



Market Surveillance Committee Quarterly Accomplishment Report

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This Report is prepared by the
Philippine Electricity Market Corporation –
Market Assessment Group for the
Market Surveillance Committee

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I. Introduction

Pursuant to Section 1.6.2 of the WESM Rules and Section 6.2.1 of the previous Market Surveillance, Compliance and Enforcement Market Manual (MSCEMM) and now Section 3.1 of the Market Surveillance Manual Issue 1¹, the Market Surveillance Committee (MSC) carried-out its mandate in the monitoring and assessment of market outcomes in the WESM and in the Retail Market² with the PEMC-Market Assessment Group (MAG) as its primary support unit. The MSC also reviewed the compliance and investigation reports that were prepared by the Enforcement and Compliance Office (ECO) until October 2021 since the function has been transferred to the Compliance Committee effective November 2021.

In performing its responsibilities, the MSC conducted regular monthly and special meetings, and frequently communicated through email and other platforms to deliberate on various market issues.

For the duration of the covered period, the MSC continued to conduct online meetings, following the National Government's implementation of quarantine measures during the COVID-19 Pandemic. Accordingly, during the 4th quarter of 2021, the MSC conducted three (3) regular and one (1) special³ meetings, which were all held online.

Accomplishments of the MSC during the covered period are outlined in the succeeding sections of this Report.

II. Accomplishments

1. Activities on Market Monitoring and Assessment

1.1. Monitoring and Assessment of Market Outcomes in the WESM

Pursuant to MSM Section 3.1 (b)⁴, the MSC continued its monitoring and assessment of market outcomes, as well as the bidding behavior, of generator-trading participants (TPs).

The Market Assessment Report is prepared for the purpose of monitoring and assessing the efficiency and competitiveness of the WESM under different timescales and market conditions. The periodic Reports include an assessment of market behavior, through the analysis of market monitoring indices, as contained in the Catalogue of Market Monitoring Data and Indices (CMMDI).

¹ Effective 23 October 2021

² Section 1.5.1, Retail Rules: *The provisions of Chapter 1 of the WESM Rules shall apply with respect to the governance of the integration of retail competition in the WESM, the operations of the Central Registration Body, and the participation and transactions in the WESM of Suppliers and Contestable Customers.*

³ MSC (Regular) Meeting No. 2021-10 held on 18 October 2021; MSC (Special) Meeting No.2021-11 held on 26 October 2021; MSC (Regular) Meeting No. 2021-12 held on 18 November 2021; and MSC (Regular) Meeting No. 2021-13 held on 16 December 2021.

⁴ MSM Section 3.1(b): *The MSC shall have following responsibilities: (a) xxx; (b) prepare and submit monthly monitoring reports, quarterly retail market monitoring reports, annual reports; xxx*

1.1.1. Monthly Market Assessment Reports

During the quarter, the MSC assessed WESM results for the billing months of July 2021 to August 2021, as discussed in the Monthly Market Assessment Reports prepared by MAG and reviewed and adopted by the MSC.

Billing Month	MSC Observation Highlights
July 2021	<p>Monthly average price rose by 0.6% from PHP6,919/MWh in June 2021 to PHP6,963/MWh in July 2021. Correspondingly, the MSC noted the impositions of Secondary Price Cap on some intervals from 1-3 and 12-13 of July 2021, and MO-initiated market intervention event on 28 June 2021. In addition, SPEX Malampaya gas supply restriction was still imposed during the period effectively derating Ilijan NGPP by around 438MW since 22 March 2021. There were issuances of Yellow Grid Status Alert on 13 July 2021 (1100H, 1300H, 1400H) due to insufficient operating reserve which was later lifted at 1310H. Price separation of Negros and Panay to the rest of the grid was noticeable during the billing period.</p>
August 2021	<p>Deration in the available capacity of Ilijan NGPP due to the SPEX Malampaya gas restriction was still observed since 22 March 2021. SPEX Malampaya gas supply restriction was lifted on 14 June 2021 but was reinstated on 19 June 2021. There was an observed extreme nodal price separation of Negros, Bohol, and Panay TPs from the rest of the grid. The MSC likewise noted the generator ramping limitations resulting from the adjustment of trading participants in the Enhanced WESM Design and Operation (EWDO).</p> <p>Increased generation from the more expensive power plants resulted to high market prices. Correspondingly, 48 price spikes and 16 interesting pricing events were observed during the billing month. Yellow and Red Alert notices were likewise issued by the NGCP-System Operator during the month.</p> <p>Secondary Price Caps were imposed, and a Market Intervention was declared by the Market Operator on 18-19, 21, and 24-25 August due to non-generation of RTD schedule and partial blackout.</p> <p>Monthly average price declined by 30 percent from PHP6,963/MWh in July 2021 to PHP4,853/MWh in August 2021.</p>

The MSC noted that the monthly market assessment report is affected by the delay in the data and procedural concerns between IEMOP to PEMC since the launching of the EWDO on 26 June 2021, which resulted in the late processing of data for the Market Assessment Report Constraints for July and August 2021.

1.1.2. Review of Generator Portfolio Analysis for 2020

Pursuant to the WESM Rules and the Market Surveillance, Compliance and Enforcement Market Manual (MSCEMM), the Market Assessment Report is prepared for the purpose of monitoring and assessing the efficiency and competitiveness of the WESM under different timescales and market conditions. With this, the MSC reviewed the result of the Generator Portfolio Analysis which provides for an overview of the structure and competition in the Wholesale Electricity Spot Market (WESM) for the year 2020 (26 November 2019 to 25 November 2020) through the assessment of the market share, trading behavior, and spot exposure of major participant groups.

While the year 2020 was marked by unusual events affecting the market outcomes and trading behavior of the participants, the report aims to provide for the results and trends in the portfolio-level behavior of the major participant groups in the WESM. Major participant grouping of the generators were based on the information obtained through research using General Information Sheets (GIS) from the Securities and Exchange Commission (SEC), Philippine Competition Commission decisions, and Corporate Annual Reports among others.

The Generator Portfolio Analysis was finalized for submission to DOE and ERC on 23 December 2021.

1.1.3. Review of Interesting Pricing Events in June 2021

The MSC assessed the results of the interesting pricing events for the period 26 June to 25 July 2021 using the combination of market monitoring triggers and indices. The highlights of which were presented to the MSC during its Regular Meeting held on 18 November 2021. The MSC has taken note of the eleven (11) interesting pricing events for peak hours and five (5) interesting pricing events for off-peak hours, and the assessment that all those which that breached the upper thresholds for the rainy season during the occurrence of thin supply margin during the covered period which subsequently caused the interesting pricing events. In general, the offer patterns of the price setting plants showed that majority of the plants do not have changes in their offer behavior. Some plants have shown increase in their offer price while only a small fraction decreased in prices.

The revised reports incorporating the assessment, and the additional comments and suggestions by the Committee on the abovementioned market intervention events will be resubmitted by MAG for the final review and approval of the body prior to the submission of the same to the DOE and ERC.

1.1.4. Assessment of Over-Riding Constraints

Similar with the Market Assessment Report, the monitoring of over-riding constraints for the same period is likewise affected by the delay due to data and procedural concerns between IEMOP to PEMC since the launching of the EWDO on 26 June 2021, which resulted in the late processing of data for the Market Monitoring Report on Over-Riding Constraints for July 2021.

Pursuant to MSCEM Section 3.1 (b)⁵, the MSC reviewed the assessment results on the over-riding constraints imposed on generator-trading participants for the period 26 June to 25 July 2021. Some assessment highlights are as follows:

- All events were categorized under non-security limit, mainly related to the conduct of testing and commissioning (T&C).
- Similar with the previous months or during the 1-hour market, majority of the over-riding constraints were imposed on Solar and Biomass plants mainly due to the conduct of testing and commissioning (T&C).
- Majority of the non-security limit events were due to T&C involving plants which exceeded the prescribed maximum allowable period for test and commissioning (2 months) as prescribed under the ERC Resolution No. 16. Series of 2014.

The MSC was apprised of the conducted several meetings with IEMOP to identify and resolve the issues as to the reason of prolonged T&C period of the monitored plants. The Committee likewise discussed the updates provided by the Independent Electricity Market Operator of the Philippines (IEMOP), upon the MSC's request, on the status of plants on testing and commissioning.

1.1.5. Review of Proposed Penalty and Sanctions for the Violation / Breach during the Expired Testing and Commissioning Status of Plants

The MSC discussed the MAG and ECO's initial proposed penalty or sanctions for the violation / breach of plants during their expired testing and commissioning status in consideration of the area for possible sanctions reviewed concerning the 1) non-compliance with the 2-month T&C without cause; and 2) non-compliance with the 0MW RTD schedule. The said proposal was in relation to the Committee's initiative to review and proposed amendments to the rules to incorporate possible penalty and sanctions to plants which violated the provisions of the DOE DC2021-06-0013.

The MSC provided its comments and inputs to the proposed penalty and emphasized the need to conduct further study on the matter especially for the basis of the penalty to be imposed. The Committee was likewise informed of the comments and suggestions made by the Compliance Committee and the ongoing efforts of PEMC to undertake a study for the schedule of penalties of such breach.

1.1.6. Review of Market Intervention Events in May, June, August, September and October 2021

The MSC discussed the results of MAG's assessment on the market intervention events occurred in May, June, August, and September 2021 in consideration with the conducted meeting with the

⁵ MSM Section 3.1(b) *The MSC shall have following responsibilities: (a) xxx; (i) Review Over-Riding Constraints; xxx*

National Grid Corporation of the Philippines (NGCP)-System Operator (SO) and the Independent Electricity Market Operator of the Philippines (IEMOP) to discuss the following market intervention (MI) events:

Initiated by	Date	Interval/s	Region Affected	Reason
SO	31 May 2021	1400H to 1700H	Luzon	Generation deficiency leading to Manual Load Dropping (MLD)
SO	1 June 2021	1100H to 1700H	Luzon	Generation deficiency leading to Manual Load Dropping (MLD)
MO	16 June 2021	1800H to 2100H	Luzon and Visayas	Non-generation of RTD schedules due to MMS hardware failure
MO	28 June 2021	1340H	Luzon, Visayas, and Mindanao	Non-generation of RTD schedules due to MMS software failure
SO	21 August 2021	00:00 to 06:30	Visayas	Partial System Blackout
MO	21 August 2021	12:50 to 12:55	Luzon, Visayas, and Mindanao	Non-generation of RTD schedules due to software-related failure
MO	24 August 2021 25 August 2021	23:45 00:40	Luzon, Visayas, and Mindanao	Software-related errors
MO	04 September 2021	23:45	Luzon, Visayas, and Mindanao	Non-generation of RTD schedules due to software-related failure
SO	02 October 2021	0950H to 1100H and 1630H to 1710H	Visayas	Total Blackout in Bohol
SO	05 October 2021	0600H to 2045H	Visayas	Multiple line tripping and plant outage in Panay and Negros sub-grids

The revised reports incorporating the assessment and the additional comments and suggestions by the Committee on the abovementioned market intervention events will be resubmitted by MAG for the final review and approval of the body prior to the submission of the same to the PEM Board for information.

The MSC discussed the SO-initiated event which occurred on 13 September 2021 from 1515H to 1525H affecting the Visayas region and was classified as force majeure due to SCADA data error. The said intervention event was initially declared by the Market Operator (MO) but was later on clarified as SO-initiated event. However, the SO's representatives contended that they did not issue nor initiate the intervention event. With this, the MSC agreed for MAG to meet with both SO and MO to discuss and clarify the matter.

1.1.7. Discussion of Technical Committee's Response to MSC Study Request on the SO-Initiated Market Intervention Events

The MSC discussed the content of the Technical Committee's review in relation to the study request on the SO-initiated Market Intervention Events. The said review contains the TC's (1) review on the SO criteria for the determination / calculation of available capacity and for the subsequent declaration of the red and yellow alerts, (2) review of SO's test completion and acceptance procedure on plants that underwent testing and commissioning, and (3) the review of the adequacy and clarity of some provisions in the WESM rules relative to the SO-initiated MI events on grounds of Emergency / Threat to System Security.

The MSC thanked the TC through a formal letter for its insights and key points in relation to the study request.

1.1.8. Approval of the Proposed Catalogue of Market Monitoring Data and Indices

As presented by MAG in a manual format, the MSC finalized its discussion, and approved the proposed Catalogue of Market Data and Indices (CMMDI) Issue 2.0, including the additional indices proposed to be included, following the MAG's final review undertaken for the proposal. The objectives of the additional indices are to monitor unusual market outcomes, enhancement of the current list of monitoring data and indices, which are currently used but not incorporated in the CMMDI and are likewise involved indices related to the EWDO.

After the discussion, the MSC approved the Catalogue of Market Monitoring Data and Indices Issue 2.0 as well as the draft MSC resolution on the Approval and Promulgation of the said catalogue. This will serve as the MSC's guide in analyzing the monitoring data and other information collected in connection with its market surveillance functions. The Catalogue shall take effect immediately, upon publication in the PEMC website.

1.2. Monitoring and Assessment of the Retail Competition and Open Access (RCOA) Market

Pursuant to the Catalogue of Retail Market Monitoring Data and Indices (CRMMDI) Section 3.1.2⁶, the MSC monitored and assessed the performance of the Retail Market, as provided for under the Retail Market Assessment Report, which discusses the results of retail monitoring indices and provides indications on how the retail market performed during the period in review.

⁶ CRMMDI Section 3.1.2 *The Market Surveillance Committee shall have the following responsibilities: 3.1.1 xxx; 3.1.2. Review the retail market monitoring indices and reports submitted by the Market Assessment Group. Xxx*

1.2.1. Retail Market Assessment Report for Q3 2021

The MSC reviewed the Retail Market Assessment Report on the RCOA Market covering the billing period 26 June to 25 September 2021, as submitted by MAG (MAG-RMAR-2021-03). Some highlights of the Report are as follows:

- The RCOA Market registered an additional 185 Contestable customers, thus increasing the total number of CCs with Certificate of Contestability that are registered in the market as of September 2021 to 1,751. The increase in the registration activities were observed due to the ERC's expanded RCOA implementation which lowered the contestability threshold level at 500kW to 749kW starting 26 February 2021.
- By region, it is noted that 89% of the total registrants are from Luzon, while the remaining 11% is from the Visayas. By industry type, 53% of the registrants are the commercial customers while 47% are industrial customers.
- The MERALCO Group remained the top entity on both measures (number of engaged CCs and total consumption) at 38%, which is attributable to increasing participation in the new threshold level and with leniency in the government's implementation of protocols thereby allowing more economic activities in the load center, respectively.
- The consumption of the customers during the period in review, notably decreased compared to the previous quarter which may be attributed to the on-set of rainy seasons and the cold season on the latter part of the year, causing the diminished consumption.
- Calculations based on the Herfindahl-Hirschman Index (HHI) indicated a concentrated market based on the number of CCs and CC consumption.

The RMMR for Q3 2021 was approved by the MSC to the submitted to the PEM Board, the DOE and the ERC and for publication in the PEMC website.

1.2.2. Review of the Supreme Court Decision on the RCOA Market

The MSC has taken note the summary of discussion of the events that transpired in the Supreme Court decision (GR 228588) on the implementation of the Retail Competition and Open Access (RCOA) market in the Philippines, which involved consolidated Petitions from electricity end users and electric cooperatives seeking to declare DOE DC2015-06-0010 and ERC Resolution Nos. 5,10, 11, and 28, all series of 2016, unconstitutional for usurping legislative authority, violating the right of due process, equal protection clause, and non-impairment clause, as well as being an unreasonable exercise of police power.

Essentially, the current operation of the RCOA market having the nature of voluntary participation of the Contestable Customers was affirmed by the Supreme Court.

1.3. External Meetings and Coordination Initiatives

1.3.1. Meeting with NGCP-SO to Review Market Intervention Events

On 18 October 2021, the MSC held a meeting with the NGCP-System Operator (SO) to discuss the Market Intervention (MI) events that were declared in September and October 2021, as follows:

Initiated by	Date	Interval/s	Region Affected	Reason
SO	13 September 2021	1515H to 1525H	Visayas	Erroneous nodal load at Sta Barbara substation
SO	02 October 2021	0950H to 1100H and 1630H to 1710H	Visayas	Total blackout
SO	05 October 2021	0600H-2050H	Visayas	Multiple line tripping and plant outages

Relative to the SO-initiated MI events on 13 September 2021, the MSC requested PEMC-MAG to further review and verify the tagging of the concerned MI if it should be SO-initiated or MO-initiated. The said clarification will enable MSC to properly reflect the incident in the Review Report which is for submission to the PEM Board. Following the discussion, the MSC likewise sought for a copy of the result of their investigation for 02 October 2021 MI on the observed generation imbalance during the period, for the Committee's reference in drafting its review report.

The MSC agreed to further enhance its own Review Report, giving out specific instructions for the MAG to consider in its draft. The MSC then requested MAG to make the necessary revisions for the MSC's review and approval.

1.3.2. Meeting with IEMOP on the Impact of Cebu-Negros Congestion due to Damages Submarine Cable

The MSC convened a meeting with IEMOP to discuss the impact of the Cebu-Negros Congestion due to Damaged Submarine Cable which resulted to the power rate spike in the subject area, including the assessment on the concerns on high Line Rental charges submitted by MORE Electric and Power Corporation. As requested by the MSC, PEMC-MAG presented the rules and mechanism regarding Line Rental (LR) as well as the revisions made on the LR calculation under the EWDO. The MSC has taken note the short-term, medium-term, and long-term solutions for the issue, following the series of meetings by the concerned agencies on the matter.

With the invitation of the Committee, representatives of IEMOP also presented their assessment on the impact of the Cebu-Negros congestion caused by the damaged submarine cables which the MSC has taken note of upon conclusion of the presentation.

1.3.3. Meeting with IEMOP to Discuss the FTR Module of the NMMS

The MSC organized a meeting with the Market Operator to provide a brief and walk-through on the Financial Transmission Rights Module in the New Market Management System (NMMS).

In relation to the activities pertaining to FTRs, the MSC was apprised that it is included in PEMC's roadmap on the market developments as well as in the line-up of activities by the Market Operator. With the noted efforts of both entities towards the operation of the FTRs, the Committee requested PEMC to closely collaborate with IEMOP on this and to regularly provide updates on the development or progress of the said activities.

1.3.4. Meeting with NGCP-SO for Updates on the Transmission Development Plan (TDP)

With the invitation from the MSC, the representatives of NGCP-SO presented for the Committee's information and reference the relevant updates of the three (3) major Visayas transmission line projects, namely the Cebu-Negros-Panay transmission backbone, Cebu-Bohol Interconnection Project, and Mindanao-Visayas Interconnection project, that will be completed until the year 2023 which intends to, among others, address the congestion in the region causing significant effects in the market outcomes. The provided information was noted by the Committee.

1.3.5. Meeting with IEMOP re WESM Data Availability Concerns

The MSC, as one of the governance committees of the WESM, is tasked by the WESM rules and Market Surveillance Manual issue 1.0 to undertake market monitoring and assessment activities, and to submit corresponding reports providing for its analyses to the appropriate bodies. The Committee was apprised by PEMC – Market Assessment Group (PEMC-MAG) of the circumstance on the incomplete and inaccurate data transmitted by IEMOP to PEMC which prevented the Committee's analyses required by the Rules and Manuals. Considering the foregoing, the Committee invited IEMOP for a discussion to resolve the matter which occurred on 18 November 2021. Following the discussion, several clarificatory matters were agreed to be further resolved between PEMC and IEMOP, in order for the reports to be submitted in compliance with the requirements of the Market Rules and Manuals.

2. Activities on Compliance and Enforcement

2.1. Review of Compliance Monitoring and Assessment

Compliances of Generator-Trading Participants (TP) with the Real Time Dispatch (RTD) schedule, the Must Offer Rule (MOR) and the rule on the Nomination of Loading Levels and Projected Output (NOM) for the August 2021 billing month, were deliberated upon by the MSC.

The CMAR is a result of the daily compliance monitoring activities by the ECO after assessing the generator-TPs' compliance with the RTD schedule and MOR. The ECO's monitoring activity was carried out by issuing Daily Compliance Notices to the generator-TPs that are initially flagged for possible non-compliance, and by validating and assessing the generator-TPs' explanations in the

Significant Event Report Form and Dispatch Discrepancy Report Form, supporting documents, and other market data or reports from the MO and SO.

The ECO explained that they are continuing to issue Compliance Monitoring and Assessment Report (CMAR) to generator-trading participants. It was further explained that the ECO shall continue to issue Compliance Monitoring and Assessment Reports (CMAR) to generator-trading participants with penalties as computed by the CPEMS. However, participants were advised to disregard the computed penalties in view of the exemption provided by the DOE DC2021-06-0015.

The MSC also further noted ECO's monitoring of the trading participants compliance with the DOE DC2021-06-0013. It has taken note that the department circular contains provisions about the consequences or impact of the expiry of the maximum allowable period for T&C as well as the procedures to be observed upon expiration of the Provisional Certificate of Approval to Connect (PCATC) or the conduct of T&C (i.e., disallowing payments for any injected energy) but the guidelines on the provisions of penalties and sanctions are yet to be identified. ECO also informed the MSC on the publication of the DOE Department Circular adopting the Revised Penalty Manual effective 23 October 2021.

As part of the additional responsibility provided in the DOE DC, the MSC requested the assistance of MAG and ECO in the preparation of the proposed amendments to the WESM Rules to incorporate relevant provisions of the aforementioned DOE DC.

2.2. Review of ECO Investigation Reports

The MSC deliberated upon ECO Investigation Reports (IRs) that were submitted by the ECO during the quarter. The ECO IRs covered the non-compliances of generator-trading participants with the Real Time Dispatch (RTD) schedule, the Must Offer Rule (MOR) and the rule on the Nomination of Loading Levels and Projected Output (NOM).

The MSC reviewed the submitted ECO IRs with respect to: (a) the ECO's compliance with the procedures set forth in the Market Surveillance, Compliance and Enforcement Manual (MSCEM) for the conduct of investigation, and (b) the validity and completeness of the data and documents upon which factual findings are based, pursuant to Section 10.7 of the MSCEM.

For the covered period during its regular monthly meetings, the MSC completed its review on the following:

MSC Meeting	ECO IRs Reviewed and Deliberated-Upon
26 October 2021	Five (5) consolidated ECO Investigation Reports, three (3) of which were possible non-compliances with RTD schedule/instruction, while the remaining two (2) were cases involving non-compliances with the Must Offer Rule.

Accordingly, the MSC submitted and presented to the PEM Board the result of its review and its recommendations on the above ECO IRs, which were then deliberated upon and approved by the PEM Board.

2.3. Review of the Request for Reconsideration by by One (1) power plant of the Decision of the PEM Board on PNI Case No. 2014-0308 and 2014-0830

As a backgrounder, ECO informed the Committee on the investigation result concerning one (1) power plant which was reported to the PEM Board for final disposition last April 2021. On the same meeting, the PEM board resolved to ADOPT the recommendation of the MSC and was subsequently ratified by the Board. With this, ECO proceeded with the issuance of Notice of PEM Board action. However, the concerned power plant wrote a letter for reconsideration of the case addressed to PEMC President.

After the discussion, the MSC agreed to follow the previous procedure and seek clearance from the PEM Board before proceeding with the review of the case. This will be included in the agenda of the November Board Meeting.

2.4. Further Review of the Proposed Filtering Mechanism on the Compliance Post Evaluation Monitoring System (CPEMS)

The MSC approved the ECO's proposed filtering mechanism on the CPEMS for both the Must Offer Rule and the Dispatch Conformance Standards, as earlier submitted by ECO. The Committee likewise approved its Annex containing the 1) list of plants which will be included in the filtering for each of the ECO's criteria, and (2) narrative providing the background or legal bases for each of the criteria.

3. Other Activities

3.1. Review of Internal Rules and Briefing of MSC Rules and Functions for the New MSC Members

Following the transfer of the enforcement and compliance related activities to the Compliance Committee, the MSC reviewed the proposed revisions to the internal rules to delete the transferred responsibilities as well as to reflect clerical and minor revisions of the related provisions for clarity and brevity (e.g., reflection of the new MSC Manual title).

The Committee was likewise provided with a brief information on, among others, the functions and responsibilities of the body as embodied in the relevant Market Rules and Manuals.

The MSC is composed of four (4) members, namely, Engr. Francis V. Mapile, Dr. Peter Lee U, Atty. Doroteo B. Aguila, and Prof. Fernando Martin Y. Roxas. However, effective 01 November 2021, the MSC is now composed of five (5) members, namely Atty. Doroteo B. Aguila (as MSC Chairman),

Prof. Fernando Martin Y. Roxas, Engr. Christian M. Orias, Engr. Ferdinand P. Villareal, and Engr. Peter L. Wallace. On 29 November 2021, Engr. Arthur N. Escalante replaced Prof. Roxas as the member of the MSC following the expiration of its membership.