



**PROPOSED URGENT AMENDMENTS TO
THE WESM MANUAL ON BILLING AND
SETTLEMENT FOR HARMONIZATION
WITH ERC DECISION ON CASE NO. 2017-
042RC**

21 APRIL 2021

ONLINE

THE PROPONENT

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



OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF THE
PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



**OTHER RELEVANT
MATTERS**



ACTION REQUESTED

- For approval to endorse to PEM Board as Urgent Amendments



RATIONALE OF THE PROPOSAL

- › Harmonize with ERC directives on additional compensation process
- › Provide details to the implementation of the ERC directives

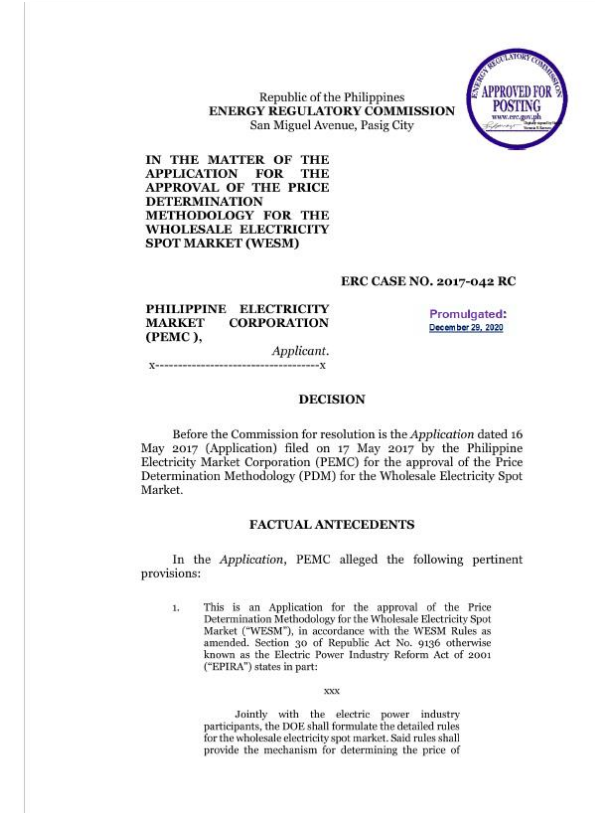


SUMMARY OF THE PROPOSAL

BACKGROUND

ERC Decision on the approval of the Price Determination Methodology (PDM) for the enhanced WESM design require revisions to the following WESM manuals:

- 1) Dispatch Protocol – *included in previous urgent amendment*
- 2) Billing and Settlement



SUMMARY OF THE PROPOSAL

CHANGES TO THE BILLING AND SETTLEMENT MANUAL WOULD AFFECT THE ADDITIONAL COMPENSATION PROCESS:



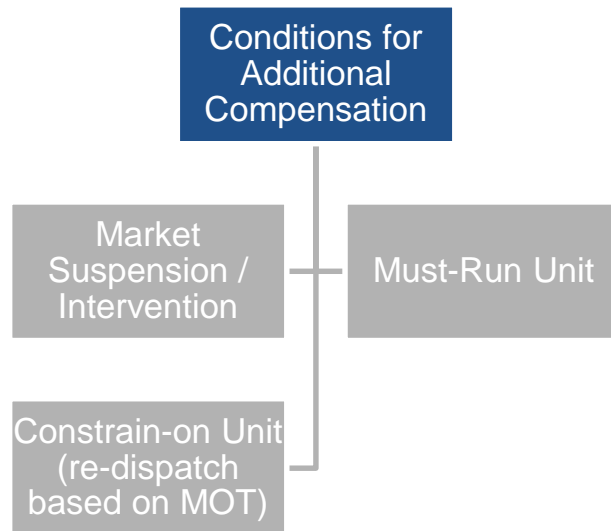
All additional compensation processes are affected by the procedures added by the Energy Regulatory Commission (ERC) in its decision approving the Price Determination Methodology for the enhanced WESM design and operations



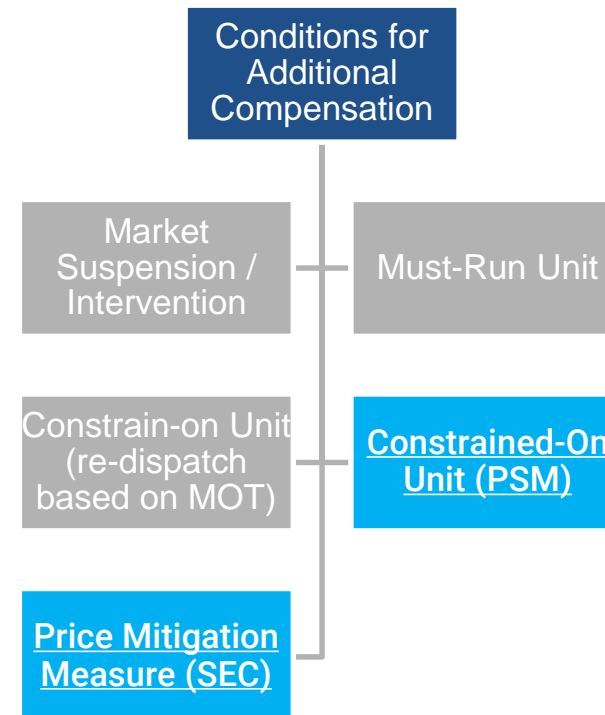
SUMMARY OF THE PROPOSAL

A) Conditions for Additional Compensation

CURRENT MANUAL



ERC-APPROVED (FOR HARMONIZATION)



MOT – Merit Order Table
PSM – Price Substitution Methodology
SEC – Secondary Price Cap

SUMMARY OF THE PROPOSAL

B) Claiming and Approving Additional Compensation

	<u>CURRENT MANUAL</u>		<u>ERC-APPROVED (FOR HARMONIZATION)</u>
DEADLINE FOR FILING OF CLAIM	AP: 14 working days (WD) after resumption MRU, MOT: 1 year after designation		AP, <u>PSM, SEC</u> : 14 WD after resumption/designation MRU, MOT: 1 year after designation
DEADLINE FOR SUBMITTING SUPPORTING DOCUMENTS	None	➔	<u>60 calendar days (CD) after claim</u>
DEADLINE FOR APPROVAL	AP, MRU, MOT: 14 WD after receipt of complete documents		AP, MRU, MOT, <u>PSM</u> : 14 WD after receipt of complete documents <u>SEC: 30 CD after claim</u>
EFFECT OF INACTION	Deemed approved		Deemed <u>disapproved</u> – <u>GenCo may raise dispute</u>



AP – Administered Price
MRU – Must-Run Unit
MOT – Merit Order Table
PSM – Price Substitution Methodology
SEC – Secondary Price Cap

SUMMARY OF THE PROPOSAL

C) Supporting Documents for Claiming Additional Compensation

CURRENT MANUAL

- 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 Maintenance Costs supported by photocopies of invoices/receipts.



ERC-APPROVED (FOR HARMONIZATION)

- 1) Certified correct Fuel Consumption and Inventory Report (MRU, AP, MOT); or actual fuel consumption and inventory report, duly certified by the Vice President of Finance of the power plant applying for additional compensation (SEC, PSM)
- 2) Purchase Invoices, Official Receipts and other supporting documents; and
- 3) ERC approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.



AP – Administered Price
MRU – Must-Run Unit
MOT – Merit Order Table
PSM – Price Substitution Methodology
SEC – Secondary Price Cap

SUMMARY OF THE PROPOSAL

D) Quantity Eligible for Additional Compensation

FEATURE	SEC	AP	PSM	MOT
ADDITIONAL COMPENSATION QUANTITY	If [GESQ] > [SG + Deviation], SG – BCQ – ASIE otherwise, GESQ – BCQ – ASIE			
ACTUAL GENERATION	GESQ			
SCHEDULED GENERATION (SG)	Equivalent energy of linear compliance to RTD or SO instruction	Equivalent energy of linear compliance to most recent RTD or SO instruction	Equivalent energy of linear compliance to RTD or SO instruction	Equivalent energy of linear compliance to SO instruction
SO INFORMATION	Dispatch Interval, Target MW			
DEVIATION REFERENCE	Dispatch Instruction Report			
ELIGIBLE TRADING PARTICIPANTS	Oil-based plants	All	Constrained-on plants	All

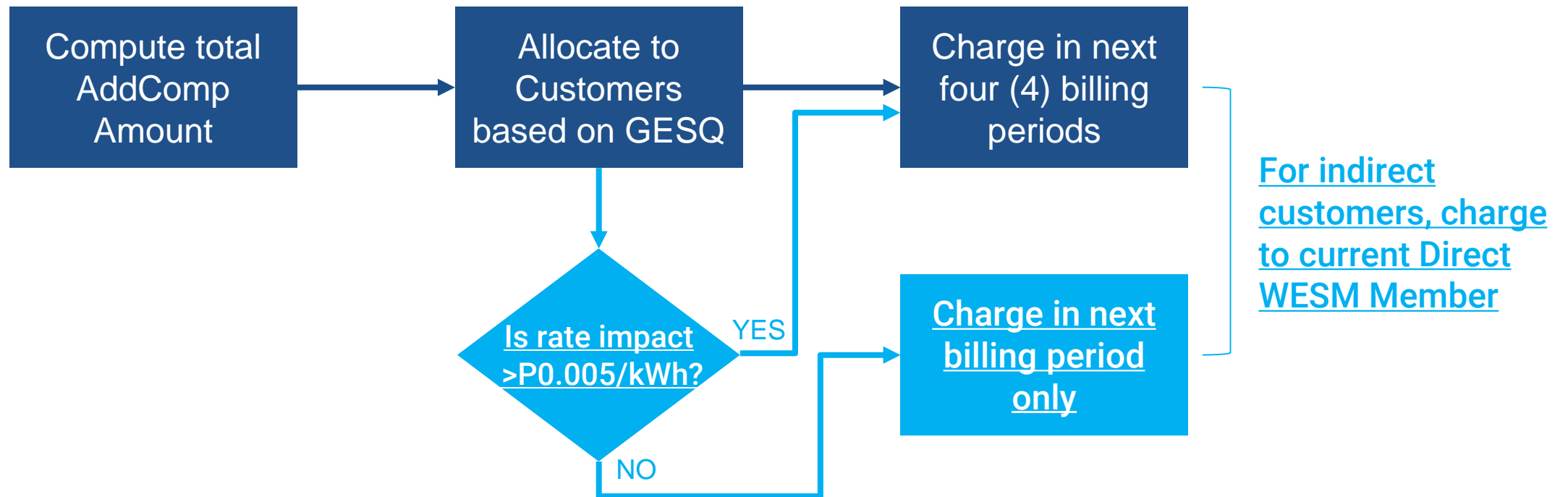


SEC – Secondary Price Cap
 AP – Administered Price
 PSM – Price Substitution Methodology
 MOT – Merit Order Table
 GESQ – Gross Energy Settlement Quantity

SG – Scheduled Generation
 BCQ – Bilateral Contract Quantity
 ASIE – ancillary services incidental energy
 RTD – Real-Time Dispatch schedule
 SO – System Operator

SUMMARY OF THE PROPOSAL

E) Cost Recovery of Additional Compensation



OTHER RELEVANT MATTERS

- None



ACTION REQUESTED

- For approval to endorse to PEM Board as Urgent Amendments





THANK YOU!