



MEETING MINUTES

Subject/Purpose : 174th Rules Change Committee Meeting
 Date & Time : 19 February 2021, 09:00
 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	RCC
9	Michelle Tuazon	Member (Alternate), 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	Ambrocio R. Rosales	Member, System Operator	RCC
16	Isidro E. Cacho, Jr.	Member, Market Operator	RCC
17	Karen A. Varquez	Manager, MAG-Rules Review Division (RCC Secretariat)	PEMC
18	Divine Gayle C. Cruz	Specialist, MAG-Rules Review Division (RCC Secretariat)	PEMC
19	Dianne L. De Guzman	Specialist, MAG-Rules Review Division (RCC Secretariat)	PEMC
20	Kathleen R. Estigoy	Specialist, MAG-Rules Review Division (RCC Secretariat)	PEMC
21	John Mark S. Catriz	Head, Market Assessment Group	PEMC
22	Geraldine A. Rodriguez	DECO, Enforcement and Compliance Office	PEMC
23	Monica M. Martin	Legal Counsel, Legal Department	PEMC
24	Valfia U. Gregorio	Proponent	IEMOP
25	Sheryll M. Dy	Proponent	IEMOP
26	Jonathan B. Dela Viña	Proponent	IEMOP
27	Katrina A. Garcia-Amuyot	Proponent	IEMOP
28	Joseph Emmanuelle B. Casco	Proponent	IEMOP
29	Jenny I. Jalandoni	Proponent	IEMOP
30	Melanie C. Papa	DOE Observer	DOE
31	Mari Josephine C. Enriquez	DOE Observer	DOE





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No.	Name	Designation/Position	Department/Company
32	Kevin Lloyd C. delos Santos	DOE Observer	DOE
33	Ryan Jasper M. Villadiego	DOE Observer	DOE
34	Genny Rose Abrenica	Direct WESM Member Representative	San Miguel Energy Corp. (SMEC)
35	Criselda Baldazo	Direct WESM Member Representative	San Miguel Energy Corp. (SMEC)
36	Ronaldo Sabella	Direct WESM Member Representative	First Gen Hydro Power Corp. (FGHPC)
37	Rodante Daludado	Direct WESM Member Representative	First Gen Hydro Power Corp. (FGHPC)
38	Gian Gutierrez	Direct WESM Member Representative	First Gen Hydro Power Corp. (FGHPC)
39	Jayson Francisco	Direct WESM Member Representative	Therma Luzon, Inc. (TLI)

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 9:00 AM. The meeting was chaired by Atty. Maila Lourdes G. de Castro (Chairman/Independent). There were 14 RCC principal members and 2 alternate members in attendance.
II. Presentation and Approval of the Proposed Agenda	<p>The provisional agenda of the meeting was approved by the body, as revised during the meeting.</p> <ul style="list-style-type: none"> Ms. Tanglao (Independent) clarified if there is a need for inclusion to the agenda of the WGC Secretariat Support Survey, which the RCC members received by email on 16 February 2021. <p>Ms. Varquez (PEMC) explained that the survey was intended to evaluate the services that the secretariat provides to the committee. Also, the comments and inputs from the committee will be due on 26 February 2021. Results of the survey will be presented to the committee on its March scheduled meeting, for discussion. Thus, there is no need to include the topic on the meeting agenda.</p> <ul style="list-style-type: none"> Ms. Rivera (TPEC) requested to include updates on the submission of PDM to the agenda. The Secretariat agreed to present the same and be included in the agenda.





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III. Approval of the Minutes of Previous Meeting	The minutes of the 173 rd RCC Meeting held on 15 January 2020 was approved as presented.
IV. Matters Arising from Previous Meeting	
4.1. Proposed Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership	<p><u>Presenter:</u> Secretariat and IEMOP (Proponent)</p> <p><u>Action Requested:</u> For deliberation and approval to endorse to PEM Board</p> <p><u>Meeting Materials:</u></p> <ul style="list-style-type: none"> • Annex A – Comments received on the proposal • Annex B – Presentation of the results of meeting conducted with Indirect WESM Members <p><u>Proceedings:</u></p> <p>Mr. Dela Viña (IEMOP) presented the comments received on the proposal and IEMOP's responses. Highlights of the discussion are as follows:</p> <ul style="list-style-type: none"> • On PEMC's comments to elevate the issue to the DOE/ERC prior pursuing rules change since the issue is within their jurisdiction, Mr. Dela Viña explained that IEMOP requested inputs from the PEM Board prior the development of the proposal. Given that there was no response received, IEMOP proceeded with the submission of proposal to the RCC. He also added that the subject matter was not elevated to DOE/ERC. <p>To provide context on PEMC's comment, Mr. Catriz confirmed that the PEMC received letters from IEMOP on the following:</p> <ul style="list-style-type: none"> ○ Information that there are unregistered loads; ○ Information on IEMOP's intention to submit proposed amendments to the rules to address the issue of non-registration; and ○ Request for comments from PEM Board on the highlights of the proposal. <p>He explained that PEMC awaited the submission of the proposal to have more information on the matter. He added that after the proposal was received, PEMC reached out to Indirect WESM Members and conducted a meeting to gather more information on the reason for not registering in the market.</p>



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	<ul style="list-style-type: none"> Mr. Dela Viña said that the unregistered loads have since been assigned to their respective generator counterparties. He also noted that there may be issues in the settlement if they will stop being the customers of those generation companies, who are Direct WESM Members. On the query of PEMC regarding the implementation of the proposal if an Indirect WESM Member has multiple Direct WESM Member counterparties, Mr. Dela Viña clarified that an Indirect WESM Member can only have one Direct WESM Member. The transactions of an Indirect WESM Member are through its designated Direct WESM Member during registration. He also informed the body that if an Indirect WESM Member registers in the market, it exposes all its transactions to its respective Direct WESM Member. If there will be confidentiality issues, the Indirect may opt to register as Direct. This proposal is different from the previous proposal of IEMOP on BCQ declaration enhancements since the latter addresses the confidentiality of bilateral contract declarations between two (2) Direct WESM Members. On PEMC's comments on the payments to the Indirect WESM Members, Mr. Dela Viña said that all transactions, both payment and collection, will be done through the Direct WESM Members only. Any payables to the Direct WESM Member will include payables to its Indirect WESM Member. The settlement statement provides details on the payables for the Indirect WESM Member. On PEMC's request for clarification on why the previous Direct WESM Member will be charged for any settlement adjustments of the Indirect WESM Member even after the latter transfers to a new Direct WESM Member, Mr. Dela Viña explained that it will be more efficient if the Direct WESM Member counterparty during the relevant billing period will be charged. Ms. Cruz (PEMC) noted that the said process is inconsistent with the ERC's directive on settlement adjustments under its recent Decision on the proposed PDM for the enhanced WESM design. Mr. Dela Viña said that the IEMOP will still retain the proposal,



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	<p>which is still subject to the approval of DOE and ERC. Meanwhile, IEMOP will comply with the ERC's directive.</p> <p>Ms. Varquez explained that pending the approval of the DOE and ERC of said proposal and while IEMOP implements the process in accordance with the ERC's directive, there should still be corresponding documentation of the said process in the Market Rules and Manuals. She recalled IEMOP's action plan to submit the necessary rules change proposals that will align the Market Rules and Manuals with the ERC decision. Mr. Dela Viña said that IEMOP will look into this matter.</p> <ul style="list-style-type: none"> • In reference to the information shared by Mr. Catriz regarding the actions of PEMC on the non-registration issue of grid-connected loads, Ms. Cruz presented to the body the results of meeting with NIA-UPRIIS/NIA-Pantabangan, which is the only load that responded to PEMC's meeting invitation, as follows: <ul style="list-style-type: none"> ○ NIA-UPRISS was previously informed of the requirements to register in the WESM as Direct WESM Member. They chose to not proceed with the application because they do not have reliable internet connection and dedicated manpower for WESM participation. ○ NIA-UPRIIS is not aware of the option to register as an Indirect WESM Member and the requirements to register as such. With this, PEMC informed them about Indirect and Direct WESM Membership and options for registering in the market. <p>Ms. Cruz also updated the RCC that in responding to the RCC's invitation to the Direct WESM Members to attend the RCC meeting, San Miguel Energy Corp (SMEC) provided updates on the registration of its Indirect WESM Members. Ms. Amuyot (IEMOP) confirmed that they validated the information given by SMEC and clarified that:</p> <ul style="list-style-type: none"> ○ Reel Steel Corporation has not yet submitted Wholesale Counterparty Confirmation Form ○ RJS Commodities has not yet submitted Transmission Service Agreement, Metering Service Agreement and Wholesale Counterparty Confirmation Form;



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	<ul style="list-style-type: none"> ○ PELCO III is applying for Direct WESM Member but has yet to complete the requirements. <p>Ms. Amuyot added that IEMOP already coordinated with the Direct WESM Members during the last quarter of 2020. The Direct WESM Members will coordinate with their Indirect WESM Members and will update IEMOP on the status.</p> <p>Following are the updates given by the Direct WESM Members on their respective Indirect WESM Members:</p> <ul style="list-style-type: none"> ○ Mr. Sabella (FGHPC) said that they will be hands-on with the coordination with NIA-UPRIIS on the submission of requirements. ○ Mr. Francisco (TLI) informed the body that they are awaiting documents from FPRDI and have some difficulties in securing documents from the DOE regarding TLI as the Direct connected customer for Forest Products Research and Development Institute (FPRDI). TLI also requested IEMOP for any alternative document. <p>Ms. Papa (DOE) confirmed that there were no documents submitted by FPRDI and only exchanges of inquiries were received. Mr. Francisco said that they will confirm the matter with the FPRDI on the status of the decision letter from DOE.</p> <ul style="list-style-type: none"> ○ Ms. Abrenica (SMEC) said that the pending documents from their Indirect WESM Members are the original copies of SEC Certificate, which is currently for completion. <ul style="list-style-type: none"> ● Noting that the non-registration issue is an enforcement matter, Mr. Gumalal (ILPI) asked who monitors the status of the participants and customers considering that there is non-compliance with the Grid Code, and the issue seems to be long-standing. Ms. Rivera likewise inquired on who should monitor this compliance issue under the Grid Code and the WESM Rules. <p>Ms. Tanglao noted that as far as she understands, the Generation Companies also have the responsibility to ensure that its Indirect WESM Members comply with the requirements on the WESM. Mr.</p>



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	<p>Claudio (MEI/PEI) said that this concern should be monitored by PEMC also considering that this is more of enforcement issue.</p> <p>Ms. Javier (Aboitiz) explained that previously all aggregators are registered under PSALM but when PSALM's power plants and contracts were privatized, there were some customers that were not able to comply with the requirements of WESM, up to the present.</p> <p>Ms. Amuyot confirmed the explanation of Ms. Javier and added that IEMOP is continuously coordinating with the Direct WESM Members on the status of application of the Indirect WESM Members. This is one of the proposal's rationale, to address the current issue on registration.</p> <ul style="list-style-type: none"> Mr. Castro (Independent) then asked if the proposed rules will fast-track the process of registering an Indirect WESM Member to a Direct WESM Member. <p>Mr. Dela Viña clarified that the proposal provides a process wherein the Direct WESM Member will be more active on the registration. He requested that if the RCC decides that the issue is addressed better with the enforcement of market rules, IEMOP may be allowed to continue with the proposal since the proposal includes other provisions that address other issues.</p> <ul style="list-style-type: none"> Dr. Nerves (Independent) inquired whether the non-registration of loads will have financial or technical impacts. Mr. Dela Viña responded that there will no technical or financial issues and that the main concern is their registration in the WESM. Mr. Rosales (NGCP) asked if the unregistered loads are directly connected to the grid or within the DU system. In case there will be violations, he noted that load may be disconnected. Mr. Dela Viña responded that based on the procedures of WESM Rules and Manuals, initiation of disconnection by the MO will be done only to registered WESM Members.



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	<p>Ms. Papa added that the DOE issued a circular¹ on disconnection policy, which provides that disconnection of unregistered load will be initiated by the MO and will be submitted to the SO.</p> <p>Mr. Cacho (IEMOP) clarified that these unregistered loads are directly connected to the transmission grid and the SO should be the party issuing the disconnection notice. Mr. Rosales noted that he will validate this information.</p> <ul style="list-style-type: none"> • Mr. Dela Viña said that MO has interaction only with the Direct WESM Members. Mr. Fortich (CEBECO III) asked if the accountability of non-compliances of Indirect WESM Member will be on Direct WESM Member. Mr. Dela Viña answered that the responsible entity will be the Direct WESM Member. • Ms. Estigoy (PEMC) clarified whether the obligation arising from the Direct WESM Member's registration of its Indirect WESM Member will be either joint or solidary. Atty. Dy (IEMOP) responded that the only liable party will be the WESM Member, and considering that IEMOP only transacts with the Direct WESM Member, all obligations will be assumed by the Direct WESM Member. • Mr. Rosales asked if there is a need to monitor Indirect WESM Members considering that Direct WESM Members will be responsible for all the obligations pertaining to the market. In particular: <ul style="list-style-type: none"> ○ If there is a violation by the Indirect WESM Member, will it be possible to disconnect the Direct WESM Member to isolate the Indirect WESM Member. ○ If the Direct WESM Member commits violation/s, does it mean that the Indirect WESM Member will have no violation. <p>Ms. Rivera commented that it will be challenging for Direct WESM Members considering that the Direct WESM Members has not just one Indirect WESM Member connected. She noted that Indirect WESM Members should also be recognized in the market.</p>

¹ DOE DC 2010-08-0010 "Terminating the Default Wholesale Supplier Arrangement for the Philippine Wholesale Electricity Spot Market (WESM) and Declaring A Disconnection Policy"



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	<p>Mr. Dela Viña clarified that for non-compliances, Direct WESM Members will be the responsible party for all transactions. If in case the Indirect WESM Members will not be able to pay the Direct WESM Members, it will be settled outside the market. He also added that no changes are needed to the pro-forma MPA.</p> <p>Ms. Estigoy then asked if there is a need to append in the WESM Registration Manual an agreement between the Direct and Indirect WESM Member. Mr. Dela Viña said that the current form, i.e. counterparty confirmation form, is currently not included in the manual but IEMOP is amenable to append such.</p> <p>Ms. Javier queried if the responsibilities of Direct WESM Members are included in the MPA. Citing a scenario where the contract between the Indirect and Direct is terminated, she inquired up to what extent are the responsibilities of Direct WESM Members to its former Indirect WESM Member counterparty.</p> <p>Ms. Oyie provided clarification that the burden of continuous charging when contracts will be terminated or end will be on the Direct Member. Mr. Dela Viña explained that when their bilateral contract ends, the Indirect Member should register as Direct Member, or its Direct Member may request disconnection. But if the Indirect Member does not complete its Direct Membership application, there will be a continuous charge to its former Direct WESM Member counterparty.</p> <p>Ms. Estigoy requested clarification on the number of MPAs to be executed and if there will be an MPA between Direct-MO and Indirect-MO. Mr. Dela Viña responded that proposal only provides the MPA between the Direct Member and PEMC/MO. There is also a document that the Indirect WESM Member will sign giving approval to the details provided in MPA.</p> <p>Ms. Javier asked if MPA is also subject for review. Mr. Dela Viña answered that the current MPA will not be changed. Ms. Javier suggested to review the MPA.</p> <ul style="list-style-type: none"> • In view of the foregoing discussions, Atty. De Castro (Chairman) asked the body if they approve endorsing the proposal to the PEM



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	<p>Board. Mr. Cacho voted to endorse the proposal as this proposal aims to provide a process addressing a longstanding issue.</p> <p>Ms. Javier suggested to define the responsibilities of Direct WESM Member with its Indirect WESM Member first before approving the proposal.</p> <p>Atty. De Castro, with the RCC, requested the proponent to prepare the following for the next RCC meeting:</p> <ul style="list-style-type: none"> ○ MPA for Direct WESM Members ○ Settlement data attributed to Indirect WESM Members <p>Ms. Cruz (PEMC) apprised the RCC that the MPA is not part of any WESM Rules and Manual, thus, it is not part of the RCC's jurisdiction. Though the RCC is welcome to review the MPA, revision of the MPA does not go through regular rules change process.</p> <p>Atty. Dy informed the body that MPA is a pro-forma contract. During the transition, it was reviewed, and comments were solicited to come up with a new template. It is part of the tripartite agreement among the Market Participant, PEMC, and IEMOP. Whatever revisions need to be made in MPA, it should be agreed upon between PEMC and IEMOP.</p> <p>Atty. De Castro said that the RCC wanted to just look if the existing MPA still covers the responsibilities and protection for the generation companies.</p> <p>Atty. Dy suggested that the affected parties may also consider looking into their respective Special Power of Attorney (SPAs). Mr. Dela Viña also suggested PEMC to give recommendations on enforcement mechanisms to address the non-registration of loads.</p> <ul style="list-style-type: none"> • Atty. De Castro requested the Secretariat to collate all the comments received and email to RCC for further discussion in the next scheduled meeting. <p><u>Resolution:</u> The RCC deferred for endorsement to the PEM Board</p>



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<p>4.2. Requested Data/Information by RCC for the Proposed Amendments to the WESM Rules and WESM Manuals on Validation Timeline Adjustment in Metering and Billing</p>	<p><u>Presenter:</u> Engr. Valfia U. Gregorio (Proponent)</p> <p><u>Meeting Material/s:</u> Annex C – Presentation material on the additional information requested by the RCC</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Ms. Gregorio (IEMOP) presented the RCC's requested additional data/information in relation to IEMOP's proposal on validation timeline adjustment. As discussed in the last meeting, the RCC's request is to provide further clarification on the status of MSPs' performance and process of metering validation.</p> <p>Highlights of the discussion are as follows:</p> <ul style="list-style-type: none"> On the current performance of MSPs (frequency and reason of delays), Mr. Morales (MERALCO) requested to include the percentage (%) equivalent of the delays considering that MERALCO has many metering points. <p>As requested by Mr. Morales, the RCC agreed to publish the additional data as supplementary information to the proposal.</p> <ul style="list-style-type: none"> Ms. De Guzman (PEMC) requested clarification why the timeline under the Retail Metering Manual was used as the basis for harmonization (instead of the timeline under the WESM Rules or WESM Metering Manual). Ms. Gregorio said that the rationale of the proposal is to provide equal timeline for the preparation of preliminary and final billing settlement. Ms. Cruz reminded the RCC of the proposal's rationale to enhance the validation of settlement inputs by requesting additional one day for preparation of preliminary and final bills. <p>To have an overview on the severity of the issue, Mr. Castro asked the total number of transactions that IEMOP validates. Ms. Gregorio responded that the IEMOP validates MQ data from more than 29,000 metering points. The proposed change is also an</p>



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	<p>anticipation of the bulk data that IEMOP will be handling in the future with the lowering of the threshold for RCOA.</p> <ul style="list-style-type: none"> Mr. Jalandoni (IEMOP) explained further the process of metering. From D+13 to D+16, the MSPs can still submit their MQs. Based on the actual practice, IEMOP does not wait until D+16 to process the MQ so they will have sufficient time in preparing the final settlement. The proponent wants to reflect this actual implementation in the market rules/manuals. Ms. De Guzman asked if the current process timeline will also be same when the Central Registration and Settlement System (CRSS) will be used in the validation process of MQ. Mr. Jalandoni responded also in the affirmative and added that an additional hardware for the CRSS is needed to process the bulk data that needs validation. <p>Ms. Cruz asked if there will be additional financial impact on the said improvement to the CRSS. Mr. Jalandoni said that there is a possible additional financial impact on the improvement, but he currently has no idea on the extent and estimated cost.</p> <p>Dr. Nerves asked if there is an idea on the specifications and limitations of the hardware, or other metrics specifically on how long the additional hardware will last given the capacity of data being validated. Mr. Jalandoni said that their IT department conducted a study. Dr. Nerves then suggested to indicate in the study some technical specifications including the limitations of hardware to have a good estimate on the capital expenditures.</p> <p><u>Resolution:</u> The RCC noted the additional information provided by IEMOP and requested the Secretariat to publish the same as supplementary information to the proposal.</p>
4.3. Inputs to RCC Work Plan	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (RCC Secretariat)</p> <p><u>Meeting Material/s:</u> Annex D – RCC Workplan</p> <p><u>Action Requested:</u> For approval</p>



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	<p><u>Proceedings:</u></p> <ul style="list-style-type: none"> Ms. Estigoy presented the draft RCC Workplan and informed the RCC that comments/inputs were requested from other WGCs, OCGO-TWG and PEMC Management Committee. The only comment received was from the PEM Audit Committee, who informed the Secretariat that they will not propose any rules change but will monitor any audit action plans related to rules change since it will be the Auditee's responsibility to submit proposed rules changes. Mr. Fortich, Jr. moved to approve RCC Workplan with additional revisions for endorsement to the PEM Board, which was duly seconded by Ms. Rivera. <p><u>Resolution:</u> RCC approved the Workplan for submission to PEM Board.</p>
4.4. Update on ERC-approved PDM	<p><u>Presenter:</u> Ms. Karen Varquez (RCC Secretariat)</p> <p><u>Meeting Material/s:</u> Annex E – Presentation material on the updates on the PDM</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>As requested by the RCC, Ms. Varquez presented the following updates and next steps:</p> <ul style="list-style-type: none"> On 28 January 2021, PEMC, in coordination with IEMOP, filed the compliance with the urgent motion for clarification on ERC decision on the following: <ul style="list-style-type: none"> Actions plans on enhancements to NMMS and CRSS, Sapere issues for Luzon, Visayas and Mindanao, IES Recommendations, and other ERC directives Revised PDM document per ERC decision with its corresponding matrix addressing ERC comments





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	<ul style="list-style-type: none"> PEMC is awaiting ERC's final approval. Next steps will include the RCC's processing of the IEMOP's proposals related to ERC-approved revised PDM prior to Go-Live. <p><u>Resolution:</u> N/A (for information only)</p>
V. Other Matters	
6.1 DOE Public Consultation Updates	<p><u>Presenter:</u> Ms. Melanie Papa (DOE)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> No upcoming schedule for public consultation but DOE will publish the revised draft DOE Circular on Testing and Commissioning for further solicitation of comments. Mr. Rosales asked whether the target NMMS Go-live in June 2021 is for Luzon and Visayas only or includes Mindanao. Mr. Cacho explained that Luzon, Visayas and Mindanao will all be covered in the NMMS Go-Live in June 2021. He also added that there was an instruction from DOE to implement limited live dispatch in Mindanao but without any financial impact. The process will be market-based scheduling without settlements in the market. <p>Ms. Tuazon (Vivant) asked on the exact schedule of the said limited live dispatch. Mr. Cacho responded that there is no exact target date but the plan is to have it in summer, in April or May.</p> <p><u>Resolution:</u> N/A (for information only)</p>
VI. Next Meeting	<ul style="list-style-type: none"> 19 Mar 2021 16 Apr 2021 21 May 2021
VII. Adjournment	The meeting was adjourned at 01:56 PM

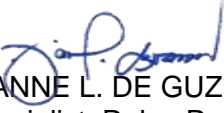


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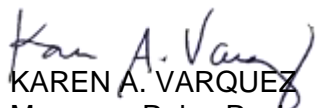
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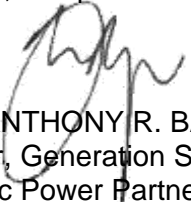
Approved by:


MAILA G. DE CASTRO
Chairman, Independent


FRANCISCO LEODEGARIO R. CASTRO, JR.
Member, Independent

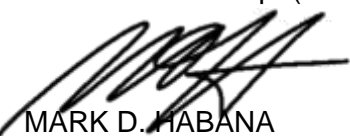

ALLAN C. NERVES
Member, Independent


CONCEPCION I. TANGLAO
Member, Independent



DIXIE ANTHONY R. BANZON
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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)

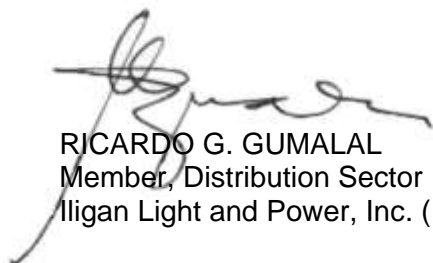

RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)


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


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MEETING MINUTES

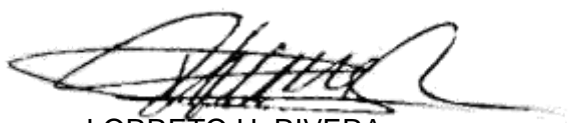
Subject/Purpose : 174th Rules Change Committee Meeting
Date & Time : 19 February 2021, 09:00
Venue : Online via Microsoft Teams




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)

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Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>1. Per the Grid Code:</p> <p><i>SD 8.3.1.4 Industry participant injecting or withdrawing power in the Grid shall strictly comply with the Grid Code and the WESM Rules.</i></p> <p>Per WESM Rules Clause 2.2.4.2:</p> <p><i>No person or entity shall be allowed to inject or withdraw electricity from the grid unless that entity or person is a registered member of the WESM.</i></p> <p>The unregistered loads are in violation of Grid Code SD 8.3.1.2. Have there been measures to seek the DOE/ERC's opinion regarding this issue? If not, PEMC deems that the matter should be elevated to the ERC first before pursuing any rules change as this may</p>		<p>1. The matter has not been elevated to the DOE or ERC. Prior to submitting the proposal to the RCC, we sought inputs from the PEM Board precisely because the proposal involves addressing concerns on enforcement but IEMOP did not receive any response. We suggest to proceed with the rules change proposal as it also makes it easier for the loads to comply with the WESM registration requirement.</p> <p>2. Their consumption was assigned to the generation company that supplied them</p>	



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					<p>fundamentally be an enforcement issue within the ERC's jurisdiction rather than merely a WESM registration issue. There could be sanctions/penalties that should be imposed upon the unregistered loads under the Grid Code that may be overlooked once they formally register in the WESM as Indirect Members.</p> <p>2. How are these unregistered loads currently being settled in the market pertaining to their transactions/obligations?</p>		and the practice has been continued.	
REGISTRATION	2.2.2.1	<i>Trading Participants:</i> Shall register with the <i>Market Operator</i> under clauses 2.3.1, 2.3.2 or 2.4 as either a <i>Direct WESM member</i> or an <i>Indirect WESM member</i> , and XXX	<i>Trading Participants:</i> a. Shall register with the <i>Market Operator</i> under clauses 2.3.1, 2.3.2 or 2.4 as either a <i>Direct WESM member</i> or <u>be registered by its Direct WESM Member counterparty as</u> an	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since	In reference to Registration Manual 2.3.1.2, suggest inserting the word “designated” or “elected” in this provision.	<i>Trading Participants:</i> (a) Shall register with the <i>Market Operator</i> under clauses 2.3.1, 2.3.2 or 2.4 as either a <i>Direct WESM member</i> or <u>be registered by its designated Direct WESM Member counterparty as</u> an	Ok	



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			<i>Indirect WESM member, and</i> b. XXX	they would be transacting through that Direct WESM Member.		<i>Indirect WESM member, and</i> (b) XXX		
REGISTRATION	2.2.2.3	<i>Ancillary Services Providers:</i> a. Shall register with the <i>Market Operator</i> under clauses 2.3.5 or 2.4 as either a <i>Direct WESM member</i> or an <i>Indirect WESM member</i> , and b. XXX	<i>Ancillary Services Providers:</i> a. Shall register with the <i>Market Operator</i> under clauses 2.3.5 or 2.4 as either a <i>Direct WESM member</i> or <u>be registered by its designated Direct WESM Member</u> <u>counterparty as</u> an <i>Indirect WESM member</i> and b. XXX	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since they would be transacting through that Direct WESM Member.	Same comment in 2.2.2.1	(a) Shall register with the <i>Market Operator</i> under clauses 2.3.5 or 2.4 as either a <i>Direct WESM member</i> or <u>be registered by its designated Direct WESM Member</u> <u>counterparty as</u> an <i>Indirect WESM member</i> and xxx	Ok	
INDIRECT WESM MEMBERS	2.4	A person or an entity who wishes to indirectly trade in the <i>spot market</i> shall register with the <i>Market Operator</i> as an <i>Indirect WESM member</i> . However, an <i>Indirect WESM member</i> may only transact through a direct <i>WESM member</i> .	A person or an entity who wishes to indirectly trade in the <i>spot market</i> shall <u>be registered</u> with the <i>Market Operator</i> as an <i>Indirect WESM member</i> <u>by its Direct WESM Member</u> <u>counterparty</u> . However, a <u>An Indirect WESM member</u> may	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since	Same comment in 2.2.2.1	A person or an entity who wishes to indirectly trade in the <i>spot market</i> shall <u>be registered</u> with the <i>Market Operator</i> as an <i>Indirect WESM member</i> <u>by its designated Direct WESM Member</u> <u>counterparty</u> .	Ok	



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			only transact through a <i>Direct WESM Member</i> .	they would be transacting through that Direct WESM Member.		However, a <i>An Indirect WESM member may only transact through a Direct WESM Member</i>		
APPLICATION FOR REGISTRATION	2.5.2	If an applicant applies for registration either as a <i>Direct WESM member</i> or as an <i>Indirect WESM member</i> that applicant shall: XXX	If an applicant applies for registration either as a <i>Direct WESM member</i> or <u>on behalf of as an Indirect WESM member,</u> that applicant <u>or the person or entity that it is applying for</u> shall: XXX	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since they would be transacting through that Direct WESM Member.				
APPLICATION FOR REGISTRATION	2.5.4	If an application for registration has been received by the <i>Market Operator</i> and: (a) All relevant prerequisites have been satisfied; (b) The applicant is eligible to be registered in the category or	If an application for registration has been received by the <i>Market Operator</i> and: (a) All relevant prerequisites have been satisfied; (b) The applicant <u>person or entity being registered</u> is eligible to	Since it is proposed that the Indirect WESM Member will not apply for registration, use of applicant as reference to that entity is not appropriate.				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
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		categories in which registration is sought; and (c) The <i>Market Operator</i> reasonably considers that the applicant will be able to comply and maintain compliance with the <i>WESM Rules</i> , Then subject to clause 2.5.5, the <i>Market Operator</i> shall approve the application and register the applicant in that category or categories.	be registered in the category or categories in which registration is sought; and (c) The <i>Market Operator</i> reasonably considers that the applicant will be able to comply and maintain compliance with the <i>WESM Rules</i> , Then subject to clause 2.5.5, the <i>Market Operator</i> shall approve the application and register the applicant person or entity being registered in that category or categories.					
APPLICATION FOR REGISTRATION	2.5.5.2	The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) calendar days after the date from which the <i>Market Operator</i> sends	The registration of the applicant person or entity being registered shall take effect on the date specified in the notice of approval which shall be a date not more than seven (7) calendar days after the date from which the	Since it is proposed that the Indirect WESM Member will not apply for registration, use of applicant as reference to that entity is not appropriate.				



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		the notice of approval under clause 2.5.5.1.	<i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.					
CEASING TO BE A WESM MEMBER	2.6.1	If a person or an entity wishes to cease to be registered: XXX (b) As an <i>Indirect WESM member</i> , it shall notify the <i>Market Operator</i> in writing.	If a person or an entity wishes to cease to be registered: XXX (b) For As an <i>Indirect WESM member</i> , <u>its <i>Direct WESM Member</i> counterparty</u> # shall notify the Market Operator in writing.	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it proposed that the Direct WESM Member Counterparty will have the responsibility to notify the Market Operator of its Indirect WESM Member's wish to cease to be registered.	Same comment in 2.2.2.1	XXX (b) For As an <i>Indirect WESM member</i> , <u>its <i>designated Direct WESM Member</i> counterparty</u> # shall notify the Market Operator in writing.	Ok	
SUSPENSION	2.7.2	If a <i>Trading Participant</i> who is either a <i>Direct WESM member</i> or an <i>Indirect WESM member</i> receives a suspension notice from the <i>Market Operator</i> in accordance	If a <i>Trading Participant</i> who is either a <i>Direct WESM member</i> or an <i>Indirect WESM member</i> receives a suspension notice from the <i>Market Operator</i> in accordance	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct	Same comment in 2.2.2.1		Ok	



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WESM Rules								
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		with any provision of the <i>WESM Rules</i> , that <i>Trading Participant</i> is suspended from participation in the <i>spot market</i> unless and until the <i>Market Operator</i> declares the suspension notice to be revoked in accordance with clause 3.15.7.	with any provision of the <i>WESM Rules</i> <u>as a result of its own transactions or its Indirect WESM Members</u> , that <i>Trading Participant</i> is suspended from participation in the <i>spot market</i> unless and until the <i>Market Operator</i> declares the suspension notice to be revoked in accordance with clause 3.15.7.	WESM Member, it is proposed that the Direct WESM Member counterparty shall also be liable for the transactions of the Indirect WESM Member.				
SUBMISSION OF BILATERAL CONTRACT DATA FOR ENERGY	3.13.1.1	<i>Trading Participants</i> who sell electricity pursuant to <i>bilateral contracts</i> and wish those <i>bilateral contracts</i> to be accounted for in <i>settlements</i> shall, after each <i>trading day</i> , in accordance with the billing and settlement timetable: a. Submit a schedule to the <i>Market Operator</i> specifying the MWH <i>bilateral sell quantities</i> at each <i>relevant market</i>	<i>Trading Participants</i> who sell electricity pursuant to <i>bilateral contracts</i> and wish those <i>bilateral contracts</i> to be accounted for in <i>settlements</i> shall, after each <i>trading day</i> , in accordance with the billing and settlement timetable: a. Submit a schedule to the <i>Market Operator</i> specifying the MWH <i>bilateral sell quantities</i>	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the Direct WESM Member counterparty shall confirm the bilateral quantity declarations of the Indirect WESM Member.	We note from Registration Manual Sec. 2.3.4 that Indirect WESM Members must designate one Direct WESM Member as their counterparty if they have more than one. Nonetheless, please clarify the implementation of this provision in case an Indirect WESM Member has PSAs with multiple Direct WESM Members. Also, how will this (and section 2.3.4) relate to the		Each Indirect WESM Member only has one (1) Direct WESM Member. A PSA between an Indirect WESM Member and a Direct WESM Member does not make it its Direct WESM Member. Any reference to the Direct WESM Member of an Indirect WESM Member refers to	



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WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p><i>trading node, in each trading interval of that trading day;</i></p> <p>b. Identify the counterparty to the bilateral contract and the party that will pay the line rental trading amount associated with the bilateral contract quantity submitted; provided, however, that in case only one of the bilateral counter parties is registered as a <i>Direct WESM Member</i>, that <i>WESM Member</i> shall be the party that will pay the line rental to the <i>Market Operator</i>; and</p> <p>c. Provide evidence that the counterparty to the <i>bilateral contract</i> agrees with the submission made under this clause 3.13.1.1. Such evidence shall be attached to the submission of schedule in 3.13.1.1(a).</p>	<p>at each <i>relevant market trading node, in each trading interval of that trading day; if the <u>buying Trading Participant is an Indirect WESM Member, the Trading Participant to be identified in the schedule shall be its Direct WESM Member.</u></i></p> <p>b. Identify the counterparty to the bilateral contract and the party that will pay the line rental trading amount associated with the bilateral contract quantity submitted; provided, however, that in case only one of the bilateral counter parties is registered as a <i>Direct WESM Member</i>, that <i>WESM Member</i> shall be the party that will pay the line rental to the <i>Market Operator</i>; and</p>		<p>previous PEM Board-approved proposal to allow RES-CC and Gen-Gen bilateral contracts to be enrolled in the WESM? Could this mean the designated Direct WESM Member may know the transactions of its Indirect WESM Member counterparty with other Direct WESM Members? If so, this may be inconsistent with the purpose of the previous proposal for confidentiality of transactions.</p>		<p>the Direct WESM Member assigned during registration.</p> <p>By registering as an Indirect WESM Member, an entity exposes all of its WESM transactions to its assigned Direct WESM Member. If there is concern on confidentiality, the Indirect WESM Member should register as a Direct WESM Member. The previous proposal refers to bilateral contract declarations between two (2) Direct WESM Members.</p>	



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			c. Provide evidence that the counterparty to the <i>bilateral contract, or the <u>Direct WESM Member for an Indirect WESM Member</u></i> , agrees with the submission made under this clause 3.13.1.1. Such evidence shall be attached to the submission of schedule in 3.13.1.1(a).					
SETTLEMENT PROCESS - Preliminary Statements	3.14.4.1	Within 7 <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give each <i>WESM member</i> who has engaged in <i>market transactions</i> in that billing period a preliminary statement which sets out the <i>market transactions</i> of that <i>WESM member</i> in that billing period and the settlement amount payable by or to that <i>WESM member</i> . If the seventh day falls on a <i>Non-Working Day</i> , the issuance of the	Within 7 <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give each <u>Direct WESM member</u> who has engaged in market transactions in that billing period a preliminary statement which sets out the <i>market transactions</i> of that <u>Direct WESM member and its Indirect WESM members, if any</u> , in that billing period and the settlement amount	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members.				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

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		preliminary statements shall be made during the next immediate <i>Working Day</i> .	payable by or to that <i>WESM member</i> . If the seventh day falls on a <i>Non-Working Day</i> , the issuance of the preliminary statements shall be made during the next immediate <i>Working Day</i> .					
SETTLEMENT PROCESS - Preliminary Statements	3.14.4.3	If the <i>WESM member</i> reasonably believes there was an error or discrepancy in the preliminary statement given to the WESM Member by the <i>Market Operator</i> under this clause 3.14.4, the <i>WESM member</i> shall notify the <i>Market Operator</i> as soon as practicable of that error or discrepancy and the <i>Market Operators</i> shall review the preliminary statement.	If the <i>WESM member</i> reasonably believes there was an error or discrepancy in the preliminary statement given to the <i>Direct</i> WESM Member by the <i>Market Operator</i> under this clause 3.14.4, the <i>Direct</i> <i>WESM member</i> shall notify the <i>Market Operator</i> as soon as practicable of that error or discrepancy and the <i>Market Operators</i> shall review the preliminary statement.	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, only Direct WESM Members may report errors in the settlement statements.				
SETTLEMENT PROCESS - Preliminary Statements	3.14.4.4	If the <i>Market Operator</i> considers that a preliminary statement contains an error or	If the <i>Market Operator</i> considers that a preliminary statement contains an error or	For consistency with the proposed revision in Clause 3.14.4.3				



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WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		discrepancy after reviewing the preliminary statement as notified by a <i>WESM member</i> pursuant to clause 3.14.4.3 or as independently identified by the <i>Market Operator</i> , the <i>Market Operator</i> shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the <i>Market Operator</i> at least two <i>Working Days</i> before the deadline of the issuance of the final statements. If the <i>Market Operator</i> receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply.	discrepancy after reviewing the preliminary statement as notified by a <u><i>Direct WESM member</i></u> pursuant to clause 3.14.4.3 or as independently identified by the <i>Market Operator</i> , the <i>Market Operator</i> shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the <i>Market Operator</i> at least two <i>Working Days</i> before the deadline of the issuance of the final statements. If the <i>Market Operator</i> receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply.					



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WESM Rules								
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SETTLEMENT PROCESS – Final Statements	3.14.5.1	No later than eighteen <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give to each <i>WESM member</i> who has engaged in <i>market transactions</i> in that billing period a final statement stating the amounts payable by the <i>WESM member</i> to the <i>Market Operator</i> or payable by the <i>Market Operator</i> to the <i>WESM member</i> in respect of the relevant billing period. If the eighteenth day falls on a <i>Non-Working Day</i> , the issuance of the final statements shall be made during the next immediate <i>Working Day</i> .	No later than eighteen <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give to each <u><i>Direct WESM member</i></u> who has engaged in <i>market transactions</i> in that billing period a final statement stating the amounts payable by the <u><i>Direct WESM member</i></u> , <u>including the transactions of its Indirect WESM members, if any,</u> to the <i>Market Operator</i> or payable by the <i>Market Operator</i> to the <u><i>Direct WESM member</i></u> , <u>including the transactions of its Indirect WESM members, if any,</u> in respect of the relevant billing period. If the eighteenth day falls on a <i>Non-Working Day</i> , the issuance of the final statements	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members.				



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			shall be made during the next immediate <i>Working Day</i> .					
SETTLEMENT PROCESS – Payment by Trading Participant	3.14.6	No later than 3.00 pm on the twenty-fifth day of the calendar month following the billing period, each <i>WESM member</i> shall pay to the <i>Market Operator</i> in cleared funds the <i>settlement amount</i> (if any) stated to be payable to the <i>Market Operator</i> by that <i>WESM member</i> in that <i>WESM member's</i> final statement, whether or not the <i>WESM member</i> disputes, or continues to dispute, the amount payable. If the twenty-fifth day of the calendar month following the billing period falls on a <i>Non-Working Day</i> , the payment due date shall be moved to the next immediate <i>Working Day</i> .	No later than 3.00 pm on the twenty-fifth day of the calendar month following the billing period, each <u>Direct</u> <i>WESM member</i> shall pay to the <i>Market Operator</i> in cleared funds the <i>settlement amount</i> (if any) stated to be payable to the <i>Market Operator</i> by that <u>Direct</u> <i>WESM member</i> in that <u>Direct</u> <i>WESM member's</i> final statement, whether or not the <u>Direct</u> <i>WESM member</i> disputes, or continues to dispute, the amount payable. If the twenty-fifth day of the calendar month following the billing period falls on a <i>Non-Working Day</i> , the payment due date shall be moved to the next	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members are required to settle their obligations in the WESM.				



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WESM Rules								
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			immediate <i>Working Day</i> .					
SETTLEMENT PROCESS – Payment to Trading Participants	3.14.7	On the following <i>Working Day</i> after the <i>Market Operator</i> is to be paid under clause 3.14.6, and in accordance with the schedule set in the billing and settlements timetable, the <i>Market Operator</i> shall pay to each <i>WESM member</i> in cleared funds the settlement amount (if any) stated to be payable in that <i>WESM member's</i> final statement. XXX	On the following <i>Working Day</i> after the <i>Market Operator</i> is to be paid under clause 3.14.6, and in accordance with the schedule set in the billing and settlements timetable, the <i>Market Operator</i> shall pay to each <i>Direct</i> <i>WESM member</i> in cleared funds the settlement amount (if any) stated to be payable in that <i>Direct</i> <i>WESM member's</i> final statement. XXX	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members will receive payments from the WESM.	Will WESM payments to an Indirect WESM Member, which may include NSS refund, also be for the account of its Direct WESM Member counterparty? Suggest to clarify in the provision.		The proposed inclusion of the word “Direct” aims to clarify that all payment and collection transactions will be with Direct WESM Members only.	
SETTLEMENT PROCESS – Settlement Revisions	3.14.9.1	If an amount in a <i>final statement</i> issued under clause 3.14.5: (a) Has been the subject of a dispute and the dispute has been resolved; or	If an amount in a <i>final statement</i> issued under clause 3.14.5: (a) Has been the subject of a dispute and the dispute has been resolved; or	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member,	1. Please clarify why the previous Direct WESM Member is/should be the entity charged of any payables arising from the Indirect WESM Member's transactions after the latter transfers		1. It is proposed that the previous Direct WESM Member would be charged since the Direct WESM Member would have been liable for the amount	



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WESM Rules								
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		<p>(b) Was subject of a pending case before a Court of competent jurisdiction and that said Court has already rendered a final and executory Decision;</p> <p>If any of the abovementioned cases has caused a different amount payable as set out in the <i>final statement</i>, the <i>Market Operator</i> shall issue to each <i>WESM Member</i> affected, an adjustment to the <i>final statement</i> for the relevant billing period setting out:</p> <p>(a) The amount payable by the <i>WESM Member</i> to the <i>Market Operator</i> or the amount payable by the <i>Market Operator</i> to the <i>WESM Member</i>, and</p> <p>(b) Interest calculated on a daily basis at the interest rate for the <i>final statement</i> to which the</p>	<p>(b) Was subject of a pending case before a Court of competent jurisdiction and that said Court has already rendered a final and executory Decision;</p> <p>If any of the abovementioned cases has caused a different amount payable as set out in the <i>final statement</i>, the <i>Market Operator</i> shall issue to each <i>Direct</i> <i>WESM Member</i> affected, an adjustment to the <i>final statement</i> for the relevant billing period setting out:</p> <p>(a) The amount payable by the <i>Direct</i> <i>WESM Member</i> <u>including the transactions of its Indirect WESM Members during the relevant billing period, if any,</u> to the <i>Market Operator</i> or the amount</p>	<p>the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members</p> <p>It is proposed that adjustments of Indirect WESM Members be retained with their Direct WESM Members during the relevant billing period and not based on the current billing period since that Direct WESM Member would have been liable for the amount if no adjustment was performed.</p>	<p>to a new Direct WESM Member. We note that this similarly applies in the Retail Market where the old RES are still charged for adjustments of their past CCs.</p> <p>2. Note (for documentation): A previous proposal approved by the PEM Board (Resolution No. 2020-31-03) also amends Clause 3.14.9.1. There is no conflict on the re-wording between the previous and current proposed amendment.</p>		<p>if no adjustment was performed.</p> <p>2. Noted.</p>	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>adjustment relates to the payment date applicable to the revised statement issued under this clause 3.14.9.1.</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>payable by the <i>Market Operator</i> to the <u>Direct WESM Member including the transactions of its Indirect WESM Members during the relevant billing period, if any,</u> and</p> <p>(b) Interest calculated on a daily basis at the interest rate for the <i>final statement</i> to which the adjustment relates to the payment date applicable to the revised statement issued under this clause 3.14.9.1.</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</p>					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			agrees that the issuance of the particular WESM bill adjustment shall be at a later time.					
SETTLEMENT PROCESS – of Payment Adjustments	3.14.10.2	By no later than the time and date specified by <i>the Market Operator</i> pursuant to clause 3.14.10.1, each <i>WESM member</i> shall pay to the <i>Market Operator</i> in cleared funds the net amount (if any) stated to be payable by that <i>WESM member</i> in the revised statement issued to it under clause 3.14.9.	By no later than the time and date specified by <i>the Market Operator</i> pursuant to clause 3.14.10.1, each <u>Direct</u> <i>WESM member</i> shall pay to the <i>Market Operator</i> in cleared funds the net amount (if any) stated to be payable by that <u>Direct</u> <i>WESM member</i> in the revised statement issued to it under clause 3.14.9.	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members are required to settle their obligations in the WESM.				
SETTLEMENT PROCESS – of Payment Adjustments	3.14.10.3	On the following <i>Working Day</i> on which the <i>Market Operator</i> is to be paid under clause 3.14.10.2, the <i>Market Operator</i> shall pay to each WESM Member in cleared funds the net amount (if any) stated to be payable to that <i>WESM member</i> in	On the following <i>Working Day</i> on which the <i>Market Operator</i> is to be paid under clause 3.14.10.2, the <i>Market Operator</i> shall pay to each <u>Direct</u> WESM Member in cleared funds the net amount (if any) stated to be	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		the revised statement issued to it under clause 3.14.9.	payable to that <u>Direct WESM member</u> in the revised statement issued to it under clause 3.14.9.	WESM Members will receive payments from the WESM.				
PRUDENTIAL REQUIREMENTS – Provision of Security	3.15.2.1	Subject to clause 3.15.2.2, a <i>WESM member</i> wishing to participate in <i>Market Transactions</i> shall provide and maintain a security complying with the requirements of Clause 3.15.2.	Subject to clause 3.15.2.2, a <u>Direct WESM member</u> wishing to participate in <i>Market Transactions</i> <u>for its own facilities or for its Indirect WESM Members, if any,</u> shall provide and maintain a security complying with the requirements of Clause 3.15.2.	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the revision is being proposed to clarify that the prudential requirements of Direct WESM Members will include assessment of its sales and the exposure of its Indirect WESM Members.	To clarify, instead of Indirect WESM Member A putting up an SBLC, it will be Direct WESM Member B, who is the counterparty of Indirect WESM Member A, who will put up a SBLC for the spot transactions of Indirect WESM Member A? (related to BSM 7.2.1)		No. The exposure of Direct WESM Member B will be calculated as the total exposure of its own transactions and Indirect WESM Member A. If the total exposure is a net payable, Direct WESM Member B will be required to provide security equivalent to the total exposure.	
PRUDENTIAL REQUIREMENTS – Provision of Security	3.15.2.2	The <i>Market Operator</i> may exempt <i>WESM members</i> from the requirement to	The <i>Market Operator</i> may exempt <u>Direct WESM members</u> from the requirement to	For consistency with WESM Rules Clause 2.4 that Indirect	Please clarify whether the PR amount exemption includes the transactions of the indirect WESM Member		Yes.	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		provide a security under clause 3.15.2.1,if: (a) the <i>Market Operator</i> believes it is likely that the amount payable by the <i>Market Operator</i> to that <i>WESM Member</i> under the WESM Rules will consistently exceed the amount payable to the <i>Market Operator</i> by that <i>WESM member</i> under the <i>WESM Rules</i> in respect of that period; or (b) the <i>Market Operator</i> believes it is unlikely that the <i>WESM member</i> will be required to pay any amounts to the <i>Market Operator</i> ; or (c) Deleted	provide a security under clause 3.15.2.1,if: (a) the <i>Market Operator</i> believes it is likely that the amount payable by the <i>Market Operator</i> to that <i>Direct</i> <i>WESM Member</i> under the WESM Rules will consistently exceed the amount payable to the <i>Market Operator</i> by that <i>Direct</i> <i>WESM member</i> under the <i>WESM Rules</i> in respect of that period; or (b) the <i>Market Operator</i> believes it is unlikely that the <i>Direct</i> <i>WESM member</i> will be required to pay any amounts to the <i>Market Operator</i> ; or (c) Deleted	WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.	counterparties of Direct WESM Members. (related to BSM 7.2.2)			
PRUDENTIAL REQUIREMENTS – Amount of Security	3.15.4	Using available historical data in the <i>WESM</i> , the <i>Market Operator</i> shall determine the initial <i>Prudential Requirements</i>	<u>The amount of security shall be assessed per <i>Direct WESM Member</i>. The prudential</u>	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		of a new <i>WESM member</i> corresponding to the projected <i>settlement amount</i> in respect of the portion of its demand that is not covered by <i>bilateral contracts</i> and the line rental resulting from its bilateral contracts	<u>requirements of a Direct WESM Member shall include its own transactions and the transactions of its Indirect WESM Members.</u> Using available historical data in the <i>WESM</i> , the <i>Market Operator</i> shall determine the initial <i>Prudential Requirements</i> of a new <i>WESM member</i> corresponding to the projected <i>settlement amount</i> in respect of the portion of its demand that is not covered by <i>bilateral contracts</i> and the line rental resulting from its bilateral contracts. <u>If the new WESM Member is an Indirect WESM Member, its calculated initial Prudential Requirements shall be considered in the</u>	will transact through a Direct WESM Member, the revision is being proposed to clarify that the prudential requirements of Direct WESM Members will include assessment of its sales and the exposure of its Indirect WESM Members.				

Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			<u>assessment of the prudential requirements of its Direct WESM Member.</u>					
PRUDENTIAL REQUIREMENTS – Monitoring	3.15.10.1	The Market Operator shall review, on a monthly basis, its actual exposure to each <i>WESM member</i> in respect of previous billing periods in accordance with the <i>WESM Rules</i> .	The Market Operator shall review, on a monthly basis, its actual exposure to each <u>Direct</u> <i>WESM member</i> in respect of previous billing periods in accordance with the <i>WESM Rules</i> .	For consistency with the proposed revisions that only Direct WESM Members will receive settlement statements and pay to the WESM				
PRUDENTIAL REQUIREMENTS – Margin Calls	3.15.11.1	If the <i>Market Operator</i> calculates that its exposure to a <i>WESM member</i> exceeds the <i>WESM member's trading limit</i> , then the <i>Market Operator</i> shall make a Margin Call on that <i>WESM member</i> by notice to the <i>WESM member</i> in writing (Margin Call Notice).	If the <i>Market Operator</i> calculates that its exposure to a <u>Direct</u> <i>WESM member</i> exceeds the <u>Direct</u> <i>WESM member's trading limit</i> , then the <i>Market Operator</i> shall make a Margin Call on that <u>Direct</u> <i>WESM member</i> by notice to the <u>Direct</u> <i>WESM member</i> in writing (Margin Call Notice).	The revision is being proposed to clarify that only Direct WESM Members are monitored for compliance with prudential requirements.				
METERING OBLIGATIONS -	4.3.1.1	Before a <i>Trading Participant</i> who is a <i>Direct WESM Member</i>	Before a <i>Trading Participant</i> who is a <u>Direct WESM Member</u>	Requirement to have a meter applies to both				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
OF TRADING PARTICIPANTS		will be permitted by the <i>Market Operator</i> to participate in the <i>spot market</i> in respect of a <i>market trading node</i> , the <i>Trading Participant</i> shall ensure that: (a) Each of its assigned <i>market trading node</i> has a metering installation; (b) Each <i>metering installation</i> has been installed in accordance with this chapter4 and in accordance with the <i>Grid Code and Distribution Code</i> ; and (c) Each <i>metering installation</i> is registered with the <i>Market Operator</i> .	will be permitted by the <i>Market Operator</i> to participate in the <i>spot market</i> in respect of a <i>market trading node</i> , the <i>Trading Participant</i> shall ensure that: (a) Each of its assigned <i>market trading node</i> has a metering installation; (b) Each <i>metering installation</i> has been installed in accordance with this chapter4 and in accordance with the <i>Grid Code and Distribution Code</i> ; and (c) Each <i>metering installation</i> is registered with the <i>Market Operator</i> .	Direct and Indirect WESM Members				
METERING - OBLIGATIONS OF TRADING PARTICIPANTS	4.3.1.2	The <i>Market Operator</i> may refuse to permit a <i>Trading Participant</i> who is a <i>Direct WESM member</i> to participate in the <i>spot market</i> in respect of any assigned <i>market trading node</i> if the <i>metering installation</i> associated with that <i>market trading</i>	The <i>Market Operator</i> may refuse to permit a <i>Trading Participant</i> who is a Direct WESM member to participate in the <i>spot market</i> in respect of any assigned <i>market trading node</i> if the <i>metering installation</i> associated with that	Requirement to have WESM-compliant meters applies to both Direct and Indirect WESM Members				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<i>node</i> does not comply with the provisions of this chapter 4, the <i>Grid Code</i> and <i>Distribution Code</i> .	<i>market trading node</i> does not comply with the provisions of this chapter 4, the <i>Grid Code</i> and <i>Distribution Code</i> .					
ELECTION OF METERING SERVICES PROVIDER BY A TRADING PARTICIPANT	4.3.2.1	<p>A <i>Trading Participant</i> who is a Direct <i>WESM member</i> shall:</p> <p>(a) Elect a <i>Metering Services Provider</i> who will have responsibility for arranging for the provision, installation, testing, calibration and maintenance of each metering installation for which that <i>Trading Participant</i> is financially responsible;</p> <p>(b) Enter into an agreement with the <i>Metering Services Provider(s)</i> which includes the terms and conditions for the provision, installation and maintenance of the relevant <i>metering installation</i> by the</p>	<p>A <i>Trading Participant</i> who is a Direct <i>WESM member</i> shall:</p> <p>(a) Elect a <i>Metering Services Provider</i> who will have responsibility for arranging for the provision, installation, testing, calibration and maintenance of each metering installation for which that <i>Trading Participant</i> is financially responsible;</p> <p>(b) Enter <u>or ensure the entry of its Indirect WESM Member</u> into an agreement with the <i>Metering Services Provider(s)</i> which includes the terms and conditions for the provision, installation and maintenance of the</p>	An Indirect WESM Member may opt to sign the Metering Services Agreement so that the same arrangement may be used when it changes its Direct WESM Member counterparty.	For clarification: Is this option also applicable to DWSA and TWSA? (related to Metering Manual 4.3.2)		Under current rules, DWSA can be signed by the Supplier (single billing) or the Contestable Customers (dual billing). There are no specific provisions on the TWSA in the WESM Rules and Manual.	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<i>Metering Services Provider, and</i> (c) Provide the <i>Market Operator</i> with the relevant details of the <i>metering installation</i> in accordance with Appendix B2 within 10 <i>business days</i> of entering into an agreement with the <i>Metering Services Provider(s)</i> under clause 4.3.4(b).	relevant <i>metering installation</i> by the <i>Metering Services Provider, and</i> (c) Provide the <i>Market Operator</i> with the relevant details of the <i>metering installation</i> in accordance with Appendix B2 within 10 <i>business days</i> of entering into an agreement with the <i>Metering Services Provider(s)</i> under clause 4.3.4(b).					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<i>Please write your general comments here, if any.</i>			
LEVEL OF PARTICIPATION AND INDIRECT WESM MEMBERSHIP	2.3.1	<i>A Trading Participant or an Ancillary Services Provider may be registered in the WESM as either a Direct WESM Member or Indirect WESM Member -</i> 2.3.1.1. XXX 2.3.1.2. A person or entity that wishes to indirectly trade in the WESM shall register with the Market Operator as an Indirect WESM Member, provided, however, that an Indirect WESM Member can only transact through a Direct WESM Member.	<i>A Trading Participant or an Ancillary Services Provider may be registered in the WESM as either a Direct WESM Member or Indirect WESM Member -</i> 2.3.1.1. XXX 2.3.1.2. A person or entity that wishes to indirectly trade in the WESM shall <u>elect a Direct WESM Member as its counterparty which, on its behalf, shall</u> register <u>that person or entity</u> with the Market Operator as an Indirect WESM Member, <u>and</u> provided, however, that an Indirect WESM Member, can only transact through <u>that</u> a Direct WESM Member.	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since they would be transacting through that Direct WESM Member.				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
LEVEL OF PARTICIPATION AND INDIRECT WESM MEMBERSHIP	2.3.2	A <i>Generation Company</i> may be registered as <i>Indirect WESM Member</i> if the generating units it owns, controls or operates or from which it otherwise sources electricity is or will be transacted in the <i>WESM</i> by a person or entity that is already registered in or is qualified to be registered in the <i>WESM</i> as <i>Generation Company</i> and as <i>Direct WESM Member</i> . If not yet registered, that <i>Generation Company</i> must register and be approved to become a <i>Direct WESM Member - Generation Company</i> , as a pre-requisite to approval of the Applicant's indirect WESM membership.	A <i>Generation Company</i> may be registered <u>by a <i>Direct WESM Member</i></u> as <u>an <i>Indirect WESM Member</i></u> if the generating units it owns, controls or operates or from which it otherwise sources electricity is or will be transacted in the <i>WESM</i> by a person or entity that is already registered in or is qualified to be registered in the <i>WESM</i> as <i>Generation Company</i> and as <i>Direct WESM Member</i> . If not yet registered, that <i>Generation Company</i> must register and be approved to become a <i>Direct WESM Member - Generation Company</i> , as a pre-requisite to <u>be qualified to register the <i>Generation Company</i> as</u> <u>an approval of the Applicant's <i>Indirect WESM Membership</i></u> .	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since they would be transacting through that Direct WESM Member.				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
LEVEL OF PARTICIPATION AND INDIRECT WESM MEMBERSHIP	2.3.3	A <i>Customer</i> may be allowed to register as an <i>Indirect WESM Member</i> under another <i>Trading Participant</i> registered as a <i>Direct WESM Member</i> .	A <i>Customer</i> may be allowed to <u>be</u> registered as an <i>Indirect WESM Member</i> <u>by</u> under another <i>Trading Participant</i> registered as a <i>Direct WESM Member</i> .	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since they would be transacting through that Direct WESM Member.				
LEVEL OF PARTICIPATION AND INDIRECT WESM MEMBERSHIP	2.3.4	An <i>Indirect WESM member</i> can only have one <i>Direct WESM member</i> transacting on its behalf in the <i>WESM</i> . If a <i>Customer</i> intending to register as an <i>Indirect WESM member</i> sources or intends to source electricity from more than one <i>Direct WESM member</i> , it shall specify which entity will serve as its <i>Direct WESM</i>	An <i>Indirect WESM member</i> can only have one <i>Direct WESM member</i> transacting on its behalf in the <i>WESM</i> . If a <i>Customer</i> intending to <u>be</u> registered as an <i>Indirect WESM member</i> sources or intends to source electricity from more than one <i>Direct WESM member</i> , it shall specify which entity will serve as its <i>Direct WESM member</i> counterparty for its transactions in the <i>WESM</i> .	For consistency with the proposal that Indirect WESM Members will be registered by their Direct WESM Members.			For Clause 2.3.5: 1. None because it is not registered. The proposal aims to avoid this scenario. 2. Neither, only the Direct WESM Member shall be liable. 3. For clarification: Which non-compliances are identified for Indirect WESM Members?	



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WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<i>member</i> counterparty for its transactions in the <i>WESM</i> .					<p>4. Yes, the accomplished and signed Counterparty Confirmation Form serves as the proof of agreement between the Direct WESM Member and Indirect WESM Member.</p> <p>5. As proposed, all charges will be to the Direct WESM Member. Any arrangement between the Direct WESM Member and an embedded generator would be executed outside the WESM.</p>	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

LEVEL OF PARTICIPATION AND INDIRECT WESM MEMBERSHIP	2.3.5	The <i>Direct WESM member</i> must expressly agree to transact in the <i>WESM</i> on behalf of the <i>Indirect WESM member</i> . Such agreement shall include agreement to assume all obligations of the <i>Indirect WESM member</i> in respect to the spot market transactions of the latter, including but not limited to the prudential requirements, trading imbalances, energy trading amounts, reserve trading amounts and line rental trading amounts. The parties shall submit proof of such agreement to the <i>Market Operator</i> .	The <i>Direct WESM member</i> <u>is responsible for registering the Indirect WESM Member</u> <u>and</u> must expressly agree to transact in the <i>WESM</i> on behalf of the Indirect WESM member. <u>The Indirect WESM Member must expressly agree that it provides the Direct WESM Member its consent to register it and transact on its behalf in the WESM.</u> Such agreement shall include agreement that the <i>Direct WESM Member</i> to <u>assumes</u> all obligations of the <i>Indirect WESM member</i> in respect to the spot market transactions of the latter, including but not limited to the prudential requirements, trading imbalances, <u>payment of adjustment settlement amounts,</u> energy trading amounts, reserve trading amounts and line rental trading amounts. <u>The Direct WESM Member shall be responsible for all such</u>	For consistency with the proposal that Indirect WESM Members will be registered by their Direct WESM Members. It is proposed that adjustments of Indirect WESM Members be retained with their Direct WESM Members during the relevant billing period and not based on the current billing period since that Direct WESM Member would have been liable for the amount if no adjustment was performed.	For clarification: 1. Who among the Direct WESM Members will be liable for obligations of unregistered DCCs (those which inject/withdraw power from the grid even if they are not registered)? 2. What is the kind of obligation a Direct WESM Member will assume arising from its registration of its Indirect WESM Member (i.e., joint or solidary)? 3. Will the Direct WESM Member also be liable to any non-compliances by its Indirect WESM Member in terms of the latter's obligations in the WESM? 4. Will there be pro-forma/standard agreement that will be executed by	xxx Such agreement shall include agreement that the <i>Direct WESM Member</i> to <u>assumes</u> all obligations of the <i>Indirect WESM member</i> in respect to the spot market transactions of the latter, including but not limited to the prudential requirements, trading imbalances, <u>payment of adjustment adjusted settlement amounts,</u> energy trading amounts, reserve trading amounts and line rental trading amounts. xxx		
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Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			<u>payments during the relevant billing periods where the Direct WESM Member transacted on behalf of the Indirect WESM Member.</u> The parties shall submit proof of such agreement to the <i>Market Operator</i> .		<p>Direct WESM members and their Indirect WESM members? This is for consistency and to fully achieve the objective of the proposed amendment.</p> <p>5. An embedded generator can be an Indirect Member and it can also elect a Direct Member for its WESM transactions. We suggest that there be clarity on the arrangement with regard to payment of the market fees by the embedded generator.</p>			
LEVEL OF PARTICIPATION AND INDIRECT WESM MEMBERSHIP	2.3.7.	In the event of the cessation of registration, de-registration or suspension of the <i>Direct WESM Member</i> , the <i>Indirect</i>	In the event of the cessation of registration, de-registration or suspension of the <i>Direct WESM Member</i> , the <i>Indirect WESM Member</i> may continue to transact	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM				



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WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<i>WESM Member</i> may continue to transact in the WESM as such under another qualified <i>Direct WESM Member and Trading Participant</i> . In such an event, it must notify the <i>Market Operator</i> in writing of its new counterpart and submit proof of the agreement by the latter to transact in the WESM on its behalf. The <i>Indirect WESM member</i> may also choose to apply as <i>Direct WESM member and Trading Participant</i> . In either case, the notice or application shall have been submitted to and approved by the <i>Market Operator</i> prior to the cessation, de-registration or suspension of its original <i>Direct WESM</i>	in the WESM as such under another qualified <i>Direct WESM Member and Trading Participant</i> . In such an event, its <u>new Direct WESM Member</u> must notify the <i>Market Operator</i> in writing of its <u>status as the</u> new counterpart <u>of the Indirect WESM Member</u> and submit proof of the agreement by the <u>former</u> latter to transact in the WESM on its behalf <u>of the latter</u> . The <i>Indirect WESM member</i> may also choose to apply as <i>Direct WESM member and Trading Participant</i> . In either case, the notice or application shall have been submitted to and approved by the <i>Market Operator</i> prior to the cessation, de-registration or suspension of its original <i>Direct WESM member</i> counterpart y from the WESM.	Member, the new Direct WESM Member shall facilitate the transfer of the Indirect WESM Member from the ceased, de-registered or suspended Direct WESM Member.				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<i>member</i> counterpart from the WESM.						
REGISTRATION OF DIRECT WESM MEMBERS AND TRADING PARTICIPANTS	2.5.3.4.c	Prudential Requirements. XXX a. XXX b. XXX c. The <i>Applicant</i> is applying to become an <i>Indirect Member</i> , provided, however, that the obligation to comply with the prudential requirement shall rest with its <i>Direct WESM Member</i> counterpart.	Prudential Requirements. XXX i. XXX ii. XXX iii. The <i>Applicant</i> is being registered applying to become an <i>Indirect Member</i> , provided, however , that the obligation to comply with the prudential requirement shall rest with its <i>Direct WESM Member</i> counterpart.	For consistency with the proposal that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves.				
OTHER REQUIREMENTS FOR APPROVED APPLICATIONS	2.5.6.3	a) Market Participation Agreement. The <i>Applicant</i> shall execute a market participation	a) Market Participation Agreement. The <i>Applicant</i> shall execute a market participation agreement in the form prescribed by the <i>Market</i>	Consistent with the proposal that Direct WESM Members will be liable for transactions of	For clarifications on item (a): 1. There is currently a separate pro-forma MPA for Indirect		1. No changes will be required to the pro-forma MPA. A separate proof of authority will just be required.	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		agreement in the form prescribed by the <i>Market Operator</i> . b) Participant Interface Access. The <i>Applicant</i> shall subscribe to and allow the <i>Market Operator</i> to apply and install a method employing encryption in its computer to provide secure access to the <i>Market Management System</i> .	<i>Operator. <u>For Indirect WESM Membership registration, its Direct WESM Member Counterparty shall execute this agreement on behalf of the Indirect WESM member.</u></i> b) Participant Interface Access. The <i>Applicant</i> shall subscribe to and allow the <i>Market Operator</i> to apply and install a method employing encryption in its computer to provide secure access to the <i>Market Management System. <u>This is optional for Customers that will be registered as Indirect WESM Members.</u></i>	Indirect WESM Members, the Direct WESM Member should execute the Market Participation Agreement for the Indirect WESM Members. Customers to be registered as Indirect WESM Member may have the option to subscribe to a digital certificate and access the Market Participant Interface of the Market Management System.	WESM Members. Does the proposal mean this will no longer be the case going forward or the current MPAs will be revised? What is the process of revising the MPA to implement this proposal? 2. How does the proposed amendment affect existing MPAs with Indirect WESM Members? Will they still be in effect should the proposal be approved or will their Direct WESM Member counterparty have to re-execute a new MPA on their behalf? For RCC discussion: 1. Should the proforma MPA be appended		2. The Direct WESM Members will be required to execute MPAs for their Indirect WESM Members. Existing MPAs of Indirect WESM Members will be superseded by the new MPAs. For clarifications on item (b): Yes, access to the CRSS is optional for viewing registration information only. The Direct WESM Member would have the ability to inform the Indirect WESM Member.	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>in the Registration Manual?</p> <p>2. Who should be the signatories in the MPA?</p> <p>For clarifications on item (b):</p> <p>Will indirect WESM Members be given access to the CRSS? What type of access? How will the indirect WESM Member know that they have the option to access the CRSS? (or any other rights that they have in the WESM?)</p>			
REGISTRATION OF INDIRECT WESM MEMBERS	2.8.1. 2.8.1.1. 2.8.1.2.	2.8.1 A person or entity that wishes to be registered as an <i>Indirect WESM Member</i> must – 2.8.1.1 comply with the membership criteria set forth in this Manual for <i>Trading</i>	2.8.1 A person or entity that wishes to be registered as an <i>Indirect WESM Member</i> must – 2.8.1.1 comply with the membership criteria set forth in this Manual for <i>Trading Participants</i> , except only for the requirement to satisfy	It is proposed that entities that would prefer to trade indirectly in the WESM be registered by their Direct WESM Members instead of registering by themselves since they would be				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p><i>Participants</i>, except only for the requirement to satisfy prudential requirements; and</p> <p>2.8.1.2 identify the <i>Direct WESM Member</i> that shall stand as its counterparty for its transactions in the WESM and shall, for this purpose, submit proof of agreement by the said <i>Direct WESM Member</i> to stand as counterparty and to transact on behalf of the <i>Applicant</i>.</p>	<p>prudential requirements; and</p> <p>2.8.1.2 <u>be registered by its Direct WESM Member counterparty;</u></p> <p>identify the Direct WESM Member that shall stand as its counterparty for its transactions in the WESM and shall, for this purpose, submit proof of agreement by the said <u>Applicant</u> Direct WESM Member to stand <u>serve</u> as its counterparty and <u>allowing the Direct WESM Member</u> to transact on behalf of the <i>Applicant</i>.</p>	transacting through that Direct WESM Member.				
CHANGE IN LEVEL OF PARTICIPATION AND CHANGE OF COUNTERPARTY OF INDIRECT	3.4.1 3.4.3.1 3.4.3.2	3.4.1 A <i>Direct WESM member</i> that wishes to become an <i>Indirect WESM member</i> shall file a new application and	3.4.1 A <i>Direct WESM member</i> that wishes to become an <i>Indirect WESM member</i> shall <u>elect a Direct WESM Member which shall</u> file a new	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
WESM MEMBERS		be approved by the <i>Market Operator</i> as such in accordance with the requirements and procedures for <i>Indirect WESM members</i> set forth in this Manual.	application <u>on its behalf</u> and be approved by the <i>Market Operator</i> as such in accordance with the requirements and procedures for <i>Indirect WESM members</i> set forth in this Manual.	incoming Direct WESM Member should notify the Market Operator of the change in level of participation of the incoming Indirect WESM Member.				
		3.4.2 XXX	3.4.2 XXX					
		3.4.3 The change of the <i>Direct Member</i> counterparty of an <i>Indirect Member</i> may effected by any of the following means -	3.4.3 The change of the <i>Direct Member</i> counterparty of an <i>Indirect Member</i> may effected by any of the following means -					
		3.4.3.1. By joint notice to the <i>Market Operator</i> stating the	3.4.3.1. By joint notice to the <i>Market Operator</i> stating the effective date of the change by the following - a) Indirect WESM member					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		effective date of the change by the following - a) <i>Indirect WESM member</i> b) XXX c) XXX 3.4.3.2 By notice from the <i>Indirect WESM member</i> and the new <i>Direct WESM member</i> counterparty if the change is due to the deregistration, suspension or cessation of registration of the <i>Direct WESM member</i> counterparty. The change shall become effective not	b) XXX c) XXX 3.4.3.2 By notice from the <i>Indirect WESM member</i> and the new <i>Direct WESM member</i> counterparty if the change is due to the deregistration, suspension or cessation of registration of the <i>Direct WESM member</i> counterparty. The change shall become effective not later than the effective date of the deregistration, suspension or cessation of <i>WESM</i> membership of its previous counterparty. If the party wishes that the change will take effect on an earlier date, the					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		later than the effective date of the deregistration, suspension or cessation of <i>WESM</i> membership of its previous counterparty. If the party wishes that the change will take effect on an earlier date, the written confirmation of the change from the previous counterparty shall likewise be submitted.	written confirmation of the change from the previous counterparty shall likewise be submitted.					
EFFECTS OF SUSPENSION	4.4.1.	From the time of the issuance of the Notice of Suspension until such time the suspension is revoked, the suspended <i>WESM</i>	From the time of the issuance of the Notice of Suspension until such time the suspension is revoked, the suspended <i>WESM member</i> is ineligible to participate in	The revision is proposed to delete the <i>WESM</i> aggregator and to correct the reference clause (Clause 3.7 is				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<i>member</i> is ineligible to participate in the WESM. As such, the suspended <i>WESM member</i> shall be disconnected from the transmission or distribution system to which its facilities are connected. If the suspended <i>WESM member</i> is a <i>Wholesale Aggregator</i> or a <i>Retail Electricity Supplier</i> , the <i>Indirect WESM member</i> for whom it transacts in the <i>WESM</i> shall likewise be suspended from trading in the <i>WESM</i> and shall be disconnected from the transmission or distribution system, unless the latter complies with the conditions set forth in Chapter II. Clause 3.7 of this Manual.	the WESM. As such, the suspended <i>WESM member</i> shall be disconnected from the transmission or distribution system to which its facilities are connected. If the suspended <i>WESM member</i> is a <i>Wholesale Aggregator</i> or a <i>Retail Electricity Supplier</i> , the <i>Indirect WESM member</i> for whom it transacts in the <i>WESM</i> shall likewise be suspended from trading in the <i>WESM</i> and shall be disconnected from the transmission or distribution system, unless the latter complies with the conditions set forth in Chapter II. Clause <u>2.3.7</u> of this Manual.	non-existent in this manual).				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures Issue 5.2								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
EFFECTS OF DEREGISTRATION	5.6.2.2.	If the deregistered <i>WESM member</i> is a <i>Wholesale Aggregator</i> or a <i>Retail Electricity Supplier</i> acting as a <i>Direct WESM Member</i> counterparty to an <i>Indirect WESM member</i> and the latter does not comply with the requirements in Chapter II, Section 3.7 of this Manual, the facilities of the <i>Indirect WESM member</i> shall be disconnected.	If the deregistered <i>WESM member</i> is a <i>Wholesale Aggregator</i> or a <i>Retail Electricity Supplier</i> acting as a <i>Direct WESM Member</i> counterparty to an <i>Indirect WESM member</i> and the latter does not comply with the requirements in Chapter II, Section 2 3.7 of this Manual, the facilities of the <i>Indirect WESM member</i> shall be disconnected.	The revision is proposed to delete the WESM aggregator and to correct the reference clause (Clause 3.7 is non-existent in this manual).				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<i>Please write your general comments here, if any.</i>			
Metering Installation Registration	4.1	<p>Pursuant to WESM Rules Clause 4.3.1.1 (c), each metering installation shall be registered in the WESM.</p> <p>Further, in accordance with WESM Rules Clause 4.3.1.2, the Market Operator may also refuse to permit a Trading Participant who is a Direct WESM Member to participate in the spot market if the metering installation associated with the trading node does not meet the requirements as stated in the WESM Rules, this Market Manual, the Grid Code and the Distribution Code. In such cases, the Market Operator shall promptly advise the ERC of any refusal of applicants.</p>	<p>Pursuant to WESM Rules Clause 4.3.1.1 (c), each metering installation shall be registered in the WESM.</p> <p>Further, in accordance with WESM Rules Clause 4.3.1.2, the Market Operator may also refuse to permit a Trading Participant who is a Direct WESM Member to participate in the spot market if the metering installation associated with the trading node does not meet the requirements as stated in the WESM Rules, this Market Manual, the Grid Code and the Distribution Code. In such cases, the Market Operator shall promptly advise the ERC of any refusal of applicants.</p>	Requirement to have WESM-compliant meters applies to both Direct and Indirect WESM Members	For confirmation: The proposal will cause the Direct Members to also be responsible for its indirect WESM member counterparty's compliance with the requirement of having WESM-compliant meters.		Yes, the Direct WESM Member should ensure that the metering equipment of its Indirect WESM Member is WESM-compliant.	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		This section provides the procedures to be followed by the Market Operator, Metering Services Provider and Trading Participants for the registration of metering installations of Trading Participants in the WESM.	This section provides the procedures to be followed by the Market Operator, Metering Services Provider and Trading Participants for the registration of metering installations of Trading Participants in the WESM.					
Requirements for Registration of Metering Installation	4.3.2	XXX k. Metering Service Agreement between Metered Entity and its MSP; and XXX	XXX k. Metering Service Agreement between Metered Entity and its MSP; <u>The Direct WESM Member shall enter or ensure the entry of its Indirect WESM Member into an agreement with the Metering Services Provider(s) which includes the terms and conditions for the provision, installation and maintenance of the relevant metering installation by the Metering Services Provider; and</u>	An Indirect WESM Member may opt to sign the Metering Services Agreement so that the same arrangement may be used when it changes its Direct WESM Member counterparty.				



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WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			XXX					
GOVERNING PROVISIONS OF THE WESM RULES	APPENDIX C	4.3.2.1 A <i>Trading Participant</i> who is a Direct <i>WESM member</i> shall: (a) Elect a <i>Metering Services Provider</i> who will have responsibility for arranging for the provision, installation, testing, calibration and maintenance of each metering installation for which that <i>Trading Participant</i> is financially responsible;	4.3.2.1 A <i>Trading Participant</i> who is a Direct <i>WESM member</i> shall: (a) Elect a <i>Metering Services Provider</i> who will have responsibility for arranging for the provision, installation, testing, calibration and maintenance of each metering installation for which that <i>Trading Participant</i> is financially responsible; <u>(b) Enter or ensure the entry of its Indirect WESM Member into an agreement with the Metering Services Provider(s) which includes the terms and</u>	The revision is proposed to reflect the proposed change in the WESM Rules.				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Metering Standards and Procedures Issue 12.0								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			<p><u>conditions for the provision, installation and maintenance of the relevant metering installation by the Metering Services Provider, and</u></p> <p><u>(c) Provide the Market Operator with the relevant details of the metering installation in accordance with Appendix B2 within 10 business days of entering into an agreement with the Metering Services Provider(s) under clause 4.3.4(b).</u></p>					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>Note (for documentation):</p> <p>Previous proposals approved by the PEM Board (Resolution Nos. 2020-30-05 and 2020-31-03) also amend Sections 4.2.2, 4.2.4, 7.2.2, 7.2.3, 7.2.5, 7.3.1 and 7.4.3. There is no conflict between the previous and current proposed amendments.</p>		Noted.	
CONTENTS OF SETTLEMENT STATEMENTS AND DATA	4.1	(NEW)	i. <u>Settlement quantities and amounts of an Indirect WESM Member shall be incorporated in the Settlement Statement and Settlement Data issued to its Direct WESM Member. The Market Operator shall distinguish the transactions of the Indirect WESM Member to the transactions of</u>	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members.	<ul style="list-style-type: none">• Please describe the current set-up: indirect WESM members receive their own statements?• In relation to Registration Manual section 2.3.1.2, suggest clarifying the settlement transactions for an indirect WESM member having PSAs with multiple Direct WESM members.		<p>No, the Direct WESM Member receives the statements of its Indirect WESM Members.</p> <p>Each Indirect WESM Member only has one (1) Direct WESM Member. A PSA between an Indirect WESM Member and a Direct WESM Member does not make it its Direct WESM Member. Any reference to the Direct WESM Member of an Indirect WESM</p>	



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			<u>the facilities of the Direct WESM Member in the Settlement Statement and Settlement Data provided to the Direct WESM Member.</u>				Member refers to the Direct WESM Member assigned during registration.	
Issuance of Preliminary Statements	4.2.1	4.2.1 Issuance of Preliminary Statements i. Within seven (7) days after the end of each billing period, the Market Operator shall give each WESM member who has engaged in market transactions in that billing period a preliminary statement which sets out the market transactions of that WESM member in that billing period and the settlement amount payable by or to that WESM member. If the seventh day falls on a Non-Working Day, the issuance of the	4.2.1 Issuance of Preliminary Statements i. Within seven (7) <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give each <u>Direct WESM member</u> who has engaged in market transactions in that billing period a preliminary statement which sets out the <i>market transactions</i> of that <u>Direct WESM member and its Indirect WESM members, if any,</u> in that billing period and the settlement amount payable by or to that <i>WESM member</i> . If the seventh day falls on a <i>Non-Working Day</i> , the	For consistency with WESM Rules Clauses 3.14.4.1, 3.14.4.2, 3.14.4.3 and 3.14.4.4 that Indirect WESM Members will transact through a Direct WESM Member, the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members, and only Direct WESM Members may report errors in the settlement statements.				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		preliminary statements shall be made during the next immediate working day ¹ . j. The preliminary statements shall include supporting data for all amounts payable sufficient to enable each WESM member to audit the calculation of the amount payable by or to that WESM member ² . k. If the WESM member reasonably believes there was an error or discrepancy in the preliminary statement given to the WESM Member by the Market Operator, the WESM member shall notify the Market Operator as soon as practicable of that error or	issuance of the preliminary statements shall be made during the next immediate <i>Working Day</i> ² . ii. The preliminary statements shall include supporting data for all amounts payable sufficient to enable each WESM <i>member</i> to audit the calculation of the amount payable by or to that <i>WESM member</i> ³ . iii. If the <i>WESM member</i> reasonably believes there was an error or discrepancy in the preliminary statement given to the <i>Direct WESM Member</i> by the <i>Market Operator</i> , the <i>Direct WESM member</i> shall notify the <i>Market Operator</i> as soon as practicable of that error or discrepancy and the					

² WESM Rules Clause 3.14.4.1

³ WESM Rules Clause 3.14.4.2



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		discrepancy and the Market Operator shall review the preliminary statement ³ . I. If the Market Operator considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement as notified by a WESM member or as independently identified by the Market Operator, the Market Operator shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the Market Operator at least two (2)	<i>Market Operator</i> shall review the preliminary statement ⁴ . iv. If the <i>Market Operator</i> considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement as notified by a <i>Direct WESM member</i> or as independently identified by the <i>Market Operator</i> , the <i>Market Operator</i> shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the <i>Market Operator</i> at least two (2) <i>Working Days</i> before the deadline of the issuance of the final statements. If the <i>Market Operator</i>					

⁴ WESM Rules Clause 3.14.4.3

Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		Working Days before the deadline of the issuance of the final statements. If the Market Operator receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, Market Operator shall issue revised statements in accordance to Section 4.2.4b) of this Manual ⁴ .	receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, Market Operator shall issue revised statements in accordance to Section 4.2.4b) of this Manual ⁵ .					
Issuance of Final Statements	4.2.2	4.2.2 Issuance of Final Statements a. No later than eighteen (18) days after the end of each billing period, the Market Operator shall give to each WESM member who has engaged in market transactions in that billing period a final statement stating the amounts payable by the	4.2.2 Issuance of Final Statements • No later than eighteen (18) <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give to each <i>Direct WESM member</i> who has engaged in market transactions in that billing period a final statement stating the amounts	For consistency with WESM Rules Clauses 3.14.5.1, and 3.14.5.2 that Indirect WESM Members will transact through a Direct WESM Member, the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members, and only Direct WESM Members may report				

⁵ WESM Rules Clause 3.14.4.4



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>WESM member to the Market Operator or payable by the Market Operator to the WESM member in respect of the relevant billing period. If the eighteenth day falls on a Non-Working Day, the issuance of the final statements shall be made during the next immediate Working Day⁵.</p> <p>b. The final statements issued shall include supporting data for all amounts payable which shall be sufficient to enable each WESM member to audit the calculation of the amount payable by or to that WESM member⁶.</p> <p>c. XXX</p>	<p>payable by the <u>Direct WESM member, including the transactions of its Indirect WESM members, if any,</u> to the <i>Market Operator</i> or payable by the <i>Market Operator</i> to the <u>Direct WESM member, including the transactions of its Indirect WESM members, if any,</u> in respect of the relevant billing period. If the eighteenth day falls on a <i>Non-Working Day</i>, the issuance of the final statements shall be made during the next immediate <i>Working Day</i>⁶.</p> <ul style="list-style-type: none">• The final statements issued shall include supporting data for all amounts payable which shall be sufficient to enable each <i>WESM member</i> to audit the	errors in the settlement statements.				

⁶ WESM Rules Clause 3.14.5.1



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			calculation of the amount payable by or to that <i>WESM member</i> ⁷ . • XXX					
Issuance of Revised Statements	4.2.4	4.2.4 Issuance of Revised Statements a. If any amount in the final statement has been the subject of a dispute and the dispute has been resolved or was subject of a pending case before a Court of competent jurisdiction and that said Court has already rendered a final and executory Decision, caused different payable amount as set out in the final statement, the Market Operator shall issue to each WESM Member affected, an adjustment to the final statement for	4.2.4 Issuance of Revised Statements a. If any amount in the final statement has been the subject of a dispute and the dispute has been resolved or was subject of a pending case before a Court of competent jurisdiction and that said Court has already rendered a final and executory Decision, caused different payable amount as set out in the <i>final statement</i> , the <i>Market Operator</i> shall issue to each <i>Direct WESM Member</i> affected, an adjustment to the final statement for the	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the settlement transactions of Indirect WESM Members will only be reflected in the settlement statements of the Direct WESM Members It is proposed that adjustments of Indirect WESM Members be retained with their Direct WESM Members during the relevant billing period and not based on the current billing period since that Direct WESM Member would have been liable for	Same comment with WESM Rules Clause 3.14.9.1 above: Please clarify why the previous Direct WESM Member is/should be the entity charged of any payables arising from the Indirect WESM Member's transactions after the latter transfers to a new Direct WESM Member. We note that this similarly applies in the Retail Market where the old RES are still charged for adjustments of their past CCs.		It is proposed that the previous Direct WESM Member would be charged since the Direct WESM Member would have been liable for the amount if no adjustment was performed.	

⁷ WESM Rules Clause 3.14.5.2



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>the relevant billing period setting out:</p> <p>1.The amount payable by the WESM Member to the Market Operator or the amount payable by the Market Operator to the WESM Member, and</p> <p>2. XXX</p> <p>XXX</p> <p>b. If the Market Operator becomes aware of an error in an amount stated in a final statement and in the Market Operator's reasonable opinion, a WESM Member would be materially affected if a revision to the final statement was not made to correct the error, then the Market Operator shall issue the Revised Statement not later than six (6)</p>	<p>relevant billing period setting out:</p> <p>1. The amount payable by the <u>Direct</u> WESM Member <u>including the transactions of its Indirect WESM members during the relevant billing period, if any,</u> to the Market Operator or the amount payable by the Market Operator to the <u>Direct</u> WESM Member <u>including the transactions of its Indirect WESM Members during the relevant billing period, if any,</u> and</p> <p>2. XXX</p> <p>XXX</p> <p>b. If the Market Operator becomes aware of an</p>	<p>the amount if no adjustment was performed.</p>				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		calendar months from receipt of the Market Operator of written notice of error from the participant, or from the Market Operator's discovery of the same ¹² . c. XXX	error in an amount stated in a final statement and in the <i>Market Operator's</i> reasonable opinion, a <u>Direct</u> WESM Member would be materially affected if a revision to the <i>final statement</i> was not made to correct the error, then the <i>Market Operator</i> shall issue the Revised Statement not later than six (6) calendar months from receipt of the <i>Market Operator</i> of written notice of error from the participant, or from the <i>Market Operator's</i> discovery of the same ¹² . c. XXX					
Payment of Settlement Amount	5.2.1	Where the settlement amount for a WESM member is a negative amount, the WESM member shall pay that amount to Market Operators accordance with Section 5.3.1of this	Where the settlement amount for a <u>Direct</u> WESM member is a negative amount, the <u>Direct</u> WESM member shall pay that amount to <i>Market Operators</i> <u>in</u> accordance with Section	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that				

⁸ WESM Rules Clause 3.14.9.2

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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		Manual. Where the settlement amount for a WESM member is a positive amount, Market Operator shall pay that amount to the WESM Member in accordance with Section 5.3.2of this Manual.	5.3.1__of this Manual. Where the settlement amount for a <u>Direct WESM member</u> is a positive amount, <i>Market Operator</i> shall pay that amount to the <u>Direct WESM Member</u> in accordance with Section 5.3.2_of this Manual.	Direct WESM Members are required to settle their obligations in the WESM and will receive payments from the WESM.				
Payment of Settlement Amount	5.2.2	<p>The maximum total payment which the Market Operator is required to pay in respect of any billing period is equal to the aggregate of;</p> <p>1. the total payments actually received from WESM Members in accordance with Section 5.3.1of this Manual; plus</p> <p>2. the total amount that the Market Operator is able to actually draw from the prudential security of the defaulting WESM Members in accordance with f) of this Manual, if one or more WESM</p>	<p>The maximum total payment which the <i>Market Operator</i> is required to pay in respect of any billing period is equal to the aggregate of;</p> <p>1. the total payments actually received from <u>Direct WESM Members</u> in accordance with Section 5.3.1of this Manual; plus</p> <p>2. the total amount that the <i>Market Operator</i> is able to actually draw from the prudential security of the defaulting <u>Direct WESM Members</u> in accordance with f) of this Manual, if one or more <i>WESM</i></p>	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members are required to settle their obligations in the WESM and will receive payments from the WESM.				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		Members is in default; plus 3. other sources of funds which the PEM Board may approve to be paid to the WESM Members if the total amount drawn from the prudential security deposit of the defaulting WESM Members is insufficient to cover the defaulted amounts.	<i>Members</i> is in default; plus 3. other sources of funds which the PEM Board may approve to be paid to the <i>Direct WESM Members</i> if the total amount drawn from the prudential security deposit of the defaulting <i>WESM Members</i> is insufficient to cover the defaulted amounts.					
Payment of Settlement Amount	5.2.3	If it becomes necessary for the Market Operator to draw upon the prudential security of a defaulting WESM Member in accordance with f) of this Manual, the corresponding payments to the WESM Members entitled to be paid shall be made only after the Market Operator is actually able to draw on the prudential security but not later than the date specified in the billing and settlement time table.	If it becomes necessary for the <i>Market Operator</i> to draw upon the prudential security of a defaulting WESM Member in accordance with f)_of this Manual, the corresponding payments to the <i>Direct WESM Members</i> entitled to be paid shall be made only after the <i>Market Operator</i> is actually able to draw on the prudential security but not later than the date specified in the billing and settlement time table.	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members will receive payments from the WESM.				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
Payment of Settlement Amount	5.2.4	If the total payments actually received or drawn from the prudential security by the Market Operator for a particular billing period is insufficient to pay for the total amounts payable to the WESM Members, the total payments received and drawn shall be distributed and paid to the relevant WESM Members in proportion to the amount payable to them for that billing period. Prior to the interconnection of the Mindanao grid with the Luzon and Visayas grids, total payments actually received or drawn from the prudential security shall be determined and distributed separately for each settlement region. For this purpose, the Luzon and Visayas grids shall be considered as one settlement region and the Mindanao grid as another settlement region.	If the total payments actually received or drawn from the prudential security by the <i>Market Operator</i> for a particular billing period is insufficient to pay for the total amounts payable to the <i>WESM Members</i> , the total payments received and drawn shall be distributed and paid to the relevant Direct WESM Members in proportion to the amount payable to them for that billing period. Prior to the interconnection of the Mindanao grid with the Luzon and Visayas grids, total payments actually received or drawn from the prudential security shall be determined and distributed separately for each settlement region. For this purpose, the Luzon and Visayas grids shall be considered as one settlement region and the Mindanao grid as another settlement region.	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members are required to settle their obligations in the WESM and will receive payments from the WESM.				
Payment by Trading Participant	5.3.1	5.3.1 Payment by Trading Participant	5.3.1 Payment by <i>Trading Participant</i>	Consistent with the proposal that only Direct WESM				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>1. Subject to Section 5.3.4, each WESM Member shall pay to the Market Operator in cleared funds, the settlement amount (if any) stated to be payable to the Market Operator by that WESM member in that WESM member's final statement no later than 3.00 pm on the twenty-fifth day of the calendar month following the billing period, whether or not the WESM member disputes, or continues to dispute, the amount payable.</p> <p>If the twenty-fifth (25th) day of the calendar month following the billing period falls on a Non-Working Day, the payment due date shall be moved to the next immediate Working Day.</p>	<p>1. Subject to Section 5.3.4, each <u>Direct</u> WESM Member shall pay to the Market Operator in cleared funds, the settlement amount (if any) stated to be payable to the Market Operator by that <u>Direct</u> WESM member in that <u>Direct</u> WESM member's final statement no later than 3.00 pm on the twenty-fifth day of the calendar month following the billing period, whether or not the <u>Direct</u> WESM member disputes, or continues to dispute, the amount payable.</p> <p>If the twenty-fifth (25th) day of the calendar month following the billing period falls on a Non-Working Day, the payment due date shall be moved to the next immediate Working Day.</p>	<p>Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members are required to settle their obligations in the WESM.</p>				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		After receiving payment from the WESM Member, the Market Operator shall validate and determine any discrepancy between the amount billed and the amount collected. XXX XXX	After receiving payment from the <i>Direct</i> WESM Member, the Market Operator shall validate and determine any discrepancy between the amount billed and the amount collected. XXX d. XXX					
Payment to the Trading Participants	5.3.2	Subject to Section 5.3.4, the Market Operator shall pay to each WESM Member in cleared funds the settlement amount (if any) stated to be payable in that WESM member's final statement on the following Working Day after the Market Operator is to be paid under Section 5.3.1 of this Manual, and in accordance with the schedule set in the Appendix A of this Manual.	Subject to Section 5.3.4, the Market Operator shall pay to each <i>Direct</i> WESM Member in cleared funds the settlement amount (if any) stated to be payable in that <i>Direct</i> WESM member's final statement on the following Working Day after the Market Operator is to be paid under Section 5.3.1 of this Manual, and in accordance with the schedule set in the Appendix A of this Manual.	Consistent with the proposal that only Direct WESM Members will receive settlement statements, the revision is proposed to clarify that Direct WESM Members will receive payments from the WESM.				
Payment of Adjustment	5.3.3	5.3.3 Payment of Adjustment	5.3.3 Payment of Adjustment	Consistent with the proposal that only Direct WESM Members will receive				



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>1. Subject to Section 5.3.4, each WESM Member shall pay to the Market Operator in cleared funds the net amount (if any) stated to be payable by that WESM member in the revised statement issued to it under Section 4.2.4 of this Manual, no later than the time and date specified by the Market Operator pursuant to Section 4.2.4c) of this Manual.</p> <p>2. Subject to Section 5.3.4, the Market Operator shall pay to each WESM Member in cleared funds the net amount (if any) stated to be payable to that WESM member in the revised statement issued to it under Section 4.2.4 of this Manual, on the following Working Day on which the Market Operator is to</p>	<p>1. Subject to Section 5.3.4, each <i>Direct WESM Member</i> shall pay to the <i>Market Operator</i> in cleared funds the net amount (if any) stated to be payable by that <i>Direct WESM member</i> in the revised statement issued to it under Section 4.2.4 of this Manual, no later than the time and date specified by the <i>Market Operator</i> pursuant to Section 4.2.4c) of this Manual.</p> <p>2. Subject to Section 5.3.4, the <i>Market Operator</i> shall pay to each <i>Direct WESM Member</i> in cleared funds the net amount (if any) stated to be payable to that <i>Direct WESM member</i> in the revised statement issued to it under Section 4.2.4 of this Manual, on the following Working Day on which the <i>Market Operator</i> is to</p>	settlement statements, the revision is proposed to clarify that Direct WESM Members are required to settle their obligations in the WESM and will receive payments from the WESM.				



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WESM Manual on Billing and Settlement Issue 6.1								
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		be paid under Section 5.3.3(a) of this Manual.	be paid under Section 5.3.3(a) of this Manual.					
Provisions of Security	7.2.1	Subject to Section 7.2.2 of this manual, a WESM member wishing to participate in Market Transactions shall provide and maintain a security complying with the requirements of Section 7.2 of this manual.	Subject to Section 7.2.2 of this manual, a <u>Direct WESM member</u> wishing to participate in <u>Market Transactions for its own facilities or for its Indirect WESM Members, if any,</u> shall provide and maintain a security complying with the requirements of Section 7.2 of this manual.	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, the revision is being proposed to clarify that the prudential requirements of Direct WESM Members will include assessment of its sales and the exposure of its Indirect WESM Members.				
Provisions of Security	7.2.2	The Market Operator may exempt a WESM Member from the requirement to provide a security, if: a) The Market Operator believes it is likely that the amount payable by the Market Operator to that WESM Member under the WESM Rules will consistently exceed the amount payable to the Market	The <i>Market Operator</i> may exempt a <u>Direct WESM Member</u> from the requirement to provide a security, if: a) The <i>Market Operator</i> believes it is likely that the amount payable by the <i>Market Operator</i> to that <u>Direct WESM Member</u> under the <i>WESM Rules</i> will consistently exceed the amount payable to the <i>Market</i>	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.	Same comment as in WESM Rule 3.15.2.2		PR amount exemption includes the transactions of the indirect WESM Member counterparties of Direct WESM Members.	



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WESM Manual on Billing and Settlement Issue 6.1								
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		Operator by that WESM Member under the WESM Rules in respect of that period; or b) The Market Operator believes it is unlikely that the WESM Member will be required to pay any amounts to the Market Operator	<i>Operator</i> by that <u>Direct</u> WESM Member under the WESM Rules in respect of that period; or b) The <i>Market Operator</i> believes it is unlikely that the <u>Direct</u> WESM Member will be required to pay any amounts to the <i>Market Operator</i>					
Provisions of Security	7.2.3	The Market Operator may vary or cancel the exemption given pursuant to Sections 7.2.1 and 7.2.2 of this Manual, at any time, by giving written notice of the variation or cancellation of the exemption to the WESM member.	The <i>Market Operator</i> may vary or cancel the exemption given pursuant to Sections 7.2.1 and 7.2.2 of this Manual, at any time, by giving written notice of the variation or cancellation of the exemption to the <u>Direct</u> WESM member.	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.				
Provisions of Security	7.2.4	If, under Section 7.2.2 of this Manual, the Market Operator has exempted a Trading Participant from the requirement to provide a security for a period; then the Market Operator shall not set a Trading Limit for that	If, under Section 7.2.2 of this Manual, the <i>Market Operator</i> has exempted a <i>Trading Participant</i> from the requirement to provide a security for a period; then the <i>Market Operator</i> shall not set a Trading Limit for that <u>Direct</u>	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM				



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WESM Manual on Billing and Settlement Issue 6.1								
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		WESM Member for that period during which that exemption applies.	<i>WESM Member</i> for that period during which that exemption applies.	Members are assessed for prudential requirements.				
Provisions of Security	7.2.5	A WESM Member who is exempt from providing a security deposit shall be required to pay the total negative settlement amount due, if any, within three (3) working days before the due date as provided under Section 5.3.1 of this Manual	A <i>Direct</i> WESM Member who is exempt from providing a security deposit shall be required to pay the total negative settlement amount due, if any, within three (3) working days before the due date as provided under Section 5.3.1 of this Manual	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.				
Provisions of Security	7.2.6	Failure to comply with Section 7.2.5 of this Manual shall be a ground for the cancellation of exemption and said failure shall cause the WESM Member to be assessed and be required to put up prudential requirement. Upon written request of the WESM Member, the Market Operator may lift the cancellation of exemption from prudential requirement, provided that the WESM Member; XXX	Failure to comply with Section 7.2.5 of this Manual shall be a ground for the cancellation of exemption and said failure shall cause the WESM Member to be assessed and be required to put up prudential requirement. Upon written request of the <i>Direct</i> WESM Member, the Market Operator may lift the cancellation of exemption from prudential requirement, provided that the WESM Member; XXX	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.				



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WESM Manual on Billing and Settlement Issue 6.1								
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Provisions of Security	7.2.7	If a WESM Member that is exempt from Prudential Requirement under Section 7.2.2 of this Manual becomes a net buyer and fails to pay its obligations, the prudential security that shall be imposed pursuant to Section 7.2.6 of this Manual shall be computed based on: XXX	If a Direct WESM Member that is exempt from <i>Prudential Requirement</i> under Section 7.2.2 of this Manual becomes a net buyer and fails to pay its obligations, the prudential security that shall be imposed pursuant to Section 7.2.6 of this Manual shall be computed based on: XXX	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.				
Forms of Security	7.3.1	The security provided by a WESM Member under f) of this manual shall either be in accordance with the following hierarchy of preferred forms of security: XXX	The security provided by a Direct WESM Member under f) of this manual shall either be in accordance with the following hierarchy of preferred forms of security: XXX	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members shall provide the prudential requirements.				
Initial Assessment of Prudential Requirement	7.4.1	a. The initial prudential requirement of a WESM Member shall be calculated as the average of the projected settlement amount for each complete billing period	<u>The amount of security shall be assessed per Direct WESM Member. The prudential requirements of a Direct WESM Member shall include its own transactions and the transactions of its</u>	For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM		For item (c): The Direct WESM Member, <u>for its own assessment transaction and on behalf of its Indirect WESM Member, if any,</u> shall submit the	Ok	



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WESM Manual on Billing and Settlement Issue 6.1								
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		<p>covered considering the following:</p> <p>(i). if the WESM Member aims to begin trading in the WESM before August 26 of the current year, the initial prudential requirement shall be calculated using the data of complete billing periods within March 26 to September 25 of the same year; or</p> <p>(ii) XXX</p> <p>b. The projected settlement amount for each billing period of a WESM Member shall be calculated using the following formula:</p> <p>XXX</p> <p>c. The WESM Member shall submit the following information to the Market Operator for each dispatch interval in the period defined in Section 7.4.1(a):</p>	<p><u>Indirect WESM Members.</u></p> <p><u>If the new WESM Member is an Indirect WESM Member, its calculated initial Prudential Requirements shall be considered in the assessment of the prudential requirements of its Direct WESM Member.</u></p> <p>a. The initial prudential requirement of a WESM Member shall be calculated as the average of the projected settlement amount for each complete billing period covered considering the following:</p> <p>(i). if the WESM Member aims to begin trading in the WESM before August 26 of the current year, the initial prudential requirement shall be calculated using the data of complete billing periods within</p>	<p>Members are assessed for prudential requirements.</p>		<p>following information to the Market Operator for each dispatch interval in the period defined in Section 7.4.1(a):</p>		



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>d. The WESM Member shall submit to the Market Operator its assumptions for determining its projected gross energy settlement quantities. The Market Operator may require the WESM Member to submit supporting documents if necessary. The Market Operator shall assist the WESM Member in determining the projected gross energy settlement quantities.</p> <p>e. XXX</p> <p>f. The projected final energy dispatch price of a WESM Member for a dispatch interval shall be equal to the final energy dispatch price of the geographically nearest market trading node from the connection point of the WESM Member at</p>	<p>March 26 to September 25 of the same year; or (ii) XXX</p> <p>b. The projected settlement amount for each billing period of a WESM Member shall be calculated using the following formula: XXX</p> <p>c. The <u>Direct</u> WESM Member, <u>for its own assessment and on behalf of its Indirect WESM Member, if any,</u> shall submit the following information to the Market Operator for each dispatch interval in the period defined in Section 7.4.1(a):</p> <p>d. The <u>Direct</u> WESM Member shall submit to the Market Operator its assumptions for determining its <u>own or in behalf of its Indirect WESM Member's, if any,</u> projected gross energy settlement quantities.</p>					



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WESM Manual on Billing and Settlement Issue 6.1								
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		<p>the same dispatch interval and most recent same date.</p> <p>g. XXX</p> <p>h. Subject to 7.2.4 of this Manual, the Market Operator shall set a trading limit for each WESM member who participates in market transactions.48</p> <p>The trading limit for a WESM member, at any time, shall be equal to the total value of the security, including Interest Rate, if any, provided by the WESM member to the Market Operator.</p> <p>1. The Market Operator shall notify the WESM Member, of the required security based on the established Trading Limit as soon as practicable.</p> <p>1. The WESM Member shall provide the</p>	<p>The Market Operator may require the <i>Direct WESM Member</i> to submit supporting documents if necessary. The <i>Market Operator</i> shall assist the <i>Direct WESM Member</i> in determining the projected gross energy settlement quantities.</p> <p>e. XXX</p> <p>f. The <i>projected final energy dispatch price</i> of a <i>WESM Member</i> for a dispatch interval shall be equal to the final energy dispatch price of the geographically nearest market trading node from the connection point of the <i>WESM Member</i> at the same dispatch interval and most recent same date.</p> <p>g. XXX</p> <p>h. Subject to 7.2.4 of this Manual, the <i>Market Operator</i> shall set a trading limit for each</p>					



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WESM Manual on Billing and Settlement Issue 6.1								
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		<p>required security deposit in the form acceptable to the Market Operator as part of the requirements that the WESM Member must comply before participating in the Spot Market.</p> <p>2. The Market Operator shall confirm receipt of the security deposit provided by the WESM Member as soon as practicable.</p>	<p><u>Direct</u> WESM member who participates in market transactions.</p> <p>The trading limit for a <u>Direct</u> WESM member, at any time, shall be equal to the total value of the security, including Interest Rate, if any, provided by the <u>Direct</u> WESM member to the Market Operator.</p> <p>1. The Market Operator shall notify the <u>Direct</u> WESM Member, of the required security based on the established Trading Limit as soon as practicable.</p> <p>2. The <u>Direct</u> WESM Member shall provide the required security deposit in the form acceptable to the Market Operator as part of the requirements that the <u>Direct</u> WESM Member must comply before participating in the Spot Market.</p> <p>3. The Market Operator shall confirm receipt of</p>					



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WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			the security deposit provided by the <i>Direct WESM Member</i> as soon as practicable.					
Assessment of Actual Exposure and Margin Call	7.4.2	<p>a. The Market Operator shall review, on a monthly basis, its actual exposure to each WESM member in respect of previous billing periods in accordance with the WESM Rules.</p> <p>b. In calculating the Market Operator's actual exposure to a WESM member under Section 7.4.2 c) of this Manual, the Market Operator shall take into account:</p> <p>i. Outstanding settlement amounts for the WESM member in respect of previous billing periods; and</p> <p>ii. Settlement amounts for the WESM member for the billing period that will be due on the period in which</p>	<p>a. The <i>Market Operator</i> shall review, on a monthly basis, its actual exposure to each <i>Direct WESM member</i> in respect of previous billing periods in accordance with the <i>WESM Rules</i>.</p> <p>b. In calculating the <i>Market Operator's</i> actual exposure to a <i>Direct WESM member</i> under Section 7.4.2 c) of this Manual, the <i>Market Operator</i> shall take into account:</p> <p>1. Outstanding settlement amounts for the <i>Direct WESM member</i> in respect of previous billing periods; and</p> <p>2. Settlement amounts for the <i>Direct WESM member</i> for the billing period that</p>	<p>For consistency with the proposed revisions that only Direct WESM Members will receive settlement statements and pay to the WESM.</p> <p>The revision is being proposed to clarify that only Direct WESM Members are monitored for compliance with prudential requirements.</p>				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		the review occurs based on the available settlement statement.	<p>will be due on the period in which the review occurs based on the available settlement statement.</p> <p>c. If the <i>Market Operator</i> calculates that its exposure to a <u>Direct</u> WESM member exceeds the <u>Direct</u> WESM member's trading limit, then the <i>Market Operator</i> shall make a Margin Call on that <u>Direct</u> WESM member by notice to the <u>Direct</u> WESM member in writing (Margin Call Notice).</p> <p>d. If the Market Operator makes a Margin Call on a <u>Direct</u> WESM member under Section 7.4.2 c) of this Manual, then the <u>Direct</u> WESM member must satisfy the Margin Call by providing the amount of shortfall within three (3) working days from</p>					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			<p>receipt of the Margin Call Notice by either:</p> <p>i. Providing to the Market Operator an additional security or securities complying with the requirements of the WESM Rule Clause 3.15, or</p> <p>3. Prepaying the amount payable or which will become payable.</p> <p>e) For the purposes of this Manual, a prepayment under Section 7.4.2 d) is taken to relate to the earliest billing period in respect of which the relevant Direct WESM member owes the Market Operator an amount of money under the WESM Rules and if, the amount the Direct WESM Member owes under the WESM Rules in respect of that billing period is less</p>					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
			<p>than the amount of the prepayment, then the excess is taken to relate to the billing period occurring immediately after the earliest billing period in respect of which the relevant Direct WESM Member owes the Market Operator an amount of money under the WESM Rules in chronological order until there is no excess.</p> <p>f) If a Direct WESM member fails to satisfy a margin call by providing additional security or making a prepayment under Section 7.4.2 d) of this Manual, then the Market Operator shall issue the Direct WESM member a Suspension Notice in writing in accordance with WESM Rule 3.15.8 and 0 of this Manual</p>					
Assessment of Maximum Exposure	7.4.3	a. Prior to the end of each Financial Year, the Market Operator	a. Prior to the end of each Financial Year, the <i>Market Operator</i> shall	For consistency with WESM Rules Clause 2.4 that Indirect				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>shall determine and provide written confirmation to each WESM member of its Maximum Exposure to the Market Operator in respect of a billing period in the following Financial Year. The amount of security to be provided by each WESM member pursuant to Section 7.2.1 and 7.2.2 of this Manual shall be equivalent to the Maximum Exposure</p> <p>b. The Market Operator may review its method of determination of a WESM member's Maximum Exposure at any time, provided that any change to a WESM member's Maximum Exposure will apply no earlier than thirty (30) days following receipt of written notification from the Market Operator by a WESM member of that</p>	<p>determine and provide written confirmation to each Direct WESM member of its Maximum Exposure to the <i>Market Operator</i> in respect of a billing period in the following Financial Year. The amount of security to be provided by each Direct WESM member pursuant to Section 7.2.1 and 7.2.2 of this Manual shall be equivalent to the Maximum Exposure.</p> <p>b. The <i>Market Operator</i> may review its method of determination of a Direct WESM member's Maximum Exposure at any time, provided that any change to a Direct WESM member's Maximum Exposure will apply no earlier than thirty (30) days following receipt of written notification from the <i>Market Operator</i> by a Direct WESM member of that</p>	<p>WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members are assessed for prudential requirements.</p> <p>For consistency with WESM Rules Clause 2.4 that Indirect WESM Members will transact through a Direct WESM Member, it is proposed to clarify that only Direct WESM Members shall provide the prudential requirements.</p>				



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		change, or such earlier period agreed to in writing by the PEM Board. c. After receipt of the written confirmation, the WESM Member shall determine if the calculated amount by the Market Operator is equivalent to its expected Maximum Exposure in the following financial year. d) The WESM Member shall provide additional security to Market Operator to cover its Maximum Exposure. e) Each WESM member shall ensure that at all times the aggregate undrawn and unclaimed amounts of current and valid security held by the Market Operator in respect of that WESM member is not less than that WESM	change, or such earlier period agreed to in writing by the <i>PEM Board</i> . c. After receipt of the written confirmation, the <u>Direct</u> WESM Member shall determine if the calculated amount by the <i>Market Operator</i> is equivalent to its expected Maximum Exposure in the following financial year. d) The <u>Direct</u> WESM Member shall provide additional security to <i>Market Operator</i> to cover its <u>own and its Indirect WESM Member's, if any,</u> Maximum Exposure e) Each <u>Direct</u> WESM member shall ensure that at all times the aggregate undrawn and unclaimed amounts of current and valid security held by the <i>Market Operator</i> in respect of					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>member's Maximum Exposure.</p> <p>f) To diminish the possibility of incurring a Margin Call under Section 7.4.2a) of this Manual, a WESM member may provide a security or securities in accordance with Section 7.3 of this Manual for an aggregate amount that exceeds its Maximum Exposure.</p> <p>If said additional security or securities is not in the form of Cash, the WESM member shall secure the prior written determination and approval of the Market Operator.</p> <p>g) The WESM Member may request for a recalculation of Maximum Exposure if it disagrees with the amount of Maximum Exposure calculated</p>	<p>that <u>Direct</u> WESM member is not less than that <u>Direct</u> WESM member's Maximum Exposure.</p> <p>f) To diminish the possibility of incurring a Margin Call under Section 7.4.2a) of this Manual, a <u>Direct</u> WESM member may provide a security or securities in accordance with Section 7.3 of this Manual for an aggregate amount that exceeds its Maximum Exposure.</p> <p>If said additional security or securities is not in the form of Cash, the <u>Direct</u> WESM member shall secure the prior written determination and approval of the Market Operator.</p> <p>g) The <u>Direct</u> WESM Member may request for a recalculation of Maximum Exposure if it disagrees with the</p>					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		by the Market Operator. h) Upon the request of a WESM Member, the Market Operator may consider a replacement month within the 26th March to 25th September billing periods, having the same number of calendar days if: i. There is a disagreement between the Market Operator and the WESM Member on the Final Statement during the months covered in the computation of the Maximum Exposure; or ii. XXX i) If there is a change in the bilateral contract of a WESM Member, the Maximum Exposure shall be computed based on the settlement amounts estimated	amount of Maximum Exposure calculated by the <i>Market Operator</i> . h) Upon the request of a <u>Direct</u> WESM Member, the <i>Market Operator</i> may consider a replacement month within the 26th March to 25th September billing periods, having the same number of calendar days if: i. There is a disagreement between the Market Operator and the <u>Direct</u> WESM Member on the <i>Final Statement</i> during the months covered in the computation of the Maximum Exposure; or ii. XXX i) If there is a change in the bilateral contract of a <u>Direct</u> WESM Member, the Maximum Exposure shall be computed based on the					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		by the Market Operator using the Average Actual Market Price based on the billing period of 26th March to 25th September. In no case shall the Maximum Exposure be less than ten percent (10%) of the total demand multiplied by the Average Actual Market Price.	settlement amounts estimated by the <i>Market Operator</i> using the Average Actual Market Price based on the billing period of 26th March to 25th September. In no case shall the Maximum Exposure be less than ten percent (10%) of the total demand multiplied by the Average Actual Market Price.					
		j) If the Market Operator determines that the security provided by a WESM member is below the assessed Maximum Exposure, the Market Operator shall require such WESM member to increase its security deposit up to the level of its Maximum Exposure within three (3) working days after the receipt of the written notification of the annual assessment. If the WESM member fails to comply within	j) If the <i>Market Operator</i> determines that the security provided by a <u>Direct</u> <i>WESM member</i> is below the assessed Maximum Exposure, the <i>Market Operator</i> shall require such <u>Direct</u> <i>WESM member</i> to increase its security deposit up to the level of its Maximum Exposure within three (3) working days after the receipt of the written notification of the annual assessment. If the <u>Direct</u> <i>WESM member</i> fails to					



Annex A – Comments received to the Proposed on Amendments to the WESM Rules and WESM Manuals on Clarifications on Indirect WESM Membership

WESM Manual on Billing and Settlement Issue 6.1								
Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		the prescribed date or any later date agreed to in writing with the Market Operator, then the Market Operator shall issue a default notice in accordance with 0 of this Manual.	comply within the prescribed date or any later date agreed to in writing with the <i>Market Operator</i> , then <i>the Market Operator</i> shall issue a default notice in accordance with 0 Section 6.2 of this Manual.					





BACKGROUND

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

Annex B – Presentation of the results of meeting conducted with Indirect WESM Members

UPDATES

Unregistered Load – WESM Application Status

	End-User	Direct Member	WESM Application
1	<u>Pantabangan Municipal Electric Services (LGU)</u>	First Gen Hydro Power	Indirect Member (PDU) Status: For completion
2	National Irrigation Administration [UPRIIS]		NO INFO
3	Forest Products Research and Development Institute	Therma Luzon Inc.	Indirect Member (DCC) Status: For completion
4	Altima Empire Steel Corporation	San Miguel Energy Corp.	Indirect Member (DCC) Status: For completion
5	<u>Centerra</u> Ice Plant & Cold Storage, Inc.		Direct Member (DCC) Status: For completion
6	<u>Kabayan</u> Ice Plant		Direct Member (DCC) Status: For completion
7	Pampanga III Electric Cooperative, Inc.		Indirect Member (EC) Status: For completion
8	Grand Planters International, Inc.		Indirect Member (DCC) Status: For completion
9	RJS Commodities		NO INFO
10	Real Steel Corporation		Indirect Member (DCC) Status: For completion

UPDATES

1. Unregistered Load – NIA-UPRIIS/NIA-Pantabangan

- 04 February 2021:
PEMC-MAG met with NIA-UPRIIS/NIA-Pantabangan (load of First Gen Hydro Power Corp.)
- Objective: To discuss their issues/concerns regarding registration in the WESM

UPDATES

1. Unregistered Load – NIA-UPRIIS/NIA-Pantabangan

- Highlights of meeting:
 - NIA-UPRIIS was informed of the requirement to register in the WESM as Direct WESM Member but cannot comply the requirements: (i) reliable internet connection, (ii) dedicated manpower.
 - NIA-UPRIIS was not aware of the option to register as an Indirect WESM Member and the requirements to register as such.
 - PEMC-MAG gave them a background on Direct and Indirect WESM Membership and options for registering in the market.

UPDATES

2. Unregistered Loads from San Miguel Energy Corp. (SMEC)

INDIRECT CUSTOMERS	STATUS OF IEMOP REGISTRATION
Altima Empire Steel Corporation	Submitted the following documents to IEMOP (latest 01 December 2020): <ul style="list-style-type: none"> ✓ SEC Certificate of Registration ✓ Articles of Incorporation ✓ Secretary's Certificate – unnotarized; waiting for the original/notarized document to be submitted to IEMOP ✓ Transmission Service Agreement – expired, waiting for the new TSA from the customer ✓ Metering Service Agreement – expired, waiting for the new TSA from the customer ✓ Wholesale Counterparty Confirmation Form
Real Steel Corporation	Submitted the following documents to IEMOP (latest 09 December 2020): <ul style="list-style-type: none"> ✓ SEC Certificate of Registration ✓ Articles of Incorporation ✓ Secretary's Certificate - waiting for the original document to be submitted to IEMOP ✓ Transmission Service Agreement - expired, waiting for the new TSA from the customer ✓ Metering Service Agreement - expired, waiting for the new TSA from the customer ✓ Wholesale Counterparty Confirmation Form

UPDATES


2. Unregistered Loads from San Miguel Energy Corp. (SMEC)

Centerra Corporation	Submitted the following documents to IEMOP (latest 16 December 2020): <ul style="list-style-type: none"> ✓ SEC Certificate of Registration ✓ Articles of Incorporation ✓ Secretary's Certificate - waiting for the original document to be submitted to IEMOP ✓ Transmission Service Agreement ✓ Metering Service Agreement ✓ Wholesale Counterparty Confirmation Form
Kabayan Ice Plant & Cold Storage	Submitted the following documents to IEMOP (latest 16 December 2020): <ul style="list-style-type: none"> ✓ SEC Certificate of Registration ✓ Articles of Incorporation
	<ul style="list-style-type: none"> ✓ Secretary's Certificate - waiting for the original document to be submitted to IEMOP ✓ Transmission Service Agreement ✓ Metering Service Agreement ✓ Wholesale Counterparty Confirmation Form

UPDATES

2. Unregistered Loads from San Miguel Energy Corp. (SMEC)

Grand Planters	Submitted the following documents to IEMOP (latest December 2020): <ul style="list-style-type: none"> ✓ SEC Certificate of Registration ✓ Articles of Incorporation ✓ Secretary's Certificate - waiting for the original document to be submitted to IEMOP ✓ Transmission Service Agreement ✓ Metering Service Agreement ✓ Wholesale Counterparty Confirmation Form
RJS Commodities	Submitted the following documents to IEMOP (latest January 2021): <ul style="list-style-type: none"> ✓ SEC Certificate of Registration ✓ Articles of Incorporation ✓ Secretary's Certificate – unnotarized; waiting for the original/notarized document to be submitted to IEMOP ✓ Transmission Service Agreement ✓ Metering Service Agreement ✓ Wholesale Counterparty Confirmation Form
Pampanga III Electric Cooperative, Inc. (PELCO III)	Submitted on 22 December 2020 the Wholesale Counterparty Confirmation Form Application for Direct WESM Membership is pending with IEMOP




RCC'S REQUEST FOR ADDITIONAL INFORMATION AND DATA (IEMOP'S PROPOSAL ON VALIDATION TIMELINE ADJUSTMENT)


19 February 2021
Via MS Teams

PEMCo
A Premier Electricity Market & Champion of Governance



OUTLINE



BACKGROUND



DISCUSSION



RCC's Request for Additional Information and Data | 2

BACKGROUND

As discussed during the 173rd RCC Meeting last 15 January 2021, the RCC requested additional information and data, as listed below:

- Current performance of MSPs (frequency and reason of delays);
- Critical part in MO's validation (need to upgrade in the system);
- Possible impacts on MSPs;
- Occurrence of request for correction or adjustment;
- Reason for harmonization of timeline with the Retail Manual;
- Validation process of MQs;
- Implication of adjusting the D+18 to a longer period

1. CURRENT PERFORMANCE OF MSPS (FREQUENCY AND REASON OF DELAYS)

- MSP does not provide specific response to MTR issuance due to delay of MQ provision, most of the response are no data yet. Some emailed their reason for delay and is due to typhoon. Some of them did not provide response at all.
- Below are MSPs with delays of MQ delivery based on the 3 days after billing cut-off using 2020 data.

MSP Name	MSP Shortname	Number of Delays	MSP Name	MSP Shortname	Number of Delays
Visayan Electric Company	VECOMSP	1	Camarines Sur II Electric Cooperative, Inc.	CASUR2MSP	8
Bohol I Electric Cooperative, Inc.	BHCO1MSP	2	Albay Electric Cooperative, Inc.	ALECOMSP	2
Tarlac Electric, Inc.	TEIMSP	2	Panay Electric Company	PECOMSP	8
Isabela I Electric Cooperative, Inc.	ISLCO1MSP	1	Central Pangasinan Electric Cooperative, Inc.	CENPELCOMSP	1
Iloilo I Electric Cooperative, Inc.	ILECO1MSP	7	Don Orestes Romualdez Cooperative, Inc.	DRLCOMSP	1
Dagupan Electric Corporation	DECORPMSP	8	Cagayan II Electric Cooperative, Inc.	CGLCO2MSP	2
Tarlac I Electric Cooperative, Inc.	TRLCO1MSP	12	Manila Electric Company	MRLCOMSP	330
Leyte II Electric Cooperative, Inc.	LEYCO2MSP	6	Authority of the Freeport Area of Bataan	AFABMSP	9
Aklan Electric Cooperative, Inc.	AKELCOMSP	3	San Fernando Electric Light & Power Company, Inc.	SFELAPMSP	18
Cebu I Electric Cooperative, Inc.	CEBEC1MSP	13	Negros Occidental Electric Cooperative, Inc.	NOCECOMSP	7
Peninsula Electric Cooperative, Inc.	PENLCOMSP	7	Isabela II Electric Cooperative, Inc.	ISLCO2MSP	4
Samar I Electric Cooperative, Inc.	SMICO1MSP	2	Sorsogon II Electric Cooperative, Inc.	SOREC2MSP	1

2. CRITICAL PART IN MO'S VALIDATION (NEED TO UPGRADE IN THE SYSTEM)

- The critical part in MO's validation process includes ensuring the accuracy of different market inputs/processed data for an accurate result of the metering and billing processes and minimize additional adjustments; such as metering data trouble/error detection, metering configuration/actual connection for SSLA and MTN/Meter mapping, registration data vs metering data/info - participants switching/mapping, types, schedules, prices, pricing condition, and BCQs, metering and billing results validation at per participant level.
- These critical validation processes require human intervention and sufficient time to confirm accuracy for these interconnected inputs and outputs on the metering and billing processes even with an upgrade in the system. With the expected increase of additional metering points as results of upcoming new market activities such as WESM Mindanao, implementation of 500kW lower threshold in RCOA and MO's assistance to GEOP, MO stands firm with its proposal on Validation Timeline adjustment in metering and billing.

3. POSSIBLE IMPACTS ON MSPS

- No significant impact since the monthly MQ provision timeline was not changed which is 3 days after billing cut-off

4. OCCURRENCE OF REQUEST FOR CORRECTION OR ADJUSTMENT

- Total of 92 as of Feb 2021

Billing Month	Occurrence of request for correction or adjustment
Jan-20	18
Feb-20	12
Mar-20	30
Apr-20	6
May-20	10
Jun-20	1
Jul-20	1
Aug-20	1
Sep-20	3
Oct-20	8
Nov-20	1
Dec-20	1

5. REASON FOR HARMONIZATION OF TIMELINE WITH THE RETAIL MANUAL

- To minimize inconsistency/conflict in the implementation of Wholesale and Retail manuals.

6. VALIDATION PROCESS OF MQS

- MO validation process is based on Section 6.3 of WESM manual on metering standards and procedures provided below:

6.3.1 Daily Validation

6.3.1.1 Validation Categories

The Market Operator shall perform several checks upon receipt of metering data. These checks are described further in Section 6.3.1.2. Metering data that fail the checks will be reported according to four (4) error categories:

- Uncertain Values;
- Missing Values;
- Outside Historical Min/Max limits; and
- Orphan Values.

6. VALIDATION PROCESS OF MQS

6.3.1.2 Validation Checks

The following checks will be performed by the Market Operator for the above validation error categories:

- Check for uncertain values
- Check for missing values
- Evaluate the meter's maximum and minimum readings;
- Verify the values of the metered data whose meter is not registered in the MMS master lists which are known as the "Orphan Values"
- Review the historical meter readings which fall outside defined parameters max/min of the historical data. The historical data used are as follows:
 - Value during the same hour last week;
 - Value during the same dispatch interval of the same previous day of the same type (i.e. weekday or weekend); and
 - Average values during the previous days or last week of the same hour.

6. VALIDATION PROCESS OF MQS

6.3.2 Monthly Validation

In addition to the daily validation, the Market Operator shall also validate the monthly metering data sent by the WESM Metering Services Providers. The procedure for the monthly validation is as follows:

- a. The Metering Services Provider shall submit preliminary metering data. The preliminary metering data must have no missing values. The Metering Services Provider shall report to the Market Operator all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies;
- b. The Market Operator shall compare the values contained in the monthly metering data to the daily metering data of each metering point submitted by the Metering Services Provider. If there are discrepancies between the values, a Meter Trouble Report (refer to Section 7) shall be issued by the Market Operator to the Metering Services Provider;
- c. If issued a Meter Trouble Report, the Metering Services Provider shall correct the metering data and submit final metering data not later than four (4) business days prior to the issuance of the final settlement statement; and
- d. The final metering data shall be formally transmitted to the Market Operator with a cover letter identifying all the metering points, through their Site Equipment Identification Number.

7. IMPLICATION OF ADJUSTING THE D+18 TO A LONGER PERIOD

- Reduction of billing adjustments since MO will have sufficient time for Metering and Settlement validation process.



Annex C – Presentation material on the additional information requested by the RCC



Annex D – RCC Work Plan

2021 RULES CHANGE COMMITTEE WORK PLAN

The Rules Change Committee commits to attain a timely resolution of all rules change proposals it receives and shall continuously direct its efforts to work on priority activities for further enhancements to the Market Rules and Manuals. The activities in the Work Plan will be updated as necessary as more contributions are received from industry sectors and stakeholders, or as directed by the PEM Board, DOE and ERC.

Legend:  Submission/Completion of Report
 Regular Activity

ACTIVITIES		OUTPUTS	2021				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
POWER							
1	Publish updated and accurate reports and information on time	Published minutes of meetings, resolutions, semestral reports, and rules change proposals in accordance with timelines					
2	Provide inputs to the content releases in the PEMC website, if necessary	Proposed input to website content					
3	Participate in WESM events, as requested or scheduled	Attendance to WESM events					
EFFICIENCY							
4	Enhance rules change process based on best global practices	Updated RCC Internal Rules					

Annex D – RCC Work Plan

ACTIVITIES		OUTPUTS	2021				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
5	Timely approval by the PEM Board of the proposed WGC Performance Measure	Inputs to proposed WGC Performance Measure					
6	Timely submission of the Annual Performance Report of WGCs, if requested	Approval of inputs to Annual Performance Report					
GOVERNANCE							
7	Timely provision of technical support to the PEM Board relevant to their decision-making functions	Conduct of monthly and urgent meetings					
8		Review and approval of minutes of meetings and resolutions					
9		Semestral Reports submitted to the PEM Board in January and July 2021					
10	Approved Annual Committee Work Plan	2021 RCC Work Plan submitted to the PEM Board by March 2021					
11	Assess market rules and manuals and propose amendments, as necessary	Endorsed Proposed Amendments to WESM Rules and Manuals on EWDO implementation					
12		Endorsed Proposed Amendments to WESM Rules and Manuals regarding Data Privacy Act					
13		Endorsed Proposed Amendments to WESM Rules and Manuals on MNMCP/CVC					

Annex D – RCC Work Plan

ACTIVITIES		OUTPUTS	2021				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
14		Endorsed Proposed Amendments to WESM Rules and Manuals on Bilateral Contract Quantity					
15		Endorsed Proposed Amendments to WESM Rules and Manuals regarding Compliance Committee					
16		Endorsed Proposed Amendments to WESM Rules and Manuals MSP's enhanced performance metrics					
17		Endorsed other proposed amendments as submitted by WESM Members, or as directed by the PEM Board, DOE or ERC					
18		Submitted comments/inputs to DOE policies, ERC issuances and other concerned parties (including participation in public consultations)					
19	Ensure consistent, responsive and effective market rules	Approved rules change effectiveness study					
20	Timely formulation of survey on the provision of technical and administrative support to PEM Board, WGC, RGC and WCO Accreditation Body	Inputs to survey formulation					

Annex D – RCC Work Plan

ACTIVITIES		OUTPUTS	2021				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
ORGANIZATION							
21	Timely approval of Corporate and Departmental Strategic Plan by the PEM Board and PEMC Management, respectively	Inputs to Corporate and Departmental Strategic Plan					



Updates on the Price Determination Methodology (ERC Case No. 2017-042RC)

19 February 2021



Action Requested

- For information



Next Steps

As of 15 January 2021

- Ongoing coordination of PEMC and IEMOP in revising the PDM document and development/implementation of the Action Plans
- Consultation with ERC on the process of finalizing the PDM document
- RCC processing of IEMOP proposals related to the ERC-approved revised PDM prior Go-Live



Updates on the Price Determination Methodology | 8

Updates

- 28 January 2021 – Filing of Compliance with Urgent Motion for Clarification on ERC Decision
 - Action Plans
 - Enhancements to NMMS and CRSS
 - Sapere Issues for Luzon and Visayas & Mindanao
 - IES Recommendations
 - Other ERC Directives – e.g. data on forecast accuracy
 - PDM document, as revised per ERC decision, and corresponding matrix addressing ERC comments
- Currently awaiting ERC's final approval of the PDM document and IEMOP's submission of proposed amendments to relevant market rules/manuals



Updates on the Price Determination Methodology | 9

Annex E – Presentation material on the Updates to PDM



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