



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

**ADVISORY**

**TO : ALL ELECTRIC POWER INDUSTRY PARTICIPANTS**

**FROM : SECRETARY OF ENERGY**

**DATE :**

**SUBJECT : TARGET DATE OF THE COMMERCIAL OPERATION OF THE ENHANCED WHOLESALE ELECTRICITY SPOT MARKET (WESM) DESIGN AND OPERATIONS (EWDO) AND IMPLEMENTATION OF LIMITED LIVE DISPATCH OPERATIONS (LLDO)**

**COMMERCIAL OPERATION OF THE EWDO**

The Department of Energy (DOE) hereby establishes 26 June 2021 as the target date for the commercial operation of the EWDO. A condition prior to the DOE's declaration is the submission by the Philippine Electricity Market Corporation (PEMC) to the DOE of a Certification attesting the Market Readiness of EWDO in the Luzon, Visayas, and Mindanao.

For this purpose:

1. The PEMC shall submit the said certification at least one (1) month prior to the target date as stated above. Upon the receipt of the said Certification, the DOE shall determine its acceptability and sufficiency pursuant to Section 4 of Department Circular No. DC2017-005-0009<sup>1</sup>. If the DOE finds it meritorious, it shall issue another Advisory declaring the actual commercial operation date;
2. In the event that the DOE does not find the Certification acceptable, PEMC and the concerned entities should immediately rectify or remedy the deficiency. Once the DOE conforms and approves the rectification and the remedies, it shall determine a new date for the commercial operation of the EWDO; and
3. The Interim Mindanao Dispatch Protocol (IMDP) shall automatically be terminated upon the commercial operation of the EWDO as provided in Department Circular No. DC2017-05-0009.

**Electric Power Industry Participants Mandatory Registration with the WESM**

All electric power industry participants mandated to register with the WESM shall

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<sup>1</sup> "Declaring the Launch of the WESM in Mindanao and Providing for Transition Guidelines"

comply with the registration requirements as prescribed in the WESM Rules and Market Manuals no later than the commercial operation date.

The following Electric Power Industry Participants shall register in the WESM and shall be considered Trading Participants pursuant to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures:

1. All Grid-Connected Generation Companies;
2. Embedded Generators mandated to register as prescribed in Department Circular No. DC2017-05-0009 and DC2019-02-0003<sup>2</sup>;
3. All Distribution Utilities (DUs);
  - a. Private Investor-Owned Utilities
  - b. Electric Cooperatives
  - c. Economic Zones Power Distribution Enterprise
  - d. Local Government-Owned
4. All Directly Connected Customers (DCCs); and
5. All Retail Electricity Suppliers (RES).

#### Operationalization of EWDO prior to Visayas and Mindanao Interconnection

Pursuant to Section 2 of Department Circular No. DC2018-06-0017<sup>3</sup>, the operationalization of EWDO in Luzon, Visayas, and Mindanao shall be guided by the following:

1. Prior to the Visayas and Mindanao Interconnection, the prices and schedules in the Mindanao grid shall be separated from the Luzon and Visayas grid. Hence, the Luzon and Visayas grids shall be considered as one settlement region while the Mindanao grid as another settlement region.
2. Upon the establishment of Visayas and Mindanao Interconnection, the prices and schedules will be determined by the Market Dispatch Optimization Model simultaneously for Luzon, Visayas, and Mindanao grid. Hence, the Luzon, Visayas, and Mindanao grids shall be considered as one settlement region.

#### **GUIDANCE FOR THE IMPLEMENTATION OF LLDO**

Pursuant to Section 5 of the Department Circular No. DC2015-10-0015<sup>4</sup> entitled "Providing Policies for Further Enhancement of the Wholesale Electricity Spot Market (WESM) Design and Operations", all WESM Members shall:

1. Ensure readiness, full compliance, and to be accountable to the required internal systems and procedures, as applicable, to accommodate the changes in WESM design and operations; and
2. Comply with the submission of necessary information and data as may be required by the DOE, Energy Regulatory Commission (ERC), Market Operator

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<sup>2</sup> "Providing for the Framework Governing the Operations of Embedded Generators"

<sup>3</sup> "Adopting Further Amendments to the WESM Rules and Market Manuals (Transitory Provisions for the Implementation of WESM in Mindanao)"

<sup>4</sup> "Providing Policies for Further Enhancement of the WESM Design and Operations"

(MO), and System Operator (SO) in order to effectively carry out the provisions of the abovementioned Circular.

In view of the above, the LLDO shall be conducted in accordance with the following:

1. The LLDO shall be implemented for a minimum period of one (1) week or seven (7) consecutive days starting not earlier than 26 May 2021 but not later than 25 June 2021. The actual dates shall be determined by MO in consultation with the DOE. The notice of the actual dates of the implementation of LLDO shall be issued by MO at least one (1) week prior the start date.
2. All Electric Power Industry Participants are mandated to participate in the LLDO and shall comply with the guidelines, procedures, and instructions of the MO and the SO in the implementation of LLDO.
3. The resulting energy prices will not be binding on any party and will not be used for the settlement of the energy transactions during the LLDO implementation.
4. The energy transactions in Luzon and Visayas during the LLDO shall be settled by the MO in accordance with the current settlement arrangements for the hourly market. The energy transactions in Mindanao shall be settled by the trading participants with their counterparties in accordance with Power Supply Agreements.
5. The MO, in consultation with the SO, shall formulate the guidelines and procedures for the implementation of the LLDO.

The participants may email their concerns on the LLDO to the Independent Electricity Market Operator of the Philippines at [nmms\\_trial@iemop.ph](mailto:nmms_trial@iemop.ph) or through the following contact details:

Concerns	Contact Details
Registration Concerns	<a href="mailto:registration@iemop.ph">registration@iemop.ph</a>
Operational Concerns	(632) 5 318 9376, dial 9 + local 293 or 295
IT Concerns	(632) 5 318 9376, dial 9 + local 218

For other concerns and clarifications, please coordinate directly with the Electric Power Industry Management Bureau of the DOE through telephone nos. (02) 8840-1773 and (02) 8479-2900 loc. 264/387 or e-mail at [pmdd.wesm@doe.gov.ph](mailto:pmdd.wesm@doe.gov.ph).

Please be guided accordingly.

Thank you.

  
**ALFONSO G. CUSI**  
Secretary  
MAY 21 2021



Republic of the Philippines  
DEPARTMENT OF ENERGY

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