

ORCP-WM-21-06

Date Received by RCC: 16 April 2021

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## REQUEST FOR MARKET RULES AND MANUALS AMENDMENTS

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Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments are be submitted to:

**Rules Change Committee**

Attention: WESM Governance Committee Secretariat

Philippine Electricity Market Corporation

18/F Robinsons Equitable Tower

ADB Avenue, Ortigas Center

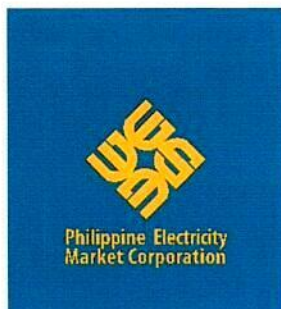
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### I. Proponent's Information

Name	<b>Richard J. Nethercott</b>
Designation	President and CEO
Company	Independent Electricity Market Operator of the Philippines, Inc.
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	Pasig City
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## II. Amendment Information

**Proposed Amendments to the** (please tick the box):

☐ WESM Rules   ☐ Retail Rules

☒ Market Manual:   Billing and Settlement Manual Issue 6.1

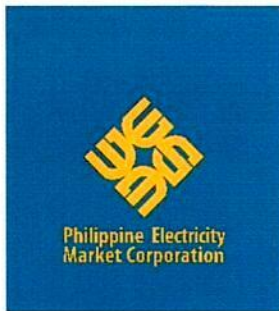
Topic:                      Harmonization with ERC Decision on Case No. 2017-042RC

**Proposed Classification of Amendments** (please tick the box):

☒ General   ☐ Minor   ☒ Urgent

If Urgent, reason for urgency:

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### **III. SUMMARY OF THE PROPOSED RULES CHANGE**

The amendments to the WESM Manual on Billing and Settlement Manual are proposed to align the procedures for additional compensation with the directives provided under the Energy Regulatory Commission's (ERC) decision on Case No. 2017-042RC.

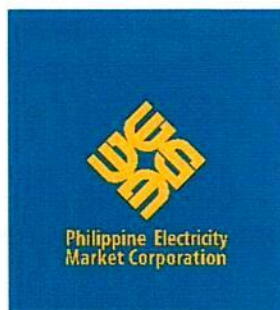
### **IV. BACKGROUND**

On 29 December 2021, the ERC promulgated its decision on Case No. 2017-042RC. The said decision approved the Price Determination Methodology (PDM) for the enhanced WESM design and operations.

In addition to its approval of the pricing and settlement formulas to be applied in the five-minute dispatch interval market, the ERC also provided further guidelines in the processing of claims for additional compensation. The additional guidelines provided for the following:

- eligibility of constrained-on plants during price substitution methodology (PSM) to additional compensation;
- two-week deadline for the reporting of discrepancies to the Dispatch Deviation Report and System Operator by generators;
- two-week deadline for the reconciliation of the reported discrepancies by the System Operator and generators;
- submission of the claim as disputed under the dispute resolution process of the WESM if the reported discrepancy was not reconciled within the two-week deadline;
- validation of actual generation against scheduled generation in determining the quantity eligible for additional compensation;
- one-year timeline for submission of claim for additional compensation in cases of must-run units (MRU) and constrain-on plants from the Merit Order Table (MOT), and fourteen-working day timeline for submission of claim in cases of oil-based plants during secondary price cap (SEC) mechanism, administered pricing (AP), and constrained-on plants during PSM;
- sixty-day timeline for submitting supporting documents of a claim;
- non-exhaustive list of required supporting documents;
- fourteen-working deadline for the Market Operator's approval of a claim in cases of MRU, MOT, AP, and PSM, and thirty-day deadline for the Market Operator's approval of a claim in case of SEC;





- filing of dispute by the claimant in case of inaction by the Market Operator within the prescribed deadline; and
- staggered collection from customers if rate impact is greater than PhP 0.005 / kWh.

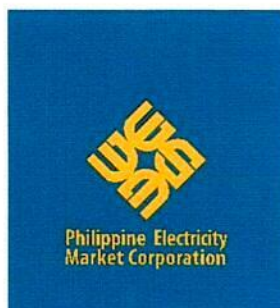
## V. THE PROPOSED RULES CHANGE

The proposed rules change applies the supplementary guidelines from the ERC on the additional compensation process in the WESM Manual on Billing and Settlement. The proposal also aims to consistently apply the guidelines to the different pricing or dispatch conditions eligible for additional compensation. The table below provides a summary of the proposed amendments:

<b>Feature</b>	<b>WESM Manual on Billing and Settlement Issue 6.1</b>	<b>Proposal</b>
Conditions for additional compensation	AP, MRU, MOT	Add PSM and Price Mitigation Measures
Deadline for filing of claim	AP: 14 working days (WD) after resumption; MRU, MOT: 1 year after designation	Include PSM and Price Mitigation Measures with 14 WD after resumption / designation deadline
Deadline for submitting supporting documents	None	60 calendar days after claim
Deadline for approval by Market Operator	AP, MRU, MOT: 14 WD after receipt of complete documents	Add deadlines for PSM (14 WD) and Price Mitigation Measures (30 business days)
Effect of inaction by Market Operator on claim after deadline	Deemed approved	No approval; generator may submit claim as dispute under the dispute resolution process
List of required supporting documents	1) Certified correct Fuel Consumption and Inventory Report; 2) Purchase Invoices, Official Receipts and other supporting documents; and 3) ERC approved rate or List of Variable Operation and	Certified correct Fuel Consumption and Inventory Report to be required for MRU, AP, and MOT; Actual fuel consumption and inventory report, duly certified by the Vice President of Finance of the

Feature	WESM Manual on Billing and Settlement Issue 6.1	Proposal
	Maintenance Costs supported by photocopies of invoices/receipts.	power plant applying for additional compensation to be required for PSM and Price Mitigation Measures
Quantity eligible for additional compensation	Not indicated	For AP, PSM, MOT, and Price Mitigation Measures: If actual production is beyond the allowed deviation from the scheduled generation, scheduled generation will be used; otherwise, actual generation will be used
Cost recovery from customers	Not indicated	If rate impact is more than PhP 0.005 / kWh, recover from customer in the next four (4) billing periods; otherwise, recover in the next billing period
Cost recovery from Indirect WESM Members	Not indicated	Recover from current Direct WESM Member
Hierarchy of conditions	Not indicated	<p>In cases when two (2) or more pricing or dispatch condition are present at the same dispatch interval, the timelines and procedures applicable to the generator will follow the hierarchy below (from highest priority to lowest):</p> <ul style="list-style-type: none"> <li>• AP</li> <li>• Other Price Mitigation Measures</li> <li>• PSM</li> <li>• MRU or MOT</li> </ul> <p>For example, if a constrained-on generator was re-dispatched during</p>





Feature	WESM Manual on Billing and Settlement Issue 6.1	Proposal
		PSM using the MOT, the procedures and timelines for PSM will be applicable and not MOT.

## VI. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The proponent is the Independent Electricity Market Operator of the Philippines, Inc. IEMOP acts as the market operator of the WESM.

Top Officers:

Richard J. Nethercott – President and CEO

Robinson P. Descanzo – Chief Operating Officer and Trading Operations Head

Arthur P. Pintado – Internal Audit Head

Rachel Angela P. Anosan – Chief Legal Officer / Head of Legal Department

Isidro E. Cacho, Jr. – Head of Corporate Strategy and Communications Department

Salvador D. Subaran – Head of Information Systems and Technology Department

## VII. CONCLUSIONS AND RECOMMENDATIONS

The amendments to the WESM Manual on Billing and Settlement Manual are proposed to align the procedures for additional compensation with the directives provided under the ERC decision on Case No. 2017-042RC. It is recommended that the proposed amendments be adopted.

## VIII. REFERENCES

1. WESM Manual on Billing and Settlement Issue 6.1
2. ERC Decision on Case No. 2017-042RC

## IX. Proposed Amendment

### A. WESM Manual on Billing and Settlement Issue 6.1

Title	Clause	Provision	Proposed Amendment	Rationale
CRITERIA FOR ADDITIONAL COMPENSATION	10.1	<p>In accordance with Section 8.3.3 of the Price Determination Methodology Manual, Trading Participants may be entitled to additional compensation when the cost incurred in complying with the dispatch instruction are not sufficiently covered by the trading amounts, related to <i>settlement intervals</i> with <i>dispatch intervals</i> under any of the following conditions:</p> <ul style="list-style-type: none"> <li>a) Market suspension or Market intervention; or</li> <li>b) When the trading participant is designated as must run unit or constrain on generating unit.</li> </ul>	<p><b>10.1.1</b> In accordance with Section 8.3.3 of the Price Determination Methodology Manual, <i>Trading Participants</i> may be entitled to additional compensation when the cost incurred in complying with the <i>dispatch instruction</i> are not sufficiently covered by the trading amounts, related to <i>settlement intervals</i> with <i>dispatch intervals</i> under any of the following conditions:</p> <ul style="list-style-type: none"> <li>a) <i>Market suspension</i> or <i>Market Intervention</i>; or</li> <li>b) When the <i>Trading Participant</i> <b><u>has a generating unit that</u></b> is designated as <i>must run unit</i> or <i>constrain-on generating unit</i> <b><u>as shown in the Dispatch Instruction Report submitted by the System Operator to the Market Operator in accordance with the WESM Rules or relevant market manual; or</u></b></li> <li>c) <b><u>When the Trading Participant was scheduled and dispatched as a constrained-on generator in dispatch intervals when price substitution methodology due to congestion was applied; or</u></b></li> <li>d) <b><u>A Trading Participant that was scheduled and dispatched in dispatch intervals when price mitigation measure imposed by</u></b></li> </ul>	<p>Include all conditions allowing for additional compensation provided under Section 4.4 of ERC Decision on Case No. 2017-042RC ("ERC Decision")</p>

Title	Clause	Provision	Proposed Amendment	Rationale
			<p><u>the ERC or other competent government agency was applied may also be entitled to additional compensation in accordance with and subject to the conditions set out in the issuance of the ERC or the competent government agency that imposed the price mitigation measure. In case of conflict between the provisions of this Market Manual and said issuances in respect to payment of compensation to affected Trading Participants, the latter issuances shall prevail.</u></p>	
CRITERIA FOR ADDITIONAL COMPENSATION			<p><u>10.1.2 In the event that two (2) or more of the conditions occur in the same dispatch interval and a Trading Participant is entitled to additional compensation due to more than one condition, the Trading Participant and the Market Operator shall adhere with the procedures and timelines of the condition with the highest priority based on the following hierarchy:</u></p> <ul style="list-style-type: none"> <li>a) <u>Claim category in Section 10.1.1(a)</u></li> <li>b) <u>Claim category in Section 10.1.1(d)</u></li> <li>c) <u>Claim category in Section 10.1.1(c)</u></li> <li>d) <u>Claim category in Section 10.1.1(b)</u></li> </ul>	<p>Include a hierarchy in cases when two or more conditions are present. The proposed hierarchy is consistent with the order applied when determining the final energy dispatch price for a dispatch interval provided under Section 4.12 of the Price Determination Methodology Manual</p>



Title	Clause	Provision	Proposed Amendment	Rationale
FILING OF CLAIMS	10.2.1	<p><i>Trading Participants</i> shall submit the written claim for additional compensation within the allowable timeframe, as follows:</p> <p>a) <i>Market suspension</i> or <i>market intervention</i> – fourteen (14) days after the resumption of the market; and</p> <p>b) <i>Must-run unit</i> or <i>constrain-on generating unit</i> – within one (1) year after the <i>trading participant</i> was designated as <i>MRU</i> or <i>constrain-on generating unit</i>.</p> <p>Any claims not filed within such period shall be deemed waived.</p>	<p><i>Trading Participants</i> shall submit the written claim for additional compensation within the allowable timeframe, as follows:</p> <p>a) <i>Market suspension</i> or <i>market intervention</i> – <b><u>not later than</u></b> fourteen (14) <b><u>working days</u></b> after the resumption of the market; and</p> <p>b) <i>Must-run unit</i> or <i>constrain-on generating unit</i> – within one (1) year after the <i>trading participant</i> was designated as <i>MRU</i> or <i>constrain-on generating unit</i>;</p> <p>c) <b><u>Constrained-on generators in dispatch intervals when the price substitution methodology due to congestion was applied – not later than fourteen (14) working days after the trading day when the generating unit was constrained-on;</u></b></p> <p>d) <b><u>Qualified Trading Participants in dispatch intervals when price mitigation measure was applied – not later than fourteen (14) working days after the imposition of the price mitigation measure has been lifted, unless a different period is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure.</u></b></p> <p>Any claims not filed within such period shall be deemed waived.</p>	<p>Harmonize with the timelines for filing of claims provided under the following sections of the ERC Decision:</p> <ul style="list-style-type: none"> <li>• PSM: 4.4.2.4.1</li> <li>• Price Mitigation Measure: 4.4.2.2.1</li> </ul> <p>For market suspension or market intervention, ERC Decision Section 4.4.2.3.1 uses the word “days” only. For consistency with the PSM and Price Mitigation Measure timelines, it is also proposed that the timeline be set to 14 “working days”.</p> <p>The timeline for MRU and MOT are retained to one (1) year as provided under ERC Decision Sections 4.4.2.1.1 and 4.4.2.5.1.</p>
FILING OF CLAIMS	10.2.2	<p><i>Trading Participants</i> shall submit sufficient proof regarding the costs incurred, which</p>	<p><b><u>Within a maximum period of sixty (60) business days from the Market</u></b></p>	<p>Harmonize with the timeline for submitting supporting</p>

Title	Clause	Provision	Proposed Amendment	Rationale
		<p>are limited to fuel cost and variable operating and maintenance costs, which may include start-up and shut down cost. Below is the non-exhaustive list of requirement documents in filing claims for additional compensation:</p> <ul style="list-style-type: none"> <li>a) Certified correct Fuel Consumption and Inventory Report;</li> <li>b) Purchase Invoices, Official Receipts and other supporting documents; and</li> <li>c) ERC-approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.</li> </ul>	<p><b><u>Operator's receipt of the written claim.</u></b> <i>Trading Participants</i> shall submit <b><u>the complete documentation that provides</u></b> sufficient proof regarding the costs incurred, which are limited to fuel cost and variable operating and maintenance costs, which may include start-up and shut down cost. Below is the non-exhaustive list of requirement documents in filing claims for additional compensation:</p> <ul style="list-style-type: none"> <li>a) <b><u>Market suspension, market intervention, must-run unit or constrain-on generating unit –</u></b> <ul style="list-style-type: none"> <li><b><u>i.</u></b> Certified correct Fuel Consumption and Inventory Report;</li> <li><b><u>ii.</u></b> Purchase Invoices, Official Receipts and other supporting documents; and</li> <li><b><u>iii.</u></b> ERC-approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.</li> </ul> </li> <li>b) <b><u>Constrained-on generators in dispatch intervals when the price substitution methodology due to congestion was applied or qualified Trading Participants in dispatch intervals when price mitigation measure was applied, unless a different set of requirements is set out in the relevant issuance of the ERC or</u></b></li> </ul>	<p>documents under ERC Decision Sections 4.4.2.1.2, 4.4.2.2.2, 4.4.2.3.2, 4.4.2.4.2, and 4.4.2.5.2.</p> <p>Harmonize with the list of supporting documents under ERC Decision Sections 4.4.3.1, 4.4.3.2, 4.4.3.3, 4.4.3.4, and 4.4.3.5.</p> <p>Also propose to identify the responsibilities of parties on the provision of data and clarify impact of submission of supporting documents beyond the sixty-day timeline.</p>



Title	Clause	Provision	Proposed Amendment	Rationale
			<p><u>competent agency imposing the price mitigation measure, –</u></p> <p><u>i. Actual fuel consumption and inventory report, duly certified by the Vice President of Finance of the power plant applying for additional compensation;</u></p> <p><u>ii. Purchase Invoices, Official Receipts and other supporting documents; and</u></p> <p><u>iii. List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.</u></p> <p><u>The Trading Participant shall also ensure that any data or document required from the System Operator or other WESM Service Providers, as may be applicable, shall be submitted to the Market Operator within the same sixty-business day period.</u></p> <p><u>Any data or document submitted after the prescribed period shall not be used by the Market Operator as basis for additional compensation.</u></p>	
FILING OF CLAIMS	10.2.3	The Market Operator shall determine validity of the costs incurred based on the aforementioned supporting documents.	The Market Operator shall determine validity of the <b>claim and the</b> costs incurred based on the aforementioned supporting documents.	Clarify that the MO will only validate if additional compensation is warranted based on the costs indicated in the supporting documents



Title	Clause	Provision	Proposed Amendment	Rationale
FILING OF CLAIMS	10.2.4	The Market Operator shall inform the requesting Trading Participant of the approval or disapproval of the claim within fourteen (14) working days from receipt of the complete documents from the Trading Participant. Any claim not decided within fourteen (14) working days shall be deemed approved and shall be allocated and billed immediately in the succeeding billing period.	<p>The <i>Market Operator</i> shall inform the requesting <i>Trading Participant</i> of the approval or disapproval of the claim within <b><u>the following periods reckoned</u></b> <del>fourteen (14) working days</del> from receipt of the complete documents from the <i>Trading Participant</i>;</p> <p>a) <b><u>For claims under the claim category in Section 10.1.1 (a), (b), and (c) - within fourteen (14) working days;</u></b></p> <p>b) <b><u>For claims under the claim category in Section 10.1.1 (d) - within thirty (30) business days, unless a different period is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure.</u></b></p> <p>Any claim not decided <b><u>upon by the Market Operator</u></b> within <b><u>the specified timelines</u></b> <del>fourteen (14) working days</del> shall be deemed <del>disapproved</del> and shall be allocated and billed immediately in the succeeding <del>billing period</del>. <b><u>The Trading Participant whose claim was not acted upon within the specified timelines may submit a complaint against the Market Operator under the dispute resolution process in accordance the WESM Rules or relevant market manual.</u></b></p>	<p>submitted by the generator but will not validate the cost items submitted</p> <p>Harmonize the timelines for the Market Operator's approval or disapproval of the claim with ERC Decision Sections 4.4.4.1.1, 4.4.4.2, 4.4.4.3.1, 4.4.4.4.1, and 4.4.4.5.1.</p> <p>Harmonize the procedures if the claim was not acted upon by the Market Operator with ERC Decision Sections 4.4.4.1.2, 4.4.4.3.2, 4.4.4.4.2, and 4.4.4.5.2. The same procedure is proposed to be applied for claims due to the imposition of price mitigation measure for consistency.</p>

Title	Clause	Provision	Proposed Amendment	Rationale
			<b><u>10.3 QUANTITY ELIGIBLE FOR ADDITIONAL COMPENSATION</u></b>	Proposed new section to describe the procedures in determining the quantities eligible for additional compensation
			<b><u>10.3.1 For claims due to designation as must run units, the Market Operator shall determine the must-run unit quantity or volume that shall be eligible for additional compensation in accordance with the relevant provision under Section 8.3 of the Price Determination Methodology Manual.</u></b>	Provide reference to the PDM for the calculation of additional compensation quantity of must run units
			<b><u>10.3.2 For claims due to market suspension, market intervention, designation as constrain-on units, implementation of price substitution methodology, or imposition of price mitigation measures unless a different formula is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure, the Market Operator shall determine the volume that shall be eligible for additional compensation in accordance with the following formula:</u></b>  <b><u>a) If the actual generation of the generating unit, <math>GESQ_{g,i}</math>, is less than or equal to its scheduled generation plus the allowable deviation, <math>SG_{g,i} + \text{Max}[1, (1.5\% \times SG_{g,i})]</math>,</u></b>  $ACQ_{g,i} = GESQ_{g,i} - \sum_{b \in B} BCQ_{g,b,i} - ASIE_{g,i}$	It is proposed that the calculation of additional compensation quantity for the rest of the conditions be harmonized with ERC Decision Section 4.4.1.2 for consistency.

Title	Clause	Provision	Proposed Amendment	Rationale
			<p>b) <u>If the actual generation of the generating unit is more than its scheduled generation plus the allowable deviation,</u></p> $ACQ_{g,i} = SG_{g,i} - \sum_{b \in B} BCQ_{g,b,i} - ASIE_{g,i}$ <p><u>Where:</u></p> <p><u>ACQ<sub>g,i</sub></u> refers to the additional compensation quantity of generating unit g for dispatch interval i</p> <p><u>GESQ<sub>g,i</sub></u> refers to the gross energy settlement quantity of generating unit g for dispatch interval i</p> <p><u>BCQ<sub>g,b,i</sub></u> refers to the bilateral contract quantity of generating unit g to buying trading participant b for dispatch interval i</p> <p><u>B</u> set of all buying trading participants that generating unit g has a contract with</p> <p><u>ASIE<sub>g,i</sub></u> refers to the ancillary services incidental energy of generating unit g for dispatch interval i</p> <p><u>SG<sub>g,i</sub></u> refers to the scheduled generation of generating unit g for dispatch interval i calculated in accordance with Section 10.3.3</p>	



Title	Clause	Provision	Proposed Amendment	Rationale
			<p><b><u>10.3.3 The scheduled generation of a generating unit that filed a claim for additional compensation shall be calculated using the following formulas:</u></b></p> <p>a) <b><u>If due to declaration of market suspension or market intervention,</u></b></p> $SG_{g,i} = \frac{(DT_{g,i-1} + DT_{g,i})}{2} \times \frac{1}{12}$ <p>b) <b><u>If due to designation as constrain-on unit,</u></b></p> $SG_{g,i} = \frac{(IL_{g,i} + DI_{g,i})}{2} \times \frac{1}{12}$ <p>c) <b><u>If due to scheduling and dispatch as a constrained-on unit during price substitution methodology,</u></b></p> $SG_{g,i} = \frac{(IL_{g,i} + DT_{g,i})}{2} \times \frac{1}{12}$ <p>d) <b><u>If due to imposition of a price mitigation measure, unless a different formula is set out in the relevant issuance of the ERC or competent agency imposing the price mitigation measure,</u></b></p> $SG_{g,i} = \frac{(IL_{g,i} + DT_{g,i})}{2} \times \frac{1}{12}$	<p>Include the proposed formula for determining the scheduled generation of a generating unit for each additional compensation condition. In general, the formulas calculate the equivalent energy resulting from the linear compliance of the generating unit to its dispatch target.</p>

Title	Clause	Provision	Proposed Amendment	Rationale
			<p><b>Where:</b></p> <p><u>SG<sub>g,i</sub></u> refers to the scheduled generation of <i>generating unit g</i> for dispatch interval <i>i</i></p> <p><u>DT<sub>g,i</sub></u> refers to the most recent dispatch target either based on the <i>dispatch schedule</i> from the <i>Market Operator</i> or a <i>dispatch instruction</i> from the <i>System Operator</i> received by <i>generating unit g</i> for dispatch interval <i>i</i></p> <p><u>IL<sub>g,i</sub></u> refers to the initial loading of <i>generating unit g</i> as determined by the <i>Market Management System</i> for dispatch interval <i>i</i></p> <p><u>DI<sub>g,i</sub></u> refers to the most recent <i>dispatch instruction</i> from the <i>System Operator</i> received by <i>generating unit g</i> for dispatch interval <i>i</i></p>	
			<p><b>10.3.4</b> In the event that the <i>scheduling point</i> of the <i>generating unit</i> is not at the same location as its <i>market trading node</i>, the <i>Market Operator</i> shall adjust the <i>scheduled generation</i> calculated under Section 10.3.3 such that the volume shall correspond to the <i>scheduled output</i> of the <i>generation unit</i> at its <i>market trading node</i>. The <i>Market Operator</i> shall adjust the <i>scheduled generation</i> in accordance with the following formula:</p>	<p>Propose to include procedure for adjusting scheduled generation to the market trading node if the scheduling point is at a different location. This is to have a proper comparison between the actual generation and scheduled generation in the determination of the</p>

Title	Clause	Provision	Proposed Amendment	Rationale
			$SG_{n,g,i} = SG_{sp,g,i} \times \frac{\sum_{n \in N_g} SQ_{n,i}}{\sum_{sp \in SP_g} SQ_{sp,i}}$ <p><b>Where:</b></p> <p><u><math>SG_{n,g,i}</math></u> refers to the <u>scheduled generation of generating unit g at its market trading node n for dispatch interval i</u></p> <p><u><math>SG_{sp,g,i}</math></u> refers to the <u>scheduled generation of generating unit g at its scheduling point sp for dispatch interval i</u></p> <p><u><math>SQ_{n,g,i}</math></u> refers to the <u>snapshot quantity at market trading node n for dispatch interval i</u></p> <p><u><math>SQ_{sp,g,i}</math></u> refers to the <u>snapshot quantity at scheduling point sp for dispatch interval i</u></p> <p><u><math>N_g</math></u> refers to the <u>set of market trading nodes of the generating units within the generating system of which generating unit g is a member</u></p> <p><u><math>SP_g</math></u> refers to the <u>set of scheduling points of the generating units within the generating system of which generating unit g is a member</u></p>	additional compensation quantity of the claimants.
			<b><u>10.4 BILLING AND SETTLEMENT OF ADDITIONAL COMPENSATION</u></b>	Proposed new section to include billing and settlement procedures under the ERC Decision



Title	Clause	Provision	Proposed Amendment	Rationale
			<p><b><u>10.4.1 The Market Operator shall determine the share in the additional compensation amount of each Trading Participant in accordance with the provisions under Section 8.3 of the Price Determination Methodology Manual.</u></b></p>	Provide reference to the allocation of the additional compensation amount from the PDM
			<p><b><u>10.4.2 The Market Operator shall calculate the possible rate impact to each WESM Customer of each approved claim in accordance with the following formula:</u></b></p> $RI_{c,ac} = \frac{ACA_{c,ac}}{GESQ_{c,m}}$ <p><b><u>Where:</u></b></p> <p><b><u>RI<sub>c,ac</sub></u></b> refers to the rate impact to customer c of additional compensation claim ac</p> <p><b><u>ACA<sub>c,ac</sub></u></b> refers to the share in the additional compensation amount of customer c for additional compensation claim ac</p> <p><b><u>GESQ<sub>c,m</sub></u></b> refers to the total gross energy settlement quantity of customer c for the billing period m when the additional compensation amount ac will first be recovered</p>	Include formula for calculating the rate impact to WESM customers which will be used as the criteria for determining whether the WESM customer will have one-time or staggered payment consistent with ERC Decision Section 4.4.5.2

Title	Clause	Provision	Proposed Amendment	Rationale
			<u>The customer rate impact shall be calculated for each claiming <i>Trading Participant</i> and shall cover its claim for each <i>billing period</i> and for each claim category.</u>	
			<p><u>10.4.3 The approved claim of each <i>Trading Participant</i> covering each <i>billing period</i> and for each claim category shall be billed on the <i>billing period</i> immediately following the approval of the claim and payments shall be collected as follows:</u></p> <p>a) <u>If the calculated customer rate impact is less than or equal to PhP0.005/kWh – in one (1) payment on the scheduled due date of the <i>billing period</i> immediately following the approval of the claim; or</u></p> <p>b) <u>If the calculated customer rate impact is more than PhP0.005/kWh – in four (4) equal installments over four (4) successive <i>billing periods</i> starting on the scheduled date of the <i>billing period</i> immediately following the approval of the claim.</u></p>	Include the procedure for charging in one-time or staggered payment as provided under ERC Decision Section 4.4.5.2
			<p><u>10.4.4 The <i>Market Operator</i> shall collect payments for the approved claim within the following timeframe –</u></p> <p>a) <u>For claims with rate impact equal or less than PhP0.005/kWh – on the due date of the <i>billing period</i> immediately following the approval of the claim; and</u></p>	Clarify the procedure for collecting in one-time or staggered payment consistent with ERC Decision Section 4.4.5.3

Title	Clause	Provision	Proposed Amendment	Rationale
			<p>b) <u>For claims with rate impact of higher than PhP0.005/kWh – installment payment shall be collected starting from the due date of the <i>billing period</i> immediately following the approval of the claim.</u></p> <p><u>It is provided, however, that if a <i>Trading Participant</i> has more than one (1) approved claim for each claim category (i.e., covering more than one (1) billing period), only one claim shall be billed in a <i>billing period</i>, starting with the earliest <i>billing period</i>.</u></p>	
			<u>10.4.5 The collected amounts from staggered payments shall be pro-rated to the <i>Trading Participants</i> which the payment is due.</u>	Include the procedure for paying claimants when staggered collection is applied as provided under ERC Decision Section 4.4.5.4
			<u>10.4.6 The payment for additional compensation of customers that have switched to a different <i>Direct WESM Member</i> shall be billed to the current <i>Direct WESM Member</i> provided that the bill shall reflect the period of consumption and the corresponding <i>Direct WESM Member</i> during the period of the additional compensation event under claim.</u>	Harmonize the collection from Indirect WESM Members with ERC Decision Section 4.4.5.5

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



