear delineation of functions.</p> <ul style="list-style-type: none"> • Ms. Javier inquired on the following which were answered by Mr. Dela Viña: <ul style="list-style-type: none"> ○ Is the proposal applicable for the current enhanced design? <ul style="list-style-type: none"> - The proposal is for the enhanced WESM Design. ○ Does the Indirect Member refer to both RES and Gen? <ul style="list-style-type: none"> - Yes, both RES and Gen. ○ Currently, RES' are not allowed to declare contract with their respective Indirect Members. If the proposal is that only Direct Members can declare contracts, does it mean that RES cannot declare anymore? <ul style="list-style-type: none"> - Yes, because the transactions are automatic under Indirect Members.



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	<ul style="list-style-type: none"> ○ Would it be possible to include Indirect Members in the contract declaration? <ul style="list-style-type: none"> - Considering the future lowering of the RCOA threshold, it will be hard for the system to process too large volume of data. ○ Will it be possible that the registration for both Indirect and Direct Members are treated the same? <ul style="list-style-type: none"> - The proposed threshold is for Direct Members. MO's perspective is that RES' declaration to its Contestable Customers (CCs) has no effect in the total wholesale settlement. RES can still manage it internally. Based on the discussion with RESA, IEMOP will brief the suppliers on how to break down WESM charges to its CCs. <p>Mr. Dela Viña said that they can still send comments where IEMOP can respond with more details.</p> <ul style="list-style-type: none"> ● Mr. Claudio mentioned that based on the WESM Rules, no entity can inject or withdraw from the grid unless it is a registered WESM Member. Mr. Dela Viña answered that the proposal is also intended for the unregistered loads to register in the WESM. <p><u>Resolution:</u> The RCC approved the publication of the proposal for solicitation of comments.</p>
<p>5.2 Updates on Recently Approved Amendments by the DOE</p>	<p><u>Presenter:</u> RCC Secretariat</p> <p><u>Action Requested:</u> For information</p> <p><u>Meeting Material:</u> Annex E (presentation material)</p> <p><u>Proceedings:</u></p> <p>The RCC noted the approved amendments by the DOE on the following circulars:</p> <ul style="list-style-type: none"> a) DOE DC 2020-10-0019: Provisions for the New Load Facility of a Registered WESM Member b) DOE DC 2020-10-0020: Provisions for the WESM Timetable c) DOE DC 2020-10-0021: Provisions for the Implementation of Independent Market Operator



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	<p><u>Resolution:</u> N/A (for information only)</p>
<p>5.3 Corporate Strategic Plan 2021-2022</p>	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For inputs/comments</p> <p><u>Meeting Material:</u> Annex F (presentation material)</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman presented the RCC Corporate Strategic Plan for 2021-2022.</p> <ul style="list-style-type: none"> • Atty. De Castro asked if the rules effectiveness studies is a requirement. Ms. Varquez explained that this was initiated by MAG, per CGO Rauf Tan's suggestion, to make the rules review process informative and responsive to market participants. The Secretariat will be presenting proposed topics for the rules effectiveness next meeting. The intention of rules effectiveness is to assess the previously implemented rules changes in the market. • Ms. De Guzman said that RCC may provide comments or additional inputs or strategies via email on the performance of their respective functions in the strategic plan for 2021-2022. <p><u>Resolution:</u> Secretariat to send the presentation material and RCC will provide comments.</p>
<p>6 Other Matters</p>	
<p>6.1 Proposed Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership</p>	<p><u>Presenter:</u> Ferdinand B. Binondo (DOE)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Mr. Binondo informed the RCC that virtual public consultations were held last October 27 and 29, 2020 for Luzon, and Visayas and Mindanao WESM Members, respectively, regarding the following draft proposals:</p>



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	<ol style="list-style-type: none"> 1. NSS Manual to harmonize with ERC Resolution No. 07 Series of 2019 2. Management of Must-Stop and Must-Run Units 3. Load Forecasting Methodology <p>Another set of public consultations are tentatively scheduled on the 1st and 2nd week of December that will discuss the following proposals:</p> <ol style="list-style-type: none"> 1. Enhancements to Rules Change Process 2. Abolition of Manuals (EWDO) 3. Proposed WCO Accreditation Manual <p><u>Resolution:</u> N/A (for information only)</p>
6.2 Market Participants' Update	<p><u>Presenter:</u> Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Meeting Material:</u> Annex G (invitation letter from IEMOP)</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman informed the body that an invitation letter was received from IEMOP last 10 November 2020 for the Market Participants' Update. The event will be held via Zoom Online on 25 November 2020, Wednesday at 2:00-3:30 PM. Zoom Online credentials were also sent to the RCC via email.</p> <p><u>Resolution:</u> N/A (for information only)</p>
7 Next Meeting	<ul style="list-style-type: none"> • 11 December 2020 • 15 January 2021 • 19 February 2021 <p>The RCC agreed to move the next meeting from 18 December to 11 December.</p>
8 Adjournment	The meeting was adjourned at 11:55 AM.



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Prepared by:

DIANNE L. DE GUZMAN
Specialist, Rules Review Division
Market Assessment Group

Reviewed by:

KAREN A. VARQUEZ
Manager, Rules Review Division
Market Assessment Group

Noted by:

JOHN MARK S. CATRIZ
Head, Market Assessment Group

Approved by:

MAILA G. DE CASTRO
Chairman, Independent

FRANCISCO LEODEGARIO R. CASTRO, JR.
Member, Independent

ALLAN C. NERVES
Member, Independent

CONCEPCION I. TANGLAO
Member, Independent

DIXIE ANTHONY R. BANZON
Member, Generation Sector
Masinloc Power Partners Co. Ltd. (MPPCL)

CHERRY A. JAVIER
Member, Generation Sector
Aboitiz Power Corp. (APC)

CARLITO C. CLAUDIO
Member, Generation Sector
Millennium Energy, Inc. / Panasia Energy, Inc.
(MEI/PEI)

MARK D. HABANA
Member, Generation Sector
Vivant Corporation – Philippines (Vivant)

RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)

VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO III)



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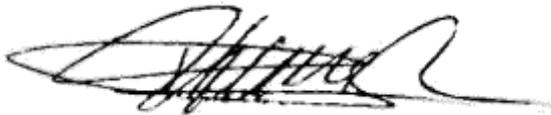
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RICARDO G. GUMALAL
Member, Distribution Sector
Iligan Light and Power, Inc. (ILPI)



NELSON M. DELA CRUZ
Member, Distribution Sector
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area I)



LORRETO H. RIVERA
Member, Supply Sector
TeaM (Philippines) Energy Corporation (TPEC)



ISIDRO E. CACHO, JR.
Member, Market Operator
Independent Electricity Market Operator of the
Philippines (IEMOP)



AMBROCIO R. ROSALES
Member, System Operator
National Grid Corporation of the Philippines
(NGCP)

ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

A. WESM Rules

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
Final Statements	(new)	(new)	<u>3.14.5.3 If the WESM member reasonably believes there was an error or discrepancy in the final statement given to the WESM Member by the Market Operator under this clause 3.14.5, the WESM member may notify the Market Operator that error or discrepancy within six (6) months from the end of the billing period and the Market Operator shall review the final statement.</u>	Reduce duration of possible additional obligations resulting from errors in settlement statements to one (1) year	<ol style="list-style-type: none"> 1. Since the subject of the provision is the prescribed timeline for WESM Members to notify the MO for any error or discrepancy in their final statements, we suggest reckoning said timeline from the WESM Members' receipt of the final statement, not from the billing period. 2. Since the timeline will be reckoned from the issuance of the final statement, we suggest prescribing a 5-month period thereafter when WESM Members are still allowed to 	<u>3.14.5.3</u> <u>If the WESM member reasonably believes there was an error or discrepancy in the final statement given to the WESM Member by the Market Operator under this Clause 3.14.5, the WESM member may notify the Market Operator of that error or discrepancy within six (6) five (5) months from the end of the billing period WESM Member's receipt of the final settlement</u>	<ol style="list-style-type: none"> 1. IEMOP is amenable to the proposed revision to refer the deadline to the receipt of the final statement by the WESM Members in view of the proposed change discussed in item 3. 2. IEMOP is amenable to the proposed revision. 3. IEMOP is amenable to requiring the trading participants to report any 	RCC adopted as revised by PEMC



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
					<p>raise any concerns regarding their final statements. Thus, there will be roughly 6 months in total starting from the end of billing period within which any issues on billing statement may be raised with the MO, which is still consistent with the proposed amendment.</p> <p>3. The current timelines imply that WESM Members have two options to raise any concerns regarding their final settlement statements: either by notifying the Market Operator or via dispute resolution</p>	<p><u>statement and the Market Operator shall review the final statement.</u></p> <p><u>3.14.5.4</u></p> <p><u>If a WESM Member disagrees with the Market Operator's decision as regards the notification made in Clause 3.14.5.3 or determines that there is an error or discrepancy in the Market Operator's adjustment to the final statement as reflected in the revised final statement, the WESM Member</u></p>	<p>perceived errors or discrepancies on WESM bills prior to filing for dispute and addition of clause 3.14.5.4.</p>	



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
					<p>process. PEMC suggests to establish instead a process where WESM Members may take the dispute resolution route only after they have exhausted the process of notifying and reconciling errors and discrepancies in their final statements with the Market Operator per WR 3.14.5.3. We suggest adding new clause 3.14.5.4 to reflect said sequential process (please see diagram of proposed timeline at the end of the matrix).</p>	<p><u>may lodge a dispute through the WESM dispute resolution process in accordance with WESM Rules Clause 7.3 within six (6) months from the WESM Member's receipt of the Market Operator's decision or revised final statement.</u></p>		



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
Disputes	3.14.8.2	Disputes in respect of <i>final statements</i> or the supporting data provided with them in accordance with <i>WESM Rules</i> Clause 3.14.5 shall be raised within twelve (12) months of the relevant billing period, provided, however, that the data contained in reports submitted by the System Operator pursuant to <i>WESM Rules</i> Clause 3.5.13.1 that have already become final shall not be subject of dispute.	Disputes in respect of <i>final statements</i> or the supporting data provided with them in accordance with <i>WESM Rules</i> Clause 3.14.5 shall be raised within twelve (12) six (6) months of the relevant billing period, provided, however, that the data contained in reports submitted by the System Operator pursuant to <i>WESM Rules</i> Clause 3.5.13.1 that have already become final shall not be subject of dispute.	Reduce general duration of possible additional obligations resulting from disputes to one (1) year	<ol style="list-style-type: none"> 1. Same comment and recommendation as in WR Clause 3.14.5.3 (i.e., 5 months reckoned from receipt of final statement). 2. PEMC suggests to establish instead a process where WESM Members may take the dispute resolution route only after they have exhausted the process of notifying and reconciling errors and discrepancies in their final statements with the Market Operator per WR 3.14.5.3. We suggest amending Clause 3.14.8.2 and add new clause 3.14.8.3 to reflect 	<p>3.14.8.2</p> <p>Disputes in respect of <i>final statements</i> or the supporting data provided with them in accordance with <i>WESM Rules</i> Clause 3.14.5 shall be raised within twelve (12) five (5) months of <u>the <i>WESM Member's receipt of the final settlement statement</i>, provided, however, that the data contained in reports submitted by the System Operator pursuant to <i>WESM Rules</i> Clause 3.5.13.1 that have already become final shall not be</u></p>	<ol style="list-style-type: none"> 1. IEMOP is amenable to the proposed revision to refer the deadline to the receipt of final statement. 2. IEMOP is amenable to requiring the trading participants to report any perceived errors or discrepancies on WESM bills prior to filing for dispute and addition of clause 3.14.8.3. 	RCC agreed on the suggestion Chair to revise the title/use of word "dispute" by PEMC/IEMOP



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
					<p>said sequential process (the phrase deleted in 3.14.8.2 is tied up specifically to the WESM DRP so it is transferred to 3.14.8.3).</p>	<p>subject of dispute.</p> <p><u>3.14.8.3</u></p> <p><u>Disputes in respect of the Market Operator's decision or revised final statement resulting from the WESM Member's action per Clause 3.14.8.2 shall be raised within six (6) months from the WESM Member's receipt of the Market Operator's decision or revised final statement, provided, however, that the data contained in reports submitted by</u></p>		



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
						the System Operator pursuant to WESM Rules Clause 3.5.13.1 that have already become final shall not be subject of dispute.		
Settlement Revisions	3.14.9.1	<p>XXX</p> <p>The <i>Market Operator</i> shall issue the adjustment to the <i>final statement</i> not later than twelve (12) calendar months after the resolution of the dispute or receipt of the relevant final and executory Order unless parties to be billed agrees that the issuance of the particular WESM bill adjustment shall be at a later time.</p>	<p>XXX</p> <p>The <i>Market Operator</i> shall issue the adjustment to the <i>final statement</i> not later than twelve (12) six (6) calendar months after the resolution of the dispute or receipt of the relevant final and executory Order unless parties to be billed agrees that the issuance of the particular WESM bill adjustment shall be at a later time.</p>	Reduce general duration of possible additional obligations resulting from disputes to one (1) year	Please substantiate why the proposed period for the issuance of a revised statement is up to 6 months. What is the usual turnaround time that the MO is able to issue adjustments to final statements? Is it possible to shorten the 6-month period?		The proposed six-month period is primarily based on a target 1-year settlement correction. IEMOP is open to shorter correction timelines.	RCC adopted proposed amendment by IEMOP
					<p><u>PEMC:</u></p> <ul style="list-style-type: none"> Additional relevant provisions for amendment are Clauses 7.3.6(a) 	<p><i>Clause 7.3.6</i></p> <p>Disputes About Payment</p> <p>If a dispute arises between a <i>WESM</i></p>	IEMOP is amenable to the revisions.	RCC adopted proposed revision by PEMC



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
					<p>and 7.3.7(a) for consistency.</p> <ul style="list-style-type: none"> For Clause 7.3.6, reflect that disputes over final statements must be raised first with the Market Operator rather than via the WESM dispute resolution process. Further disputes arising from adjustment to the final statement (as reflected in revised statements) may be referred to the WESM DRP. 	<p><i>member and the Market Operator in respect of final revised final statements or the supporting data provided with them in accordance with clause 3.14.5, then</i></p> <p>(a) The dispute shall be referred to the <i>Dispute Resolution Administrator</i> in accordance with clause 7.3.4.3 7.3.4.2 within twelve six (6) months of the dispute <u>on the revised final statement</u> arising; xxx</p> <p><i>Clause 7.3.7(a):</i> xxx</p> <p>(a) When the dispute is</p>		



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
						resolved in accordance with this clause 7.3, the Market Operator shall issue a revised final statement to replace each final statement affected by the resolution of the dispute, in accordance with clause <u>Clauses 3.14.5 and 3.14.9;</u> and xxx		



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

B. WESM Manual on Billing and Settlement Issue 6.1

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
Issuance of Final Statements	4.2.2	(new)	<u>d) If the WESM member reasonably believes there was an error or discrepancy in the final statement given to the WESM Member by the Market Operator, the WESM member may notify the Market Operator that error or discrepancy within six (6) months from the end of the billing period and the Market Operator shall review the final statement.</u>	Reduce duration of possible additional obligations resulting from errors in settlement statements to one (1) year	Same comment and recommendation as in WR Clause 3.14.5.3 (i.e., 5 months reckoned from receipt of final statement).	<u>d) If the WESM member reasonably believes there was an error or discrepancy in the final statement given to the WESM Member by the Market Operator, the WESM member may notify the Market Operator of that error or discrepancy within six (6) five (5) months from the end of the billing period WESM Member's receipt of its final settlement statement and the Market Operator shall</u>	IEMOP is amenable to the revisions.	RCC adopted proposed revision by PEMC



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
						<u>review the final statement.</u>		
CCDisputes in the Preliminary and Final Statements	4.2.3(b)	Dispute in respect with the final statement and its corresponding data shall be raised within twelve (12) months of the relevant billing period	Dispute in respect with the final statement and its corresponding data shall be raised within twelve (12) six (6) months of the relevant billing period	Reduce general duration of possible additional obligations resulting from disputes to one (1) year	<ul style="list-style-type: none"> • Same comment and recommendation as in WR Clause 3.14.5.3 (i.e., 5 months reckoned from receipt of final statement). • Suggest insertion of new provision as Section 4.2.3(c) to indicate that further disputes arising from adjustment to the final statement (as reflected in revised statements) may be referred to the WESM DRP. 	<p>(b) Dispute in respect with the final statement and its corresponding data shall be raised within twelve (12) six (6) months of the relevant billing period <u>five (5) months from the WESM Member's receipt of the final settlement statement.</u></p> <p><u>(c) Disputes in respect of the Market Operator's decision or revised final statements</u></p>	IEMOP is amenable to the revisions.	RCC adopted proposed revision by PEMC



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
						<p><u>resulting from the WESM Member's action per Section 4.2.3(b) shall be raised within six (6) months from the WESM Member's receipt of the Market Operator's decision or revised final statement.</u></p> <p>(e) (d) Disputes raised under the Section 4.2.3 of this Manual, shall be resolved by agreement or, <u>in the case of 4.2.3(c)</u>, pursuant to the dispute resolution procedure set out in the WESM Rules Clause 7.3</p>		



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
Issuance of Revised Statements	4.2.4(a)	<p>XXX</p> <p>The Market Operator shall issue the adjustment to the final statement not later than twelve (12) calendar months after the resolution of the dispute or receipt of the relevant final and executory Order unless parties to be billed agrees that the issuance of the particular WESM bill adjustment shall be at a later time.</p>	<p>XXX</p> <p>The <i>Market Operator</i> shall issue the adjustment to the final statement not later than twelve (12) six (6) calendar months after the resolution of the dispute or receipt of the relevant final and executory Order unless parties to be billed agrees that the issuance of the particular WESM bill adjustment shall be at a later time.</p>	Reduce general duration of possible additional obligations resulting from disputes to one (1) year	Same comment as in WR Clause 3.14.9.1 (i.e., please clarify why 6 months).		The proposed six-month period is primarily based on a target 1-year settlement correction. IEMOP is open to shorter correction timelines.	RCC adopted proposed amendment by IEMOP



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

C. WESM Manual on Metering Standards and Procedures Issue 12.0

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
CCUnresolved MTRs	8.2.2	<p>XXX</p> <p>In cases where there is unintentional meter error (e.g. meter multiplier) that causes meter malfunction to occur in the process, a prescribe period of one year is allowed for reconciliation from the date of discovery of such error.</p>	<p>XXX</p> <p>In cases where there is unintentional meter error (e.g. meter multiplier) that causes meter malfunction to occur in the process, a prescribed period of one year five (5) months is allowed for reconciliation from the date of discovery of such error.</p>	<p>Reduce duration of possible additional obligations resulting from errors in settlement statements to one (1) year. Also provide the Market Operator one (1) month to prepare the revised statements upon receipt of corrected metering data.</p>	<ol style="list-style-type: none"> Provision for amendment should be Section 7.2.2 (re-numbered in version 12 of the Manual for EWDO). Paragraphs 2 and 3 of Section 7.2.2 may be deleted since the process is already covered in Section 7.3.2 (notice same title of 7.2.2 and 7.3.2: "Unresolved MTR"). For Sec. 7.3.2 (c), revision is consistent with proponent's 	<p><i>Section 7.2.2</i></p> <p>xxx</p> <p>If the MSP submitted the report after the final settlement period, the said adjustment will be reflected on the following billing period.</p> <p>In cases where there is unintentional meter error (e.g. meter multiplier) that causes meter malfunction to occur in the process, a prescribed period of one year is allowed for reconciliation</p>	<ol style="list-style-type: none"> Noted for correction. IEMOP is amenable to the deletion of paragraphs 2 and 3 of Section 7.2.2. IEMOP is amenable to the proposed revision. "Date of discovery" may either be the issuance of the MTR or the report to the MO by the MSP of the error during its maintenance. As proposed, report of the 	<ol style="list-style-type: none"> Adopt the correction Adopt the deletion Adopt the proposed revision Adopt 6 months



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
					<p>rationale that MO can prepare revised statement in one (1) month from receipt of correct meter data (i.e., next billing period).</p> <p>4. For Section 7.3.2 (e), please clarify what is considered as the "date of discovery" of the error (e.g., date when the MO issued the MTR?, date when the MSP/TP requests for the MO to issue an MTR?).</p>	<p>from the date of discovery of such error.</p> <p>Section 7.3.2</p> <p>xxx</p> <p>c. After Deadline</p> <p>If the <i>Metering Services Provider</i> resolves the Meter Trouble Report and submits <i>metering data</i> after the issuance of the final settlement statement of the affected trading day, the <i>Market Operator</i> shall reflect the said adjustment within one year <u>the following billing period</u>.</p> <p>xxx</p>	<p>error should be made within six (6) months after the billing period.</p> <p>The 12-week timeline in Section 7.5. and 7.6 is an initial target for further assessment by the MO of the unresolved MTR. The final deadline would still be referred to the timeline in Section 7.2.2 and Section 7.3.2(e).</p>	



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
					<p>Also, the workflow in Sections 7.5 and 7.6 may need to be harmonized with the proposed 5-month period for meter error reconciliation since they currently indicate 12 weeks for MTR resolution.</p>	<p>e. Meter Malfunction</p> <p>In cases where there is an unintentional meter error (e.g., erroneous use or application of meter multiplier) that causes a meter malfunction, the Metering Services Provider shall reconcile the metering data of the affected trading intervals within three months to one one (1) year five (5) months after the date of discovery of such error.</p>		



D. WESM Manual on Dispute Resolution Issue 6.0

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
Disputes with the MO on Settlement and Payments	7.2.1	Disputes between a WESM Member and the MO related to a final settlement statement or its supporting data must be referred to the DRA within twelve (12) months from receipt of such final settlement statement and/or its supporting data. The WESM Member shall notify the MO of its dispute of the final statement or part of the supporting data, provided, however, that data contained in reports submitted by the System Operator pursuant to <i>WESM Rules</i> Clause 3.5.13.1 that have already become final shall not be subject of dispute.	Disputes between a <i>WESM Member</i> and the <i>MO</i> related to a final settlement statement or its supporting data must be referred to the DRA within twelve (12) six (6) months from receipt of such final settlement statement and/or its supporting data. The <i>WESM Member</i> shall notify the <i>MO</i> of its dispute of the final statement or part of the supporting data, provided, however, that data contained in reports submitted by the <i>System Operator</i> pursuant to <i>WESM Rules</i> Clause 3.5.13.1 that have already become final shall not be subject of dispute.	Reduce general duration of possible additional obligations resulting from disputes to one (1) year	Same comment and proposed revisions as in WR Clause 3.14.8.2 and proposed new Clause 3.14.8.3.	Disputes between a <i>WESM Member</i> and the <i>Market Operator</i> related to a final revised final settlement statement or its supporting data, or over the Market Operator's decision on the WESM Member's notification of error or discrepancy in a final statement, must be referred to the DRA within twelve (12) six (6) months from receipt of such final revised final settlement statement, and/or its supporting data, or the Market Operator's decision. The <i>WESM Member</i> shall notify the <i>Market Operator</i>	IEMOP is amenable to the proposed revisions.	RCC adopted proposed revision by PEMC



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
						<p>of its dispute of the final <u>revised final</u> statement or part of the supporting data, provided, however, that data contained in reports submitted by the <i>System Operator</i> pursuant to <i>WESM Rules</i> Clause 3.5.13.1 that have already become final shall not be subject of dispute.</p>		
					<ul style="list-style-type: none"> Additional relevant provisions for amendment is Section 7.2.4 for consistency with WESM Rules Clause 3.14.9.1. Same comment as in WR Clause 3.14.9.1 (i.e., please clarify why 6 months). 	<p><i>Section 7.2.4:</i> Once the dispute is resolved, the <u>Market Operator</u> shall issue, if necessary, the revised final statements <u>within six (6) months</u> with the corresponding supporting data, which shall replace the previous final statements. All parties and WESM Members shall be bound by the</p>	<p>IEMOP is amenable to the proposed revisions.</p>	<p>RCC adopted proposed revision by PEMC</p>



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

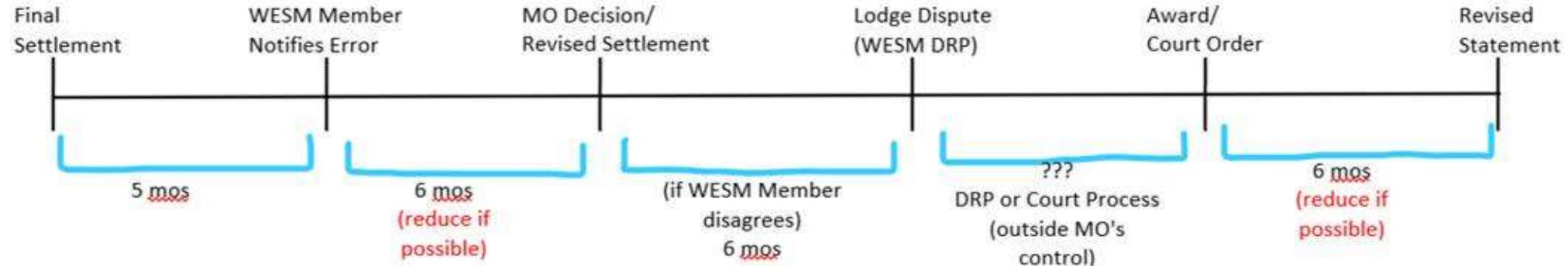
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Agreement
						payment obligations that arise from the revised final statements.		

Note: Please underline and put in bold letters the proposed changes to the Market Rules or Manual.



ANNEX A: Comments to the Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines

PEMC PROPOSED TIMELINE:



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p><u>PEMC:</u></p> <p>Pagbilao addresses the issues arising from non-submission of BCQ data by the selling TP within D+1.</p> <p>We note that submission and confirmation of BCQ data are obligations of TPs (WESM Rules Clause 3.13.1) in relation to their bilateral contracts and WESM transactions, and that, this proposal is for the 5-minute dispatch interval implementation.</p> <p>We recognize the benefits of having "standing BCQs". It ensures that customers can maximize their</p>			<p><u>To PEMC's Comments:</u></p> <p>1. Criteria in identifying invalid BCQ.</p> <p>As enumerated in Section 9.1.2 of the Billing and Settlement Manual,</p> <p>"To be valid, bilateral contract declarations submitted by a Trading Participant shall include:</p> <p>a) market trading node from the identified market trading nodes during the enrolment of the supply contract designated as the source of the supply from the</p>	<p>Adopt</p> <p>Notes:</p> <p>D+2 is for notification</p> <p>Development timeline: 2months</p> <p>Cost: Php 800k (for enhancement)</p>



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p>contracts and are protected to some extent from price spikes.</p> <p>To implement this proposal, we suggest that information from the MO be considered as follows:</p> <ol style="list-style-type: none"> 1. Criteria in identifying invalid BCQ 2. Impact of proposal to the process and to CRSS. Will this require enhancement in the CRSS? 3. Corresponding costs and increase in market fees, if any. 4. Timeline and transitory implementation arrangements 			<p>selling Trading Participant;</p> <p>b) the Trading Participant who will buy the declared volume pursuant to their bilateral contract;</p> <p>c) market trading node from the identified market trading nodes during the enrolment of the supply contract and whose final nodal energy dispatch price will be used as reference during settlements; and</p> <p>d) bilateral contract quantity in MWh for each dispatch interval for that trading day."</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p>Also, would it be possible for the MO to inform TPs on BCQs within D+1, i.e.</p> <ul style="list-style-type: none"> - information on valid/invalid BCQs declared/confirmed; - whether BCQs are nullified; - or in the case of this proposal, replaced with standing BCQ? <p>This proposal will also introduce amendments to Clause 3.13.1 of the WESM Rules and the WESM Registration, Suspension and De-Registration Criteria and Procedures (Registration Manual).</p>			<p>Bilateral contract declarations that will not satisfy these criteria will be identified as invalid BCQ submissions. In the CRSS, a message prompt will immediately notify the selling Trading Participant in cases of invalid BCQ submission. Invalid BCQ submissions are not accepted by the CRSS; hence, TPs will know that their BCQ submissions are valid if it has been accepted.</p> <p>2. Impact of proposal to the process and to the CRSS. Will this require enhancement in the CRSS?</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>The Trading Participants have to submit zero (0) MW BCQ declaration during intervals when they don't want their BCQ to be accounted for in settlement, because non-submission of BCQ will automatically be equal to the contracted capacity in the supply agreement under the proposal.</p> <p>IEMOP confirms that the incorporation of the requirements of the proposal, such as change in the value of the BCQ from zero to the contracted capacity in the supply contract agreement during non-submission or invalid BCQ declaration, and for MO to notify each</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>seller and buyer for each trading day of these cases will require enhancement in the CRSS that will entail additional cost.</p> <p>3. Corresponding costs and increase in the market fees, if any.</p> <p>The estimated cost for the CRSS enhancement with the subsequent increase in the market fees requires coordination with the vendor of the system.</p> <p>4. Timeline and transitory implementation arrangement.</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>The estimated timeline for the implementation of the changes requires coordination with the vendor of the system. Given the volume of additional validation, monitoring, and BCQ substitution activities required under the proposal, we propose that the proposal only be implemented once the system has been enhanced as, without the enhancement, these process will have to be performed manually.</p> <p>5. Also, would it be possible for the MO to inform TPs on BCQs within D+1, i.e.</p> <p>- information on valid/invalid BCQs declared/confirmed;</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>- whether BCQs are nullified;</p> <p>- or in the case of this proposal, replaced with standing BCQ?</p> <p>The CRSS provides notifications for BCQ transactions immediately after the transaction as follows:</p> <ul style="list-style-type: none"> • information on valid/invalid BCQs declared/confirmed - a message prompt will immediately notify the selling Trading Participant in cases of invalid BCQ submission. Invalid BCQ submissions are not accepted by the CRSS; hence, TPs will know that their BCQ submissions are valid if it has been accepted. The buying Trading Participant 	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>will immediately receive a notification that a BCQ declaration has been submitted for its account. If the buying Trading Participant confirms the BCQ declarations, the selling Trading Participant will also immediately receive a notification.</p> <ul style="list-style-type: none"> • whether BCQs are nullified; - If the buying Trading Participant nullifies the BCQ declarations, the selling Trading Participant will immediately receive a notification. • or in the case of this proposal, replaced with standing BCQ? - Similar with the current notifications, we propose that this be implemented in an 	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>automated manner through the CRSS; hence, enhancements to the CRSS will be required. The notification for the replacement with standing BCQ will be made right after the deadline for BCQ declaration (i.e., 12:00AM of the following day).</p> <p>6. For Section 9.1: If possible, we suggest the MO to propose a reasonable timeline in Sections 9.1.8 and 9.1.9.</p> <p>With the proposal to implement the proposal using the CRSS, the MO can start sending the notification right after the deadline. For</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p><u>Shell Energy Philippines:</u></p> <p>Shell Energy Philippines (SEPH) finds the proposal of PEC to introduce default bilateral contract declaration in the market operator's CRSS/processes as a very convenient and straightforward approach to address the issue of non-submission of participants or failure to submit BCQ declaration on a daily basis.</p> <p>We are also cognizant that the said function or process for</p>			<p>documentation, we propose to indicate a D+2 timeline in the manual.</p> <p><u>To Shell Ph's comments:</u></p> <p>1. In adopting the proposal, IEMOP and the rules change committee should consider that the terms and conditions as well as BCQ declaration protocols of bilateral power supply contracts differ or vary among trading participants which means that the said predicament or requirement may not be applicable or relevant to all bilateral supply counterparties.</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p>default/standing bilateral declaration is not yet available in the current CRSS platform.</p> <p>With this, please find below our overall comments regarding the request:</p> <ul style="list-style-type: none"> • In adopting the proposal, IEMOP and the rules change committee should consider that the terms and conditions as well as BCQ declaration protocols of bilateral power supply contracts differ or vary among trading participants which means that the said predicament or requirement may not be applicable or relevant to all bilateral supply counterparties. 			<p>We agree with the comment that the terms and conditions as well as BCQ declaration protocol of bilateral power supply contracts differ or vary among trading participants, thus the requirement may not be applicable or relevant to all bilateral supply counterparties.</p> <p>2. Moreover, this additional process can create a new responsibility on the part of the Market Operator that should or can be addressed by the contracted Trading Participants.</p> <p>We agree that the said proposal requires additional responsibility on the</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<ul style="list-style-type: none"> • Moreover, this additional process can create a new responsibility on the part of the Market Operator that should or can be addressed by the contracted Trading Participants. • The incorporation of such feature in the CRSS may entail additional costs for patches or coding that will subsequently be collected from participants through the market fees. • This concern/requirement may be addressed through the adoption of internal software applications or manual protocols among members/counterpartie 			<p>part of the market operator to monitor all non-submission of bilateral contract declarations and notify each seller and buyer for each trading day. For this to be implemented, an automatic e-mail notification to Participants must be incorporated in the CRSS, which will entail costs. This may also leave the participants to totally rely on the Market Operator rather than being responsible in submitting their BCQ declaration. In the current system, the customer is confirming the submission of suppliers so they are aware of their submission or non submission and no longer needs to be</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

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					<p>s so as to manage their bilateral contract declaration and confirmation in the WESM/CRSS and avoid non-submission.</p> <ul style="list-style-type: none"> • DOE and the IEMOP may consider the adjustment of the BCQ declaration timeline from D+1 to D+2 or D+3 to avoid additional investments on the CRSS since the configuration for the BCQ declaration timeline can be readily made via the content management system/system configuration function of the CRSS. • Contract risk management and financial hedging tools or strategies such as 			<p>informed by the Market Operator.</p> <p>3. The incorporation of such feature in the CRSS may entail additional costs for patches or coding that will subsequently be collected from participants through the market fees.</p> <p>We confirm that the incorporation of such feature in the CRSS will definitely entail additional cost. The cost for the enhancements will be filed for approval with the ERC and will subsequently be collected from participants through the market fees.</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
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					<p>financial contracts for difference (CFD) can be set-up or adopted by counterparties to do away with tedious BCQ declaration process. The establishment of a forward market and training program that tackles the CFD framework and its related tools will be vital to foster a more sustainable mechanism for supply contract management.</p>			<p>4. This concern/requirement may be addressed through the adoption of internal software applications or manual protocols among members /counterparties so as to manage their bilateral contract declaration and confirmation in the WESM/CRSS and avoid nonsubmission.</p> <p>We agree that the requirement may be addressed by the participants through close monitoring and coordination to avoid non-submission.</p> <p>5. DOE and the IEMOP may consider the adjustment of the BCQ declaration</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

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								<p>timeline from D+1 to D+2 or D+3 to avoid additional investments on the CRSS since the configuration for the BCQ declaration timeline can be readily made via the content management system/system configuration function of the CRSS.</p> <p>We believe that, without an effective communications protocol between the counterparties, any length of BCQ declaration timeline may result in the same issue. Hence, establishing an effective communications protocol may be a more appropriate action to address this issue.</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								<p>6. Contract risk management and financial hedging tools or strategies such as financial contracts for difference (CFD) can be set-up or adopted by counterparties to do away with tedious BCQ declaration process. The establishment of a forward market and training program that tackles the CFD framework and its related tools will be vital to foster a more sustainable mechanism for supply contract management.</p> <p>We agree that the establishment of a forward market would</p>	



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
								be beneficial to the power industry.	
2.1 DEFINITIONS	2.1.2	(new)			<p><u>PEMC:</u></p> <p>Suggest providing a definition for standing bilateral contract quantity, as replacement for “enrolled bilateral contract quantity”. However, we note that proposed revisions to the Registration Manual should be made to establish the procedure for this during registration, including possible post-registration transactions such as revision/updating of standing BCQ and its expiry.</p>	<p><u>PEMC:</u></p> <p><u>(g) Standing Bilateral Contract Quantity. A bilateral contract quantity declaration that is agreed between parties, that will be used for settlement.</u></p>			Adopt PEMC's proposed wordings



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
9.1 DECLARATIONS FOR ENERGY TRANSACTIONS	9.1.2	To be valid, bilateral contract declarations submitted by a Trading Participant shall include: a) market trading node from the identified market trading nodes during the enrolment of the supply contract designated as the source of the supply from the selling Trading	To be valid, bilateral contract declarations submitted by a Trading Participant shall include: a) market trading node from the identified market trading nodes during the enrolment of the supply contract designated as the source of the supply from the selling Trading Participant;	Proper validation should include flagging of Seller's non-submission of bilateral contract quantity declaration for all supply contracts registered by the Seller.					Adopted proposed amendment during the 170 th RCC Meeting



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
		Participant; b) the Trading Participant who will buy the declared volume pursuant to their bilateral contract; c) market trading node from the identified market trading nodes during the enrolment of the supply contract	b) the Trading Participant who will buy the declared volume pursuant to their bilateral contract <u>identified and registered during the enrolment of such supply contract;</u> c) market trading node from the identified market trading nodes						



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
		<p>and whose final nodal energy dispatch price will be used as reference during settlements; and</p> <p>d) bilateral contract quantity in MWh for each dispatch interval for that trading day.</p>	<p>during the enrolment of the supply contract and whose final nodal energy dispatch price will be used as reference during settlements; and</p> <p>d) bilateral contract quantity in MWh for each dispatch interval for that trading day.</p>						
	9.1.8	If the bilateral contract declaration is			<u>PEMC:</u>				



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
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		invalid, the Market Operator shall promptly inform the Trading Participant and such bilateral contract declaration shall not be accounted for in settlements.			If possible, we suggest the MO to propose a reasonable timeline in Sections 9.1.8 and 9.1.9.				
	9.1.9	(new)	<u>If there is no bilateral contract declaration submitted by the end of after each trading day, the Market Operator shall promptly inform the selling and buying Trading Participant that the contracted capacity declared under the supply contract shall be used in lieu and shall be</u>	There should be a provision that would cover a default bilateral contract declaration which should be, at the very least, equivalent to the contracted capacity commitment under the supply contract as	<u>PEMC:</u> If possible, we suggest the MO to propose a reasonable timeline in Sections 9.1.8 and 9.1.9. <i>Rewording</i> Suggest replacing "contracted capacity declared" with "registered standing	<u>PEMC:</u> <u>If there is no bilateral contract declaration submitted by the end of after each trading day, the Market Operator shall promptly inform the selling and buying Trading Participant that the contracted capacity declared</u>			Adopt PEMC's proposed wordings and inclusion of word valid



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WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
			<p><u>accounted for in settlement.</u></p> <p><u>No bilateral contract declaration shall include:</u></p> <p>a. <u>Non-submission of bilateral contract declaration</u></p> <p>b. <u>Non-submission of valid bilateral contract declaration in relation to Section 9.1.8 of this Manual.</u></p>	<p>already enrolled by the Trading Participants.</p> <p>Under the current set-up, if the Trading Participant-Genco failed to submit a declaration, the Trading Participant – Buyer will have nothing to neither confirm nor nullify following Sec9.2.</p> <p>Having a default bilateral contract declaration</p>	<p>bilateral contract quantity” to clearly refer to the contracted capacity being proposed to be registered under the supply contract for the selling and buying Trading Participants.</p> <p>Suggest rewording. Item (a) is already mentioned in the first para of this Section.</p>	<p><u>registered standing bilateral contract quantity under the supply contract shall be used in lieu thereof and shall be accounted for in settlement.</u></p> <p><u>No bilateral contract declaration. This provision shall also apply in case of non-submission include:</u></p> <p>a. <u>Non-submission of bilateral contract declaration;</u></p> <p>b. <u>Non-submission</u></p>			



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
				shall prevent Trading Participants defaulting on contractual obligation, gaming and unnecessary market exposure to the Trading Participants	<p><u>IEMOP:</u></p> <p>1. The CRSS is coded such that non-submission of BCQ declaration is treated as zero (0) MWh BCQ. This proposal to change the value of non-submission of BCQ declaration to equal the contracted capacity will entail additional cost for the CRSS enhancement.</p>	<p>on of valid bilateral contract declaration pursuant to <u>Section 9.1.8 of this Manual.</u></p> <p><u>IEMOP:</u></p> <p><u>If there is no valid bilateral contract declaration submitted by the end of after each trading day, the Market Operator shall promptly inform the selling and buying Trading Participant that</u></p>			



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p>2. For the Market Operator to promptly inform the selling and buying Trading Participant that the contracted capacity declared under the supply contract shall be used in lieu and shall be accounted for in settlement due to non-submission of bilateral quantity declaration, the CRSS must be enhanced to incorporate an automatic e-mail notification to Trading Participants which will also entail costs.</p> <p>3. We note that, in the CRSS, the customer will confirm the submission of their suppliers so they will be aware of any submission or non-submission.</p>	<p><u>the contracted capacity declared standing bilateral contract Quantity Declaration shall be accounted for in settlement.</u></p> <p><u>No valid bilateral contract declaration shall include:</u></p> <p>a. <u>Non-submission of bilateral contract declaration;</u></p> <p>b. <u>Non-submission of valid bilateral contract</u></p>	<p>2. How much will be the additional cost for the enhancement?</p> <p>Is it not included in the negotiation/contract that future enhancement to the NMMS/CRSS will not entail additional cost?</p> <p>From my point of view, if you will engaged in such IT Development like Energy Trading Applications, you have to consider all future</p>		



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

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					<p>4. WESM Rules 3.13.1.1 states that Trading Participants who sell electricity pursuant to bilateral contracts to be accounted for in settlement timetable, shall:</p> <p>a. Submit a schedule to the Market Operator specifying the MWH bilateral sell quantities for each Trading Participant who buys electricity pursuant to that bilateral contract for that dispatch interval of that trading day.</p> <p>b. Under this clause, BCQ declaration submission are required to be submitted after the trading day. However, in the proposal, BCQ</p>	<p><u>declaration in relation to Section 9.1.8 of this Manual.</u></p>	<p>enhancement to be included in the contract as such there will be no additional cost for my part, this is one way of managing risk.</p>		



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
					<p>declarations may be based on pre-defined values during contract enrollment. Therefore, WESM Rules Clause WESM Rules 3.13.1.1(a) must be reviewed/revised if the said proposal is to be pursued.</p> <p>5. Also, we note that the WESM Rules (Clause 3.13.1.1) provide for Generators or Seller to submit bilateral sell quantities at each relevant market trading node, in each trading interval of that trading day. This will enable Market Participants to strategize and manage their Bilateral Contract Quantities (BCQ), may it be lower or not equal to the</p>				



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

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					<p>contracted capacity under the supply contract so long as the Buyer agrees with the submission. That is, the seller and buyer is empowered to vary BCQ submissions depending on their agreement or strategy.</p> <p>6. WESM Rules 3.13.1.1 (c) states that the counterparty must agree with the submission made under Section 3.13.1.1 (a). Using the same principle, the customer must also agree with the use of the default BCQ during contract enrollment if the proposal will be pursued.</p> <p>7. This proposed amendment will also require Trading</p>				



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

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					<p>Participants to declare zero (0) BCQ value for intervals they do not want any BCQ to be accounted for in settlement because non-submission will use the contracted capacity. WESM Rules Clause 3.13.1.1 must be reviewed/revised if the said proposal is to be pursued.</p> <p>8. May we request for clarification if the proposal pertains to one (1) value or a daily profile for the default BCQ? If on a profile basis, the supply contract enrollment module of the CRSS will have to be enhanced to accommodate the proposal which will entail additional cost.</p>		<p>8. This can be a one (1) value or a daily profile, both should be agreed by the parties involved.</p>		



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
	9.1.10	Prior to the interconnection of the Mindanao grid with the Luzon and Visayas grids, a selling Trading Participant may only declare bilateral contract data for buying Trading Participants from the same settlement region. A selling Trading Participant and a buying Trading Participant shall be deemed to be from the same settlement region if both Trading Participants have market trading nodes from the same settlement region. In addition, the	(renumbering) 9.1.40 <u>11</u>						



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
		market trading nodes specified under Section 9.1.2(a) and 9.1.2(c) should be in the same settlement region as the selling and buying Trading Participants. For this purpose, the Luzon and Visayas grids shall be considered as one single settlement region and the Mindanao grid as another settlement region.							
9.2 CONFIRMATION AND NULLIFICATION FOR ENERGY	9.2.5	At the end of each trading day, the Market Operator shall notify all buying and selling Trading	At the end of each trading day, the Market Operator shall notify all buying and selling Trading Participants, whose	Non-confirmation of bilateral contract declaration will expose the Genco to	<u>PEMC:</u> Suggest replacing "contracted capacity declared" with "registered standing	<u>PEMC:</u> At the end of each trading day, the Market Operator shall			Adopt PEMC's proposed wordings



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
TRANSACTION		Participants, whose supply contract was enrolled to require confirmation and whose valid bilateral contract declarations was not confirmed, that their bilateral contract declarations shall not be accounted for during settlements.	supply contract was enrolled to require confirmation and whose valid bilateral contract declarations was not confirmed, that <u>the contracted capacity declared under the supply contract shall be used in lieu and shall</u> be accounted for during settlements.	unnecessary market exposure. There should be a default bilateral contract declaration if the buyer Trading Participant, deliberately or otherwise, overlook its confirmation	bilateral contract quantity" to clearly refer to the contracted capacity being proposed to be registered under the supply contract for the selling and buying Trading Participants.	notify all buying and selling Trading Participants, whose <u>enrolled</u> supply contract was enrolled to require confirmation and whose valid bilateral contract declarations were not confirmed, that <u>the contracted capacity declared registered standing bilateral contract quantity under the supply contract shall be used in lieu thereof and shall</u> be accounted for during settlements.			



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					<p><u>IEMOP:</u></p> <p>Same as the comment on Clause 9.1. with additional comment below</p> <p>The WESM Rules (Clause 3.13.1.1 c) provide for submission or provision of evidence that the buying counterparty agrees with the submission. If the buyer, as stated in the proposal, deliberately or otherwise, overlook its confirmation and the Market Operator inputs, either manually or programmatically, the contracted capacity as the BCQ then confirmation would not have been secured. The said WESM rules</p>				



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

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					<p>provision must be reviewed/revised if the said proposal is to be pursued.</p> <p><u>Shell Energy Philippines:</u></p> <p>Same comment as above</p>				
	9.2.7	(new)	<u>At the end of each trading day, the Market Operator shall notify all buying and selling Trading Participants, whose supply contract was enrolled to not require confirmation and whose valid</u>	Incessant nullification of buyer Trading Participant will result to unnecessary market exposure to both seller and buyer. There should be a default	<u>PEMC:</u> Suggest replacing "contracted capacity declared" with "registered standing bilateral contract quantity" to clearly refer to the contracted capacity being proposed to be registered under the	<u>PEMC:</u> <u>At the end of each trading day, the Market Operator shall notify all buying and selling Trading Participants, whose enrolled supply contract</u>			Adopt PEMC's proposed wordings



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WESM Manual on Billing and Settlement Issue 6.1									
Title	Section	Original Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	IEMOP's Response	RCC Decision
			<u>bilateral contract declarations was nullified in relation to Section 9.2.2 of this Manual, that the contracted capacity declared under the supply contract shall be used in lieu and shall be accounted for during settlements.</u>	bilateral contract declaration if the Trading Participants, deliberately or otherwise, overlook its accurate submission of bilateral contract declaration and/or nullification of the same	supply contract for the selling and buying Trading Participants.	<u>was enrolled to do not require confirmation and whose valid bilateral contract declarations were nullified pursuant to Section 9.2.2 of this Manual, that the contracted capacity declared registered standing bilateral contract quantity under the supply contract shall be used in lieu thereof and shall be accounted for during settlements.</u>			



ANNEX B: Comments to Proposed Amendment to WESM Manual on Billing and Settlement regarding BCQ Declaration

WESM Manual on Billing and Settlement Issue 6.1

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					<p><u>IEMOP:</u></p> <p>Same as the comment on Clause 9.1.</p>				
					<p><u>PEMC:</u></p> <p>Insertion of new clause</p> <p>If in case there is no confirmation from the buying and selling Trading Participant, this will be the assurance of the Market Operator to use the registered bilateral contract.</p>	<p><u>PEMC:</u></p> <p><u>9.2.8 If there is no confirmation from buying and selling Trading Participant the Market Operator shall automatically use the registered standing bilateral contract quantity under the supply contract.</u></p>			<p>Adopt PEMC's proposed wordings</p>



Proposed General Amendments to WESM Rules and WESM Manual on Billing and Settlement on Prudential Requirements

WHEREAS, the WESM Rules and WESM Manual on Billing and Settlement provide for covered and exempted WESM Members from prudential requirements, the acceptable forms of prudential security, the formula for computing maximum exposure, and the process for refunding prudential security;

WHEREAS, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted to the Rules Change Committee (RCC) on 17 July 2020 the proposed general amendments to the WESM Rules and WESM Manual on Billing and Settlement, in particular to the versions for current market and the implementation of the enhanced WESM design and operations, to incorporate the following:

- a) Addition of assessment by request of prudential requirements;
- b) Inclusion of force majeure events and large reduction in load served as considerations for replacement month in the computation of maximum exposure;
- c) Revision of the basis for security amount from average price and monthly quantities to hourly price and hourly quantities;
- d) Revision of the grounds for exempting a WESM Member from prudential requirement;
- e) Revision on the allowed forms of security; and
- f) Clarification on the process for refund;

WHEREAS, pursuant to Section 6.1.1 of the Procedures for Changes to the WESM and Retail Rules and Market Manuals, the RCC gave due course to the proposal and determined that the same satisfies the criteria for publication during its 168th Regular Meeting held on 14 August 2020;

WHEREAS, following the required publication of the proposal in PEMC website, the RCC discussed the proposed amendments and comments received from PEMC and AC Energy Philippines during the 170th RCC Meeting held on 16 October 2020. In response to PEMC's request for clarification, IEMOP confirmed that the Standby Letter of Credit (SBLC) is currently one of the forms of prudential security for WESM transactions. Thereafter, the RCC resolved to approve and endorse to the PEM Board the proposal, as revised;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve *via* Microsoft Teams video conference, as follows:

RESOLVED, that the RCC approves the Proposed General Amendments to WESM Rules and WESM Manual on Billing and Settlement 5.1 and its Enhanced WESM Design and Operations Versions regarding Prudential Requirements (attached as Annex);

RESOLVED FURTHER, that the said Revised Proposed General Amendments to WESM Rules and WESM Manual on Billing and Settlement 5.1 and its Enhanced WESM Design and Operations Versions regarding Prudential Requirements are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation.

Done this 20th day of November 2020, Pasig City.





CLARIFICATIONS ON INDIRECT WESM MEMBERSHIP

20 November 2020

MS Teams

THE PROPONENT

- The proponent is the Independent Electricity Market Operator of the Philippines, Inc. (IEMOP)
- IEMOP is the market operator of the WESM.



OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF THE
PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



**OTHER RELEVANT
MATTERS**



3

ACTION REQUESTED

- For approval to publish



4



RATIONALE OF THE PROPOSAL

WESM REQUIREMENT

- › WESM Rules require all grid loads to register in the WESM

ISSUE

- › There are nine (9) unregistered metered loads
- › IEMOP has been constrained to assign their consumption to generation companies with whom they currently have bilateral contracts but may be an issue when those contracts expire

Unregistered Load	GenCo Assigned To
Pantabangan Municipal Electric Services (Local Government Unit)	First Gen Hydro Power Corporation
National Irrigation Administration [UPRIIS]	
Forest Products Research and Development Institute	Therma Luzon, Inc.
Altima Empire Steel Corporation	San Miguel Energy Corporation
Centerra Ice Plant & Cold Storage, Inc.	
Kabayan Ice Plant	
Pampanga III Electric Cooperative, Inc.	
Grand Planters International, Inc.	
RJS Commodities	
Real Steel Corporation	



5

RATIONALE OF THE PROPOSAL

1ST ACTION

- › Coordinated with WESM Members currently assigned the unregistered loads
- › *Has not resulted in registration*



2ND ACTION

- › Reviewed WESM / Retail Rules and Manuals for possible changes to address issue
- › *Need to clarify also transactions of Indirect Members*



PROPOSALS

- 1) Allow existing WESM Member to register the unregistered loads as their Indirect WESM Member
- 2) Clarify transactions of Indirect Membership



6



SUMMARY OF THE PROPOSAL

WESM Rules Clause 2.4: “...an Indirect WESM member may only transact through a direct WESM member.”

REGISTRATION

CURRENT	PROPOSED
Indirect Member applies for registration	Direct Member will apply for registration of an Indirect Member
Indirect Member signs and assumes WESM obligations	Direct Member assumes WESM obligations of Indirect Member

- 1st item will affect unregistered loads and new Indirect WESM Members
- 2nd item will affect new and existing Indirect WESM Members



MARKET PARTICIPATION

– will affect existing Indirect WESM Members

CURRENT	PROPOSED
Market Participant Interface (MPI) access is not allowed for Retail Indirect Member	MPI access is optional for Retail Indirect Member
Metering Services Agreement (MSA) is signed by Direct Member	MSA is signed by Direct Member or Indirect Member
Contract declarations are confirmed by Indirect Member	Contract declarations are confirmed by Direct Member
Not clear if Indirect will receive own bills	Indirect transactions will be part of Direct Member data
Not clear where to charge adjustments after transfer of Indirect Member	Charge adjustment to Direct Member during period subject to adjustment



7

OTHER RELEVANT MATTERS

- None



8



ACTION REQUESTED

- For approval to publish



THANK YOU!





OVERVIEW

DOE DC / Topic	DOE Approval	DOE Publication	Effectivity	WESM Publication
DOE DC2020-010-019 / New Load Facility	06 Oct 2020	22 Oct 2020	06 Nov 2020	DC: 03 Nov 2020 Manuals: 17 Nov 2020
DOE DC2020-010-020 / Market Runs Timeline	06 Oct 2020	22 Oct 2020	Enhanced WESM Design and Operations	DC: 03 Nov 2020 Manual: 17 Nov 2020
DOE DC2020-010-021 / IMO Transition	22 Oct 2020	25 Oct 2020	09 Nov 2020	DC: 03 Nov 2020 Rules: Awaiting confirmation from DOE on certain provisions

Amendments per DOE DC2020-010-019 (Registration of New Load Facility)

1. WESM Manual on Registration, Suspension and De-registration Criteria and Procedures
2. WESM Manual on Market Network Model Development and Maintenance - Criteria Procedures (Current and EWDO Versions)



SUMMARY

- MNM and Registration Manuals (current and EWDO)
- Registration of new load equipment and facility
- All proposed provisions were essentially adopted, except for minor changes to clarify the provision and sectioning
 - For MNM, 4/4 proposed amendments adopted as proposed
 - For Registration Manual, 6/6 proposed amendments adopted as proposed
 - Created a new sub-section for New Load Facility and distinguish it from New Generating Facility in the Registration Manual
 - Added “facility” to be included in the MNM, not just “equipment”
 - Clarified that energization requires approval to connect by the NSP.
 - Specified ECO as the recipient of possible NC reports

Amendments per DOE DC2020-010-020 (Timeline of Market Runs)

WESM Manual on Dispatch Protocol (EWDO Version)



SUMMARY

- Dispatch Protocol Manual 13.1 (for enhanced WESM design)
- Adjustments on timeline of market run activities (DAP, HAP and RTD) based on results of parallel operations program
- All proposed provisions were essentially adopted, except for minor changes to clarify the provision and sectioning
 - 3/4 proposed amendments adopted as proposed
 - Minor change:

*The Market Operator shall **periodically** review and update if necessary the WESM Timetable after the commencement of the full operations of the new Market Management System in accordance with DOE Department Circular Nos. 2016-10-0014 and 2018-04-0007.*

Amendments per DOE DC2020-010-021 (IMO Transition)

WESM Rules (Current and EWDO Versions)



SUMMARY

- Amends the WESM Rules (Chapter 1)
 - For the implementation of the Independent Market Operator (IMO) per IMO Transition Plan and DOE DC 2018-01-0002
- Proposed revisions as endorsed by PEM Board were essentially adopted
 - 46 numbered provisions with proposed amendments
 - 10 (22%) approved as submitted
 - 29 (63%) with minor changes from proposal (i.e. PEMC or PEM Board renamed as "Governance Arm", clarification that MO Representative sits at the PEM Board in an ex-officio capacity)
 - 7 (15%) with major changes from proposal
- 7 numbered provisions were additionally amended by DOE

CHANGES FROM PROPOSAL

DOE DC2020-10-0021 on IMO Transition

Section	PEM Board Proposal	DOE Approved Amendments
Foreword	IMO is described as a private, non-stock, and non-profit corporation	PEMC is also described as such
1.3.3.1	7-member MO Board	5-member MO Board
1.3.3.4 & 1.4.1.5		DOE approval of IMO & PEMC By-Laws and PEMC AOI amendments prior to submission to SEC
1.3.2.3	PEM Board to consult SO, MO, and RCC in developing the MO Performance standards	PEMC to consult MO
1.3.1.2	MO shall report to PEMC and DOE any apparent or possible non-compliance with WESM Rules and Market Manuals	<ul style="list-style-type: none"> Reporting also to ERC for non-compliances Reporting also to ERC and Philippine Competition Commission (PCC) for suspected/potential incidents of anti-competitive behavior (ACB) as defined by relevant laws
1.3.1.5	MO shall publish Significant Variation Reports (SVRs) in the market information website (Note: similar requirement in 1.3.1.4)	Provide a printed copy or soft copy as may be requested by the party concerned of the SVRs and reports in 1.3.1.2 (Note: Publication requirement of SVRs is retained in 1.3.1.4)

CHANGES FROM PROPOSAL

DOE DC2020-10-0021 on IMO Transition

Section	DOE Approved Amendments (Additional)
1.3.3.3	Selection of the MO Board in accordance with the guidelines provided by the Governance Arm following the applicable provisions of DC 2018-01-0002 and the Transition Plan and approved by the DOE.
1.4.1.4	Delegation by the PEM Board should be within the bounds of the committee's/entity's authority and responsibilities
1.4.1.6	PEM Board is the governing board of the Governance Arm and shall have all the powers, functions and responsibilities as provided for by the Revised Corporation Code.
Glossary	Definitions of: <ul style="list-style-type: none"> IMO PCC Transition Committee



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ACTION REQUESTED

- For discussion/inputs of the Committee

OBJECTIVES

- Align Department and Committee targets, as necessary, to attain target outcomes of PEMC for 2021-2022; and
- Identify other strategies as suggested by the Committees for the performance of their respective functions



POWER:

AVAILABILITY OF RELEVANT AND ACCURATE MARKET SIGNALS

Strategy	Performance Indicator	Depts Involved /WGC
Provide and promote the relevant market information to potential investors, current market players, and policy and regulatory bodies	Compliance with operational metrics on publication requirements	MAG, ECO, LEGAL, CPC, ALL WGCs
	Compliance with the operational metrics on reportorial requirements to PEM Board, DOE, and ERC	MAG, ECO, LEGAL, CPC, CSD, ALL WGCs
	Update PEMC website contents with at least two (2) new contents per month	MAG, ECO, LEGAL, CPC, CSD
Provide technical and secretariat support to the Market Readiness Steering Committee (MRSC) in the Conduct of Readiness Assessment	Facilitate MRSC meetings once a month, and prepare the presentation materials, reports, recommendations or correspondences of the Committee, as necessary	MAG, OP. PAC



GOVERNANCE:

PEM Board and WESM Governance Committees attain timely, responsive and strategic goals that are consistent with the market objectives and the changing electricity landscape

Strategy	Targets	Depts/WGC Involved
Review rules and manuals	Update WESM Rules and make it user-friendly	MAG, RCC
	Submit rules effectiveness studies	MAG, RCC
	Submit amendments to WESM Rules, manuals and market processes	MAG ECO CPC LEGAL
	Submit proposed amendments to and comments/recommendations on policies and issuances by DOE and ERC	MAG OP



EFFICIENCY: EXCEPTIONAL MARKET OPERATIONS

The operation and performance of PEMC continues to improve to be among the best in the global electricity markets

Strategy	Performance Indicator	Dept. Involved
Establish performance management framework	(NEW) Timely approval by the PEM Board of the proposed WGC Performance Measure by Q2 2021	PEMC TWG (for creation)
Monitor performance of PEMC and WGCs	(NEW) Timely submission of the Annual Performance Report of WGCs by Q4 2021	IAD



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09 November 2020

RULES CHANGE COMMITTEE
Philippine Electricity Market Corporation
18/F Robinson's Equitable Tower
Ortigas Center, Pasig City

THRU : MS. DIANNE L. DE GUZMAN
MS. DIVINE C. CRUZ

SUBJECT: Market Participants' Update (MPU): Future of the Market

Mesdames:

Continuing its mission of providing sustainable and innovative market solutions and services to its stakeholders, the Independent Electricity Market Operator of the Philippines (IEMOP) would like to invite you to its **Market Participants' Update (MPU): Future of the Market** on **25 November 2020 (Wednesday), 2:00 – 3:30 pm** via **Zoom Online Conference**. As a preparation for the highly anticipated commercial launch of the Enhanced WESM Design and Operations (EWDO), this event is intended to apprise the participants on the remaining activities and requisites for the Go-Live. Furthermore, this activity will serve as an avenue to foster dynamic communication between the energy industry stakeholders and the Market Operator, as it will present the market operations highlights, developments, rules changes, and latest regulations in the power industry for the past months.

The credentials for the **MPU Online Conference** shall be sent to your email two (2) days prior to the said event. Likewise, you and your staff members may also view the MPU via online streaming through our Facebook page - @IEMOPinfo.

For confirmation and/or clarifications, your staff may send us an email at events@iemop.ph or call (+63)9173294257.

Thank you for your consistent support in our endeavours and we look forward to seeing our efforts come to fruition in the near future.

Sincerely,

RICHARD J. NETHERCOTT
President and CEO