

PUBLIC

WESM Manual

Technical Committee Market Manual Issue 2.0

Abstract	This document establishes the scope, functions and responsibilities of the Technical Committee pursuant to the WESM Rules.
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Document Approval

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Reference Documents

Document ID	Document Title
	WESM Rules
	Guidelines Governing the Constitution of the PEM Board Committees Issue 2.0
	TC Internal Rules, Issue 2.0

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SECTION 1 INTRODUCTION**1.1. PURPOSE**

WESM Rules Clause 1.7.2 sets out the responsibilities of the *Technical Committee*.

This *Market Manual* defines the scope of the functions of the *Technical Committee* and details the procedures to be observed by the *Technical Committee* and concerned parties related to the functions of the *Technical Committee*. This *Manual* aims to:

- 1.1.1. Clarify functions and responsibilities of the *Technical Committee* as prescribed under the *WESM Rules*;
- 1.1.2. Establish the scope of the assistance to be provided by the *Technical Committee* to the *PEM Board* pursuant to Section 1.1.3 and the procedures to be observed for the provision of the same;
- 1.1.3. Establish the scope, guidelines and procedures in providing expert support to other *PEM Committees*, *PEMC* or *WESM Members*;
- 1.1.4. Clarify the responsibilities of the *Technical Committee* in proposing amendments to the *WESM Rules* and *Market Manuals*; and
- 1.1.5. Clarify the role of the *Technical Committee* regarding its support to the *PEM Audit Committee* in the conduct of Audits.

1.2. SCOPE

This *Manual* covers all the processes and procedures of the *Technical Committee* relative to its functions and responsibilities under the *WESM Rules*. This includes the following:

- 1.2.1. A discussion of the processes and procedures related to all *Technical Committee* activities pursuant to its mandate under the *WESM Rules*;
- 1.2.2. The provisions of the rules on information confidentiality and disclosure as they apply to the *Technical Committee* in respect to its reports and documents; and
- 1.2.3. A description of the interaction between the *Technical Committee* and the *PEM Board*, *WESM Governance Committees* and other *WESM Members* in relation to the functions of the *Technical Committee* as provided for under the *WESM Rules*.

1.3. REVIEW AND UPDATES

- 1.3.1. The *PEM Board*, with the assistance of the *Technical Committee* and the Market Assessment Group, shall maintain this *Manual* under review, to identify any need for updates and amendments, and accordingly update the same to respond to the evolving needs of the market.
- 1.3.2. Amendments to the provisions of this *Manual* shall be approved pursuant to the provisions of *WESM Rules* Clause 8.5.4 as prescribed.
- 1.3.3. Amendment proposals to this *Manual* may arise from:
- (a) The *PEM Board*, upon its own initiative or upon a recommendation by other *PEM Committees*;
 - (b) A *WESM Member*, the Market Operator, the *System Operator*, or any party affected by the operations of this *Manual*; and
 - (c) The *Technical Committee* in view of any or a combination of the following:
 - i. Problems experienced or issues encountered in the implementation of this *Manual*;
 - ii. Amendments to the *WESM Rules* or other *Applicable Law, Rules and Regulations* affecting the provisions of this *Manual*;
 - iii. Conflict of interpretation; or
 - iv. Provisions or parts of this *Manual* being annulled or declared invalid.
- 1.3.4. Proposed amendments to this *Manual* shall be submitted, reviewed and approved in accordance with the provisions of the *WESM Rules* and the *Rules Change Manual* as prescribed.

SECTION 2 DEFINITIONS, INTERPRETATION AND CONSTRUCTION

2.1. DEFINITIONS

Unless otherwise defined in this *Manual*, terms and acronyms used in this *Manual* shall have the same definition as that in the *WESM Rules*.

Act means the Republic Act No. 9136 also known as the Electric Power Industry Reform Act (EPIRA), as they may be issued or modified by competent authorities from time to time.

Applicable Law, Rules and Regulations shall include the EPIRA and its Implementing Rules and Regulations, the Philippine *Grid Code*, the Philippine *Distribution Code*, the *WESM Rules* and *Market Manuals*, the Competition Rules, and such other codes, rules, regulations, issuances related to the WESM, as they may be issued or modified by competent authorities from time to time.

Annual Report means the report of the *Technical Committee* that presents the results of market studies and reviews and other activities.

Distribution Code refers to a compilation of rules and regulations governing electric utilities in the operation and maintenance of their distribution systems which includes, among others, the standards for service and performance, and defines and establishes the relationship of the distribution systems with the facilities or installations of the parties connected thereto.

DMC refers to the Distribution Management Committee which was established by the *ERC* to monitor *Distribution Code* compliance at the operations level and to submit regular and special reports pertaining to the Distribution Operations. It shall also initiate an enforcement process for any perceived violations of *Distribution Code* provisions and recommend to the *ERC* the appropriate fines and penalties for such violations.

DOE refers to the Department of Energy, the government agency created pursuant to Republic Act No. 7638.

ERC refers to the Energy Regulatory Commission, the independent quasi-judicial regulatory body created by the EPIRA.

Grid Code refers to the set of rules and regulations governing the safe and reliable operation, maintenance and development of the high voltage backbone transmission system and its related facilities.

GMC refers to the Grid Management Committee which was established by the *ERC* to monitor *Grid Code* compliance at the operations level and to submit regular and special reports pertaining to the Grid Operations. It shall also initiate an enforcement process for any perceived violations of *Grid Code* provisions and recommend to the *ERC* the appropriate fines and penalties for such violations.

Independent means a person that is considered as independent of the Philippine electric power industry, in accordance with the criteria set forth in *WESM Rules* 1.4.2.7.

Market Manual means a manual of specific procedures, systems and protocols for the implementation of the *WESM Rules* and for the *PEM Committees*.

Manual refers to this *Technical Committee Market Manual*.

Market Information Website means the website for the publication of information and results of the WESM established in accordance with the *WESM Rules*.

Market Surveillance Committee (MSC) refers to the *PEM Committee* appointed by the *PEM Board* to monitor and report on activities in the spot market in accordance with the *Market Surveillance Market Manual*.

Metering Services Provider refers to a person or entity authorized by the *ERC* to provide metering services and registered with the Market Operator in that capacity in accordance with *WESM Rules* Clause 2.3.6.

PEM Auditor refers to the auditor appointed by the *PEM Board* under *WESM Rules* Clause 1.4.6 to undertake functions set out in *WESM Rules* Clause 1.5.

PEM Board refers to the Board of Directors of the *PEMC* that is responsible for governing the WESM.

PEM Committee refers to a Committee duly provided for under the *WESM Rules* and such other committees created by the *PEM Board* from time to time, including for purposes of this *Manual*, the *PEM Auditor*, the *Technical Committee* and the *Market Surveillance Committee*.

PEMC refers to the Philippine Electricity Market Corporation, a non-stock, non-profit public-private partnership that governs the wholesale electricity spot market (WESM).

PEMC Charter refers to the Articles of Incorporation and By-Laws of the *PEMC*, as approved by the Securities and Exchange Commission on 18 November 2003, and as they may be amended from time to time.

Rules refers to the *WESM Rules*.

Rules Change Committee refers to the committee established by *WESM Rules* Clause 8.2 to review and propose amendments to the *WESM Rules*.

System Operator refers to the party identified as the *System Operator* pursuant to the *Grid Code* which is the party responsible for generation dispatch, the provision of ancillary services, and operation and control to ensure safety, power quality, stability, reliability and security of the grid.

Technical Committee refers to the committee whose members are appointed by the *PEM Board* to monitor and review technical matters under and in relation to the *WESM Rules*, the *Grid Code* and *Distribution Code*, in accordance with *WESM Rules* Clause 1.7.

Trading Participant is a person or entity registered with the Market Operator in accordance with *WESM Rules* Clause 2.3.3 as either a customer or a generation company.

WESM Objectives refers to the objectives of the spot market as defined in *WESM Rules* Clause 1.2.5.

WESM Member means a person who is registered with the Market Operator in accordance with *WESM Rules* Clauses 2.3 and 2.4, and that includes Trading Participants, *Metering Services Providers*, Network Service Providers, Ancillary Services Providers and the *System Operator*.

2.2. INTERPRETATION AND CONSTRUCTION

- 2.2.1. Any Annex to this *Manual* shall be considered an integral part hereof.
- 2.2.2. Any reference to "this *Market Manual*" or "this *Manual*" is a reference to the whole of this *Technical Committee Market Manual*, including all its Annexes.
- 2.2.3. The singular includes the plural and vice versa.
- 2.2.4. The words "such as", "include", "including", "for example" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not limit or prejudice the generality of any foregoing words.
- 2.2.5. Headings in this *Manual* are for convenience only and shall not affect the construction and interpretation of the provisions of this *Manual*.
- 2.2.6. Any reference to any law, regulation made under any law, rules or codes shall be to that item as amended, modified, revised or replaced from time to time.
- 2.2.7. Unless otherwise stated or contextually inherent, any reference to a numbered rule corresponds to that clause in the *WESM Rules*.
- 2.2.8. The provisions in this *Manual*, the *WESM Rules* and other *Market Manuals* shall be read, construed and interpreted in such a manner as to harmonize and reconcile each and every provision thereof. In the event of inconsistency, the *WESM Rules* shall prevail.
- 2.2.9. Should any provision of this *Manual* be declared invalid or nullified by any court or authority of competent jurisdiction, the other provisions not affected by the declaration of invalidity or nullity shall continue to be in full force and effect.
- 2.2.10. If part of a provision of this *Manual* is invalidated or nullified by any court or authority of competent jurisdiction, but the rest of the provision remains valid even if part of the wording was deleted, the provision shall apply with such minimum modification as may be necessary to make it valid and effective and to most closely achieve the result of the original wording but without affecting the meaning or validity of any other provision of this *Manual*.

SECTION 3 THE TECHNICAL COMMITTEE
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3.1. RESPONSIBILITIES

3.1.1. The *Technical Committee* shall primarily assist the *PEM Board* and the *DOE* in the formulation of policies that will help the achievement of the *WESM objectives* of establishing a sustainable, competitive, efficient, transparent and reliable market for electricity where:

- (a) An atmosphere of transparency and fair competition exists among *WESM Members*;
- (b) Trading of electricity is facilitated among *WESM Member* within the spot market;
- (c) Qualified third parties are granted Open Access to the power system in accordance with the EPIRA;
- (d) Prices are governed as far as practicable by commercial and market forces; and
- (e) Efficiency is encouraged.

3.1.2. The *Technical Committee* shall from time to time as necessary and appropriate, and whenever the *PEM Board* directs:

- (a) Monitor technical matters relating to the operation of the spot market.
- (b) Provide a report to the *PEM Board* on any matter of a technical nature relating to any *WESM Member* which, in the reasonable opinion of the *Technical Committee*, causes:
 - i. That *WESM Member* to be unable to comply with the *WESM Rules*; or
 - ii. Unintended or distortionary effects to the operation of the WESM.

Provided further that, the concerned *WESM Member* shall be immediately notified in writing with regard to the result/s of said report.

- (c) Assist the *PEM Board* by providing expertise in relation to:

- i. Metering technology and metering data;
 - ii. Information technology; and
 - iii. Any other matter of a technical nature relating to the spot market.
 - (d) From time to time if the *Technical Committee* in its discretion deems necessary or appropriate, propose amendments to the *WESM Rules* in relation to technical matters, in accordance with Chapter 8 of the *WESM Rules* to:
 - i. Improve the efficiency and the effectiveness of the operation of the spot market; and
 - ii. Improve or enhance the prospects for the achievement of the *WESM objectives*.
 - (e) Assist the *Rules Change Committee* in relation to its assessment of Proposals of a technical nature to amend the *WESM Rules* under Chapter 8.
- 3.1.3. Upon request, provide the *PEM Board* with recommendations on matters referred to the committee;
- (a) Assist the *PEM Board*, *PEM Committees* and *PEMC* with any request for technical review or study deemed to be under the expertise of the *Technical Committee*;
 - (b) Assist the *PEM Audit Committee* in the conduct of Audits in matters needing its technical expertise; and
 - (c) Assist a *WESM Member* with any technical-related request in accordance with Section 4 of this *Manual*.

3.2. SELECTION AND APPOINTMENT

The selection and appointment of the *Technical Committee* members shall be in accordance with the Guidelines Governing the Constitution of the *PEM Board Committees*.

3.3. REPORTS

3.3.1. The *Technical Committee* shall prepare an *Annual Report* to be submitted to the *PEM Board* not later than three (3) months from the end of the calendar year. The report shall cover the accomplishments and pending issues and activities of the *Technical Committee* for the stated period. It shall also include the work plan of the *Technical Committee* for the succeeding calendar year.

- 3.3.2. As necessary and appropriate or whenever the *PEM Board* directs, the *Technical Committee* shall submit a report to the *PEM Board* in relation to its responsibilities specified under Section 3.1 of this *Manual*.

3.4. PUBLICATION

- 3.4.1. The *Technical Committee* shall publish its *annual report* and work plan in the *market information website* within the first quarter of the following year.

Subject to the provisions under Section 6 of the *Technical Committee Market Manual*, the *Technical Committee* shall publish its technical reports in the *market information website*. The WESM Helpdesk shall inform *WESM Members* once the technical report is published in said website.

- 3.4.2. Reports that require approval or confirmation by the *PEM Board* shall be published only upon approval of the *PEM Board*.

SECTION 4 REVIEW OF TECHNICAL MATTERS
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4.1. COVERAGE AND SCOPE

The *Technical Committee* shall conduct technical reviews and studies in relation to:

- (a) Power plant technical parameters;
- (b) Transmission technical parameters;
- (c) Metering technology and metering data;
- (d) Information technology;
- (e) Matters of technical nature that led to non-compliance of any WESM Participant, and/or distortionary effects to the WESM operation;
- (f) Improvements and new trends in technology relating to the WESM that may enhance efficiency and effectiveness of the operation of the spot market and the prospects for the achievement of the *WESM objectives*; and
- (g) Any other matter of a technical nature relating to the spot market.

4.2. NATURE OF REVIEW OR STUDY

In accordance with Section 4.1 of this *Manual*, the *Technical Committee* shall address the requests for technical review or study which may be in the nature of any of the following:

- (a) *Rules or Manual Review*;
- (b) Incidents or Case Study;
- (c) Position Paper; or
- (d) Other nature of requests that the requesting party specifies.

4.3. PROCEDURES

4.3.1. The *Technical Committee* shall conduct technical reviews and studies as requested by the *PEM Board*, *DOE* and *ERC*.

4.3.2. Any request for technical review or study from *PEM Committees*, *PEMC* or a *WESM Member* shall be submitted to the *Technical Committee*, addressed through the Market Assessment Group, using the prescribed Request Form (Annex A).

4.3.3. Upon receipt, the Market Assessment Group shall acknowledge receipt of the request for review or study, within five (5) working days.

The request shall be included in the agenda in the next *Technical Committee* meeting during which the *Technical Committee* shall decide whether or not to accept the request, pursuant to Section 4.1 Coverage and Scope as defined in this *Manual*, and the timeline for the review or study, as applicable, during the meeting.

4.3.4. Within fifteen (15) working days from the meeting when the request was discussed, the *Technical Committee* shall advise the requesting party in writing, of its action on the request, together with information on the estimated length of time the *Technical Committee* will take to complete the requested review or study, in case the study falls within the Coverage and Scope as defined in Section 4.1 of this *Manual* for *Technical Committee Studies*.

If the *Technical Committee* does not communicate its action in writing within said time, then the *Technical Committee* is deemed to have accepted the request provided it is within the Coverage and Scope as defined in Section 4.1 of this *Manual*.

- 4.3.5. In instances when the review or study cannot be finished within the estimated time, the *Technical Committee* shall advise the requesting party, in writing, prior to the original target date, the revised target of completion of the review or study explaining the reason for the revised target date.
- 4.3.6. In the course of the conduct of its review or study, the *Technical Committee* may coordinate with other parties, if deemed necessary. All meetings or requests for information related to the review or study shall be coursed through the Market Assessment Group.
- 4.3.7. The completed technical review or study shall be transmitted to the requesting party within two (2) weeks after its completion for its information and necessary actions. A copy of the technical review or study shall be transmitted to the *PEM Board* for its information and proper action.

SECTION 5 ACCESS TO INFORMATION AND DATA MANAGEMENT
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- 5.1. To perform its functions and achieve its objectives, the *Technical Committee* shall have the authority to request and access any relevant data, information, report or document that a *WESM Member*, Market Operator and *System Operator* may have in its possession.
- 5.2. A request for information by the *Technical Committee* shall:
 - (a) Be in writing;
 - (b) Indicate the reason of the request;
 - (c) Specify the document or information requested and, when applicable the format;
 - (d) Specify reasonable time within which the information must be provided; and
 - (e) Provide other relevant information or clarification to ensure that the recipient understands the request.

SECTION 6 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

- 6.1. The disclosure of information by the *Technical Committee* shall be guided by the applicable provisions under the *WESM Rules* and relevant *Market Manuals*.
- 6.2. The *Technical Committee* shall disclose true and complete information. If any information disclosed is found to be false, incomplete, or misleading, the *Technical Committee* must immediately take steps to correct it.
- 6.3. The *Technical Committee* may disclose information in certain circumstances:
- (a) Information that is not confidential may be disclosed such as information that is generally and publicly available;
 - (b) Confidential information on the basis of a formal undertaking by the recipient that the information will not be disclosed to another person and that the information will only be used for the purpose for which it was provided in the following circumstances:
 - i. To an external professional adviser, auditor or other consultant of the *Technical Committee* for the purpose of carrying out its functions;
 - ii. If it is necessary in order to fulfill the lawful requirements of or is in connection with, legal proceedings, arbitration, expert determination or other dispute resolution mechanisms relating the *WESM Rules*;
 - (c) Confidential information on the basis that:
 - i. It has written consent of the person or entity who provided the information and from the person or persons about whom that information relates; and
 - ii. It is required to the extent required to protect the safety of personnel or equipment.
- 6.4. If deemed necessary, the *Technical Committee* may come up with a public version of its reports to ensure that confidential reports or information are not disclosed.
- 6.5. If a *WESM Member*, the *System Operator*, or the Market Operator marks or claims that a document or information requested is confidential then:
- (a) The party shall provide the *Technical Committee* with the reasons that justify such confidentiality treatment; and

- (b) The *Technical Committee* will review the confidentiality claim and if the claim is valid, the requirements for protection of such document or information, shall be taken as may be necessary to ensure the confidentiality and commercial value.

SECTION 7 LIMITATION OF LIABILITY AND INDEMNIFICATION
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- 7.1. In performing its functions and responsibilities as contained in this *Manual*, a *Technical Committee* member shall not be personally liable for any loss or damage suffered or incurred by a *WESM Member*, the *System Operator*, the Market Operator or any other person as a consequence of any act or omission of those persons in the performance of their functions unless the *Technical Committee* member, as the case may be, acted with malice, manifest partiality, bad faith, gross incompetence or gross negligence.
- 7.2. Except for liability arising out of conduct involving malice, manifest partiality, bad faith, gross incompetence or gross negligence, if the *Technical Committee* member is made liable to pay any amount for loss or damage suffered or incurred by any person or entity as a consequence of any of its acts or omissions in the performance of its duties, the *PEMC* shall indemnify said persons through an indemnification process to be developed by the *PEM Board*. Said indemnification shall cover:
 - (a) The full amount adjudged; and
 - (b) The costs and expenses incurred by the *Technical Committee* member, as applicable, in defending itself in the related proceeding(s).

TC-RSTR FORM A

TC-RSTR-YYYY-XX

REQUEST FOR TECHNICAL STUDY/ REVIEW

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

This request for technical study or review can be submitted to:

TECHNICAL COMMITTEE
 Thru: **Market Assessment Group**
 Philippine Electricity Market Corporation
 19/F Robinsons Equitable Tower
 ADB Avenue, Ortigas Center
 Pasig City, 1605 Philippines
 Email addresses: mag@wesm.ph
 Fax Number: (+632) 395-2704

I. Requesting Party

Name	<input type="text"/>
Designation	<input type="text"/>
Signature	<input type="text"/>
Company	<input type="text"/>
Company Address	<input type="text"/>
Telephone Number	<input type="text"/>
Fax. No.	<input type="text"/>
Email address	<input type="text"/>

Date Received by MAG:

**For MAG use only**

TC-RSTR FORM B

TC-RSTR-YYYY-XX

Date of Endorsement to the TC:

Actions Taken By TC:

TC Resolutions: