



MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 1 of 88

ATTENDEES

	Name	Designation/Position	Department/Company
1	Francisco L.R. Castro, Jr.	Member, Independent	RCC
2	Allan C. Nerves	Member, Independent	RCC
3	Concepcion I. Tanglao	Member, Independent	RCC
4	Dixie Anthony R. Banzon	Member, Generation Sector	RCC
5	Cherry A. Javier	Member, Generation Sector	RCC
6	Carlito C. Claudio	Member, Generation Sector	RCC
7	Jessie Victorio	Member (Alternate), Generation Sector	RCC
8	Michelle Tuazon	Member (Alternate), Generation Sector	RCC
9	Ryan S. Morales	Member, Distribution Sector	RCC
10	Ricardo G. Gumalal	Member, Distribution Sector	RCC
11	Nelson M. Dela Cruz	Member, Distribution Sector	RCC
12	Virgilio Fortich, Jr.	Member, Distribution Sector	RCC
13	Lorreto H. Rivera	Member, Supply Sector	RCC
14	Ambrocio R. Rosales	Member, System Operator	RCC
15	Isidro E. Cacho, Jr.	Member, Market Operator	RCC
16	John Mark S. Catriz	MAG Head	PEMC
17	Karen A. Varquez	RCC Secretariat	PEMC
18	Divine Gayle C. Cruz	RCC Secretariat	PEMC
19	Dianne L. De Guzman	RCC Secretariat	PEMC
20	Kathleen R. Estigoy	RCC Secretariat	PEMC
21	Sheryll M. Dy	Proponent	IEMOP
22	Julius Eleazar A. Bunyi	Proponent	IEMOP
23	Karen Anne Siruma	Proponent	IEMOP
24	Jenny I. Jalandoni	Proponent	IEMOP
25	Melanie C. Papa	Observer	DOE
26	Mari Josephine C. Enriquez	Observer	DOE
27	Jhannelyn D. Marasigan	Observer	DOE
28	Marvin Jay D. Masanda	Observer	DOE
29	Eloisa Gipa	Observer	ERC
30	Arturo Villaraza	Observer	ERC
31	Anna Lalaine C. Dela Cruz	Commenter	NGCP
32	Arnold S. Salvador	Commenter	NGCP
33	Ryan Jasper M. Villadiego	Commenter	NGCP
34	James Martin Velasco	Commenter	Meralco
35	Airalyne Enriquez	Commenter	Meralco





MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 2 of 88

Agenda	Agreements / Action Taken / Action Required
I. Call to Order	<ul style="list-style-type: none"> The meeting was conducted via Microsoft Teams and was called to order at 09:04 AM. The meeting was chaired by Mr. Francisco L.R. Castro, Jr. (Member/Independent).
II. Determination of Quorum	<ul style="list-style-type: none"> There were 13 RCC principal members and 2 alternate members in attendance.
III. Adoption of Agenda	<ul style="list-style-type: none"> The provisional agenda of the meeting was approved by the body, as presented. Having no comments received on the presented agenda, Mr. Ricardo Gumalal (Distribution) moved to approve the meeting agenda, which was duly seconded by Ms. Lorreto Rivera (Supply).
IV. Approval of Minutes of Previous Regular Meeting <ul style="list-style-type: none"> 184th Regular Meeting, 17 September 2021 	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Proceedings:</u></p> <p>On item 5.1 page 5, Ms. Concepcion Tanglao (Independent) explained that her understanding was that the PEM Board was asking for guidelines for the engagement of PEMC's Internal Audit Department (IAD) and the external auditors. It was noted that the PEM Audit Committee (PAC) is still working on the detailed guidelines engaging external auditors and IAD and thus the PAC presented a flowchart showing their decision-making when to engage the IAD or an external auditor. She then suggested including the said flowchart in the resolution to at least initially address the concerns of PEM Board.</p> <p>Ms. De Guzman confirmed that comments received from Mr. Carlito Claudio (Generation) were incorporated in the minutes.</p> <p>Having no other comments received, Mr. Virgilio Fortich, Jr. (Distribution) moved to approve the 184th minutes of meeting and was seconded by Mr. Ambrocio Rosales (System Operator). The Secretariat's request to affix the e-signature of RCC Members was also approved by the body.</p>

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MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 3 of 88

Agenda	Agreements / Action Taken / Action Required
V. Matters Arising from Previous Meeting	
5.1. <i>Draft RCC Resolution No. 2021-14: Proposed General Amendments to the WESM Rules and WESM Manuals regarding Enhancements to Market Operator and System Operator Procedures (ORCP-WR-WM-21-07)</i>	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Presentation Material/s:</u> Annex A – Draft Resolution</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz presented the draft resolution to the RCC. The highlights are as follows:</p> <ul style="list-style-type: none"> On Ms. Tanglao's query if the revisions were made from the previously approved urgent amendment, Ms. Cruz responded that the draft resolution provides the salient changes that the RCC made from the previously approved urgent proposal. If the readers opt to read the approved version of the urgent proposal, they may refer to the RCC Resolution 2021-02 dated March 30 which narrates the RCC's approval back then. On Section 4.5.7, added additional reference for clarity. <p>Mr. Castro requested for clarification on the additional reference. Ms. Cruz explained that the specific clause pertains to the changes in the Market Network Model. It was specified that if the change is due to the integration of new model, it shall seek approval from the PEM Board. Ms. Cruz also added that other changes do not require PEM Board's approval and the basis of approval for such changes is incorporated in the internal business process of the Market Operator.</p> <p><u>Resolution:</u> Having no additional comments received on the draft resolution, Mr. Carlito Claudio (Generation) moved for the approval of the resolution and endorsement of the proposal to the PEM Board, which was seconded by Mr. Ryan Morales (Distribution).</p>
5.2. <i>Draft RCC Resolution No. 2021-15: Proposed Amendments to Various WESM Manuals for</i>	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For approval for submission to PEM Board</p>



MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 4 of 88

Agenda	Agreements / Action Taken / Action Required
<p>Improvements to Market Resource Modelling and Monitoring (ORCP-WM-21-04)</p>	<p><u>Presentation Material/s</u>: Annex B – Draft Resolution</p> <p><u>Proceedings</u>:</p> <p>Ms. Kathleen R. Estigoy (Secretariat) presented the draft resolution to the RCC and informed the body that comments were already incorporated. She highlighted that the proposal was discussed several times and that the resolution provides that the proposal reflects the current process and that IEMOP will be submitting another proposal in December to address the concerns raised by the System Operator and Technical Committee Chairperson.</p> <p><u>Resolution</u>: Having no other comments received during the presentation of the draft resolution, Ms. Tanglao moved for the approval of the resolution and endorsement of the proposal to the PEM Board, which was seconded by Ms. Cherry Javier (Generation) and Mr. Ambrocio Rosales (System Operator).</p>
<p>5.3. <i>Draft RCC Resolution No. 2021-16</i>: Proposed Revisions to PEM Board-Amendments to Provisions Related to Audit and Performance Monitoring Under the WESM Rules, Retail Rules, PEM Audit Manual, and Guidelines Governing the Constitution of the PEM Board</p>	<p><u>Presenter</u>: Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested</u>: For approval for submission to PEM Board</p> <p><u>Presentation Material/s</u>: Annex C – Draft Resolution</p> <p><u>Proceedings</u>:</p> <p>Ms. Kathleen R. Estigoy (Secretariat) presented the draft resolution to the RCC and informed the body that comments were already incorporated. Some points were raised, as follows:</p> <ul style="list-style-type: none"> As mentioned by Ms. Tanglao, the PEM Board is looking for the guidelines engaging the services of the external auditors. However, Ms. Estigoy said that during the previous meeting, PAC's intention was to submit separate guidelines by December. This will still undergo the usual rules change process. On Ms. Tanglao's query on why only internal auditors are included in the guidelines for engaging audit services, Ms. Estigoy answered that PAC's intention was to have

A handwritten signature in blue ink is located in the bottom right corner of the page.



MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 5 of 88

Agenda	Agreements / Action Taken / Action Required
	<p>guidelines for special audits only since the usual market audits are already performed by the external auditors.</p> <ul style="list-style-type: none"> • Ms. Tanglao suggested to: <ul style="list-style-type: none"> a) Include the flowchart as an attachment of the resolution to initially address the PEM Board's concern. Ms. Estigoy noted the suggestion and will revise the draft resolution for the inclusion of the flowchart. b) Include the external auditor in the provision below. <p><u>"The PEM Audit Committee may engage the services of <i>Independent Auditors</i> or the internal audit unit of the Governance Arm. The internal audit unit of the Governance Arm must have the sufficient and adequate expertise, certifications, and resources for the conduct of applicable audits and have completed the required capacity building and training.</u></p> <p><u>The PEM Audit Committee shall define the guidelines in engaging the services of the <i>Independent Auditors</i> and the internal audit unit of the Governance Arm for the conduct of applicable audits."</u></p> <p>Ms. Karen A. Varquez (Secretariat) explained that the guidelines of engaging the IAD is a new process since the PAC normally engage independent external auditors.</p> <p>Ms. Tanglao asked if the PEM Board's concern on the cost refers to the engagement of IAD. Ms. Varquez explained that costing and budgeting is already part of the process and including the IAD as one of the service providers of audit will not entail significant additional audit cost. She noted that additional cost for the additional manpower and training needed of the IAD will most probably be incurred.</p>

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 6 of 88



Agenda	Agreements / Action Taken / Action Required
	<p>As requested by Ms. Estigoy, the RCC adopted “Independent Auditors” rather than “external auditors” per DOE’s comments on remanding the proposal.</p> <ul style="list-style-type: none"> Mr. Francisco L.R. Castro, Jr. (Independent) clarified the delineation of responsibilities of the PEMC’s IAD and external auditors. Ms. Varquez explained the process flow for engaging the IAD. <p>Proposed decision flowchart for the engagement of IAD/external auditor</p> <p>Ms. Varquez clarified that currently IAD audits the internal processes of PEMC. However, with PAC’s proposal to engage IAD in the audit, the IAD may conduct market audits depending on the type and expertise of audit to be conducted. For the cost, it will be cheaper for PAC to engage IAD in the audit process, but the IAD must strengthen first its expertise.</p> <p>Dr. Allan Nerves (Independent) said that there is a need to define the IAD’s functions and tasks considering IAD’s capability to conduct audit.</p> <p>The RCC agreed to append the PAC’s decision flowchart for the engagement of IAD and Independent Auditor to the resolution to provide further information to the PEM Board.</p> <ul style="list-style-type: none"> Ms. Tanglao reminded the body that the proposal is already long overdue and noted that comments from the DOE were





MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 7 of 88

Agenda	Agreements / Action Taken / Action Required
	<p>already addressed. She also noted that the engagement of IAD is an additional matter being proposed by the PAC.</p> <ul style="list-style-type: none"> Mr. Fortich asked if there are qualification on the engagement of external auditors. Ms. Estigoy responded that there are qualifications needed for the engagement and these qualifications are included in the invitation to submit bids and Terms of Reference. <p><u>Resolution:</u> Having 11 affirmative votes¹ and 1 negative vote², the RCC approved the proposal and resolution, as revised, for endorsement to PEM Board subject to the approval of the Board Review Committee on whether the proposed revisions address the concerns of the Board.</p>
<p>5.4. <i>Draft RCC Resolution No. 2021-17: Request for Extension of Effectivity of Urgent Amendments for Enhanced WESM Design and Operations Implementation</i></p>	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Presentation Material/s:</u> Annex D – Draft Resolution</p> <p><u>Proceedings:</u></p> <p>Ms. Estigoy presented the draft resolution. As discussed during the 183rd meeting, there were three (3) urgent proposals that were approved by the PEM Board as endorsed by the RCC, as follows:</p> <ol style="list-style-type: none"> <i>Proposed Urgent Amendments to Various WESM Manuals for Enhancements to Market Operator-System Operator Procedures (ORCP-WM-21-03);</i> <i>Proposed Urgent Amendments to WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC regarding Additional Compensation (ORCP-WM-21-06); and</i> <i>Proposed Urgent Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and</i>

¹ Voted “yes” – Mr. Fortich, Ms. Rivera, Ms. Tanglao, Mr. Claudio, Mr. Banzon, Ms. Javier, Mr. Gumalal, Mr. Cacho, Ms. Tuazon, Mr. Dela Cruz, Mr. Morales

² Voted “no” – Dr. Nerves

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 8 of 88



Agenda	Agreements / Action Taken / Action Required
	<p><i>Pricing Re-runs, Issue 6 on Harmonization of Provisions on Automatic Pricing Re-runs with ERC Decision on Case No. 2017-042RC (ORCP-WR-WM-21-08)</i></p> <p>These proposals will expire on 26 December 2021 or six (6) months after the promulgation of the Go-Live date. Considering that the RCC is still finalizing the general amendments of proposals and will still undergo DOE's process of approval, the RCC, through this resolution, is requesting for extension of effectivity.</p> <p>Ms. Varquez added that one of the purposes of this resolution is to fill-in the gap after the expiration of urgent amendment until such time that a general amendment on the same proposal has been promulgated by the DOE.</p> <p>Ms. Javier asked if it is alright to sign with reservations considering that there are proposals in the general amendments based on the comments submitted by Aboitiz Power. The Secretariat noted this reservation and advised the RCC that it will be reflected on the signature page.</p> <p><u>Resolution:</u> Having no additional comments received, Ms. Tanglao moved for the approval of the proposal, which was seconded by Mr. Gumalal. (Distribution).</p>
<p>5.5. <i>Draft RCC Resolution No. 2021-18: Proposed Amendments to the WESM Registration Manual for General Enhancements to the Application Process of New WESM Members</i></p>	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Presentation Material/s:</u> Annex E – Draft Resolution</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz presented the draft resolution and the additional revisions, for RCC's consideration:</p> <ul style="list-style-type: none"> • Replacement of Transmission Network Provider (TNP) with Network Service Provider (NSP) since the WESM Rules only mentions the latter and add a footnote that NSP also pertains to TNP.



MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 9 of 88



Agenda	Agreements / Action Taken / Action Required
	<p>Also, the DOE DC2021-06-0013 on testing and commissioning states that NSP includes TNP and Distribution Utility (DU).</p> <p>Mr. Claudio expressed his agreement on the proposal of the secretariat to use NSP instead of TNP, considering that NSP also pertains to TNP.</p> <ul style="list-style-type: none"> Ms. Javier noted that there should be further clarification on the tests that are included under “test and commissioning”. She added that there were several communications by PIPPA seeking such clarification from the DOE. PIPPA is proposing to only include the capability tests. She suggested to furnish RCC with the communication letters between PIPPA and DOE. <p>Mr. Morales also clarified if the connection test by the DU and SO and ability check for the DU or embedded generators to inject power to the grid, will be included in the definition. Ms. Javier answered that if the tests do not affect the system, then there is no need to add it in the definition.</p> <p>Ms. Melanie Papa (DOE) said that it was clarified in the DOE Department Circular that such test should be properly coordinated with the System Operator and Market Operator prior the actual schedule of test and commissioning.</p> <p>Mr. Rosales confirmed this and explained that there will be impact on the grid when the embedded generators conduct test and commissioning. Thus, there is also a need for scheduling of test and commissioning of embedded generators.</p> <p>Ms. Javier suggested to only include in the definition the tests that only requires the WESM registration and grid connection.</p> <p><u>“Test and Commissioning refers to the conduct of procedures to determine and certify that a generating unit was connected to the grid in accordance with the</u></p>

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 10 of 88



Agenda	Agreements / Action Taken / Action Required
	<p><u>Philippine Grid Code (PGC), Philippine Distribution Code (PDC) and other relevant guidelines and specifications and to determine readiness to deliver energy to Grid or distribution network for the purpose of securing a COC from the ERC.</u></p> <p><u>Test and Commissioning includes the conduct of capability tests as specified in the PGC, PDC and other relevant issuances such as the Grid Compliance Test and Ancillary Services Capability Test and all other activities which require synchronization injection of power to the Grid or distribution network.”</u></p> <p>Dr. Nerves asked if the above-mentioned tests are sufficient for the generators to comply with System Operator and Market Operator requirements considering that the System Operator may have other criteria not just the injection of power to the grid. Mr. Rosales answered that the complete requirements and criteria for testing are provided in the PGC.</p> <p>Ms. Javier added that the timeline for the test and commissioning of generators is within two (2) months, thus, it will be challenging for the generators if the tests to be conducted during test and commissioning is not specified in the definition.</p> <p>Mr. Claudio suggested deleting the 2nd paragraph in the definition while awaiting the DOE-PIPPA-NGCP agreement on the tests that will be included in the test and commissioning phase.</p> <p><u>“Test and Commissioning refers to the conduct of procedures to determine and certify that a generating unit was connected to the grid in accordance with the Philippine Grid Code (PGC), Philippine Distribution Code (PDC) and other relevant guidelines and specifications and to determine readiness to deliver energy to Grid or distribution network for the purpose of securing a COC from the ERC.”</u></p>





MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 11 of 88

Agenda	Agreements / Action Taken / Action Required
	<p><u>Resolution:</u> Having no additional comments received on the proposal, Mr. Claudio (Generation) moved for the approval of the resolution which was seconded by Mr. Gumalal and Mr. Fortich (Distribution).</p>
<p>5.6. <i>Draft RCC Resolution No. 2021-19: Proposed General Amendments to the WESM Rules and WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC on Additional Compensation Process</i></p>	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Presentation Material/s:</u> Annex F – Draft Resolution</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz presented the draft resolution and the RCC's decisions deviating from ERC's decisions, as follows:</p> <ul style="list-style-type: none"> • Timelines should be reckoned from the issuance of final statement bill and settlement data. The proposed timelines are based on practical purposes since Market Participants use the final settlement bill and data as primary reference for claiming additional compensation. • Submission of electronic or scanned copies of supporting documents in advance but submission of physical copies is still required. • On Section 10.2.4, the RCC initially agreed to retain the original provision stating that claims not acted upon is deemed "approved". The RCC then deliberated whether the following provision is still applicable or should be deleted: <p><i>"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 with the WESM Rules or relevant market manual."</i></p> <p>Ms. Tanglao asked if there is a possibility for the disapproval of claim and if so, should the clause then be retained. Atty. Sheryll Dy (IEMOP) responded that there are</p>





MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 12 of 88

Agenda	Agreements / Action Taken / Action Required
	<p>cases on disapproval of claims, for such reasons as the incomplete submission of documents.</p> <p>Ms. Tanglao inquired if there is an existing provision that covers the disapproval of claims. Ms. Cruz responded there is no explicit clause for the disapproval of claims. However, the dispute resolution manual covers the disputes, including those on settlements.</p> <p>Atty. Dy said that the intent of the section was that the Market Operator will act upon the prescribed timeline.</p> <p>Ms. Eloisa Gipa (ERC) informed the RCC that the intent of the ERC's directive on this matter is for the Market Operator to act immediately on the claim and perform due diligence on evaluating the claims. Also, to avoid assumptions that everything will be approved.</p> <p>Mr. Jessie Victorio (MEI/PEI) asked in the chat what will happen when the claim was approved but the corresponding billing statement seems to have variance from the original filing of additional compensation, i.e., how will the IEMOP address the issue. Mr. Isidro Cacho (Market Operator) responded that there should be communication with Market Operator justifying the claims. The justifications will be evaluated based on the ERC-approved criteria/requirements..</p> <p>Ms. Tanglao recalled that during the discussion of the proposal in the last meeting, the MO was fine with "deemed as approved" since this was also the original proposal on the PDM. Also, this is to compensate for service that has already been rendered, although the generation company still need to ensure that the documents submitted for the claims are complete. Atty. Dy said that based on the Metering Manual, the MO is obliged to inform the generators if the claim is approved or not.</p> <p>Mr. Claudio said that the body should balance the interest of generators and consumers. If deemed as disapproved, the generator will shoulder the costs for the rendered</p>

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 13 of 88



Agenda	Agreements / Action Taken / Action Required
	<p>service. However, if deemed as approved, but there is an error on the claim, the generator will just pass on and spread out the amount among its consumers.</p> <p>Mr. Rosales stated his understanding that if the claim will be deemed as approved, MO may or may not act upon the claim. There is a possibility that the claims may be charged to customers without any validation conducted.</p> <p>Mr. Cacho relayed again that the original proposal of IEMOP was “deemed approved”, however, ERC’s decision was “deemed disapproved”. He also said that MO will follow the rules, process, and timeline, as specified.</p> <p>Mr. Castro recalled that MO could act upon within the timeline and Mr. Cacho assured the body on this.</p> <p>Ms. Gipa acknowledged the existing process of MO in processing of application for claims, but the wording of “deemed approved” seems to lack transparency, leading to ERC’s decision to adopt “deemed disapproved” instead.</p> <p>Mr. Castro suggested to refer the specific clause on the dispute resolution manual to cite mechanism in case of disapproval.</p> <p>Ms. Tanglao also suggested to delete the whole clause since MO already assured that the timeline will be observed diligently. However, Ms. Gipa said she does not have an idea on what will be the impact of the deletion the clause. She added that ERC revised the “deemed approved” to “deemed disapproved” so that MO will immediately act on the claims and with due diligence on the specified timeline.</p> <p>Ms. Varquez explained the sequence of events: During the PDM application, it originally proposed that applications for claims not acted upon by the Market Operator are “deemed approved”. However, the ERC’s PDM Decision on the matter was “deemed disapproved”. IEMOP then recently submitted the subject rules change proposal which provides “deemed disapproved” to harmonize with the ERC’s PDM</p>





MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 14 of 88

Agenda	Agreements / Action Taken / Action Required
	<p>Decision. In the last RCC meeting, the body revised the proposal to revert back to “deemed approved”.</p> <p>Ms. Javier explained the generator’s side, that if they were dispatched as scheduled, then they will not file for compensation. However, there are events when they are dispatched but not based on their schedule, thus the generators would likely claim additional compensation for rendered service. She also added that there is also a timeline when they can avail the claims.</p> <p>Mr. Cacho reiterated that the disapproval of claims may happen if the documents submitted are incomplete and/or the generator’s claim is beyond the approved allowable claims of ERC.</p> <p>With the inputs raised, the RCC proposed the revised wording:</p> <p>“Any claim not decided upon by the Market Operator within the specified timelines fourteen (14) working days shall be deemed <u>If the claim or part of the claim is</u> approved, <u>the approved portion of the claim</u> and shall be allocated and billed immediately in the succeeding billing period in accordance with Sections 10.4.3 and 10.4.4. 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 with the WESM Rules or relevant market manual.</p> <p><u>If the claim or part of the claim is disapproved, the Trading Participant may seek due recourse in accordance with pertinent WESM Rules and Market Manuals.”</u></p> <p><u>Resolution:</u> Having no additional comments received on the proposal, Mr. Fortich (Distribution) moved the approval of the resolution which was seconded by Ms. Rivera (Supply).</p>
5.7. Proposed Amendments to the WESM Rules, WESM Manual	<p><u>Presenter/s:</u> Ms. Dianne L. De Guzman (Secretariat) Ms. Karen Anne H. Siruma (Proponent)</p>

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 15 of 88

Agenda	Agreements / Action Taken / Action Required																				
<p>and Retail Manual on Validation Timeline Adjustment in Metering and Billing</p> <ul style="list-style-type: none"> DOE response letter to IEMOP's request regarding timelines related to metering data 	<p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Presentation Material/s:</u> Annex G – Presentation and Matrix of Comments</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman presented the background and timeline of events, for the RCC's information.</p> <p>TIMELINE OF EVENTS</p> <table border="1"> <thead> <tr> <th>Date</th><th>Activities</th></tr> </thead> <tbody> <tr> <td>04-Jan-2021</td><td>IEMOP submitted proposal on Validation Timeline in Metering and Billing</td></tr> <tr> <td>15-Jan-2021</td><td>During its 173rd RCC Meeting, the proposal was presented and approved the same to publish for solicitation of comments</td></tr> <tr> <td>03-Mar-2021</td><td>Deadline of commenting period; comments received from NGCP, Meralco and PEMC</td></tr> <tr> <td>17-Mar-2021</td><td>IEMOP requested DOE, thru a letter, to retain "business days" for the timeline of submission of metering data</td></tr> <tr> <td>19-Mar-2021</td><td>During its 175th RCC Meeting, the RCC decided to deferred the deliberation of the proposal, awaiting of DOE's response to IEMOP's letter</td></tr> <tr> <td>25-Jun-2021</td><td>DOE responded to IEMOP and recognized the objective and justification of the proposal particularly retaining "business days" for the timeline of submission of metering data</td></tr> <tr> <td>07-Oct-2021</td><td>IEMOP endorsed DOE's response to RCC</td></tr> </tbody> </table> <p>   </p> <p>Ms. Siruma presented the comments received together with proponent's response. RCC's agreements and discussions are as follows:</p> <table border="1"> <thead> <tr> <th>RCC's Agreements</th><th>RCC's Discussion</th></tr> </thead> <tbody> <tr> <td>1. Adopt "business days" consistent with DOE's response in retaining "business days" for the timeline of submission of metering data by the MSP.</td><td> <ul style="list-style-type: none"> The body noted the DOE's response to IEMOP's request on retaining "business days" and adopted the same. </td></tr> </tbody> </table>	Date	Activities	04-Jan-2021	IEMOP submitted proposal on Validation Timeline in Metering and Billing	15-Jan-2021	During its 173 rd RCC Meeting, the proposal was presented and approved the same to publish for solicitation of comments	03-Mar-2021	Deadline of commenting period; comments received from NGCP, Meralco and PEMC	17-Mar-2021	IEMOP requested DOE, thru a letter, to retain "business days" for the timeline of submission of metering data	19-Mar-2021	During its 175 th RCC Meeting, the RCC decided to deferred the deliberation of the proposal, awaiting of DOE's response to IEMOP's letter	25-Jun-2021	DOE responded to IEMOP and recognized the objective and justification of the proposal particularly retaining "business days" for the timeline of submission of metering data	07-Oct-2021	IEMOP endorsed DOE's response to RCC	RCC's Agreements	RCC's Discussion	1. Adopt "business days" consistent with DOE's response in retaining "business days" for the timeline of submission of metering data by the MSP.	<ul style="list-style-type: none"> The body noted the DOE's response to IEMOP's request on retaining "business days" and adopted the same.
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MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 16 of 88

Agenda	Agreements / Action Taken / Action Required
	<p>2. With 8 votes,³ retain the current timeline of seven (7) business days from the end of the billing period the issuance of preliminary statements.</p> <p>There were 5 votes⁴ to revise to eight (8) business days.</p> <ul style="list-style-type: none"> Mr. Morales strongly recommended maintaining the seven (7) days timeline of preliminary billing since this will also affect the billing cycle of the customers. He said that one of the systems improvements for the 5-minute market is the metering validation and thus the expectation was that the system can handle voluminous data. He also added that the Metering Service Providers (MSP) are already required to submit daily metering data, with which IEMOP conducts daily validation. Mr. Jenny Jalandoni (IEMOP) said that the rationale for requesting an extension of one day is to make sure that preliminary statements will be almost the same with the final statement. He also added that the MO conducts reconciliation of metering data with NGCP. <p>He cited that although the system is new for the 5-minute market, the process is still the same, and voluminous data are being handled.</p> <ul style="list-style-type: none"> Mr. Morales said that if IEMOP can ensure the accuracy between the preliminary and final bills just adding one day on

³ Voted "7" – Mr. Morales, Mr. Fortich, Mr. Gumalal, Ms. Javier, Mr. Banzon, Ms. Tuazon, Ms. Rivera, and Mr. Dela Cruz

⁴ Voted "8" – Ms. Tanglao, Mr. Rosales, Mr. Cacho, Dr. Nerves, and Mr. Claudio

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 17 of 88



Agenda	Agreements / Action Taken / Action Required
	<p>the process, perhaps it is an improvement. Currently, Meralco is encountering huge variances between the preliminary and final bill.</p> <p>Mr. Jalandoni said that during the validation process, there are still data that needs to be reconciled.</p> <p>Mr. Castro asked if 7 days is not attainable, to which Mr. Jalandoni answered that the timeline is not enough and there will be possibilities of variances.</p> <p>Mr. Cacho added that the rationale for this proposal is that they expect improvements but still cannot guarantee that there will be no variances between the preliminary and final bill.</p> <ul style="list-style-type: none"> • Mr. Fortich raised that the intention of IEMOP is good, however, the timeline of distribution utilities with their customers will also be affected by this proposal. The billing cycle, collection period and other timelines will be affected. • Ms. Dela Cruz (NGCP) said that they agree with IEMOP's proposed additional one day to ensure the accuracy of data. In addition, she asked if the additional one day on the preliminary billing will also add

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 18 of 88



Agenda	Agreements / Action Taken / Action Required	
		<p>one day in the issuance of final billing. Mr. Jalandoni responded that it will be retained at 18 days.</p> <p>Ms. Dela Cruz asked if the submission of final MQ data will be retained on the 14th day or will move on the 13th day. Mr. Jalandoni answered that one of its proposals is to move earlier the submission of final MQ which will fall on the 13th day.</p> <p>Ms. Dela Cruz said that NGCP agrees with the additional one day but proposes to retain the submission of final MQ on 14th day.</p> <p>Mr. Jalandoni said that the current practice is that the final bill is processed on the 13th day but they still confirm with the MSPs if the data submitted are final, which requires an additional one day.</p> <p>Ms. Dela Cruz said that they will immediately confirm with MO that the data submitted are final. Mr. Jalandoni confirmed that they are fine retaining the submission of final MQ on day 13.</p>
	<p>3. Remove the requirement for the MSP to submit report to the Market Operator on the discrepancies of the daily metering data</p>	<ul style="list-style-type: none"> Ms. Dela Cruz explained that the MO issues Meter Trouble Reports when there are discrepancies, which the MSPs respond to by providing



MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 19 of 88

Agenda	Agreements / Action Taken / Action Required				
	<table border="1" data-bbox="624 461 1485 857"> <tr> <td data-bbox="624 461 986 656"></td><td data-bbox="986 461 1485 656"> justification on the reasons for discrepancies of the data. Mr. Jalandoni confirmed that they are fine with the deletion. </td></tr> <tr> <td data-bbox="624 656 986 857"> 4. Add provisions to strictly implement the timeline of submission of monthly data </td><td data-bbox="986 656 1485 857"> <ul style="list-style-type: none"> The RCC agreed to adopt provisions on the reporting of non-compliances to ensure the strict implementation of timeline. </td></tr> </table> <p><u>Resolution:</u> Having no additional comments received, Mr. Gumalal (Distribution) moved for the approval of the proposal, which was seconded by Ms. Rivera (Supply). The resolution will be presented in the next scheduled meeting.</p>		justification on the reasons for discrepancies of the data. Mr. Jalandoni confirmed that they are fine with the deletion.	4. Add provisions to strictly implement the timeline of submission of monthly data	<ul style="list-style-type: none"> The RCC agreed to adopt provisions on the reporting of non-compliances to ensure the strict implementation of timeline.
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4. Add provisions to strictly implement the timeline of submission of monthly data	<ul style="list-style-type: none"> The RCC agreed to adopt provisions on the reporting of non-compliances to ensure the strict implementation of timeline. 				
VI. New Business					
6.1. Proposed General Amendments to the WESM Rules and WESM Manual on Constraint Violation Coefficient and Pricing Re-run regarding Under-generation and Over-generation (ORCP-WR-WM-21-10)	<p><u>Presenter/s:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Presentation Material/s:</u> Annex H – Presentation Material</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman presented the proposal and informed the RCC that there were no comments received. She also informed the body that the proposal was initially submitted as urgent amendment.</p> <p>Ms. Tanglao queried if the proposal was previously discussed during its presentation as urgent amendment. Ms. De Guzman confirmed that it was presented and it contains the same proposed changes as the urgent version.</p> <p><u>Resolution:</u> Having no comments received, Ms. Tanglao moved to approve the submission of the proposal to PEM Board, which was duly seconded by Mr. Rosales. The resolution will be presented in the next scheduled meeting.</p>				
6.2. DOE-remanded proposal regarding Proposed Amendments to the WESM	<p><u>Resolution:</u> The RCC agreed to defer the discussion of the item due to time constraint.</p>				



MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 20 of 88



Agenda	Agreements / Action Taken / Action Required
<p>Manual on Guidelines Governing the Constitution of PEM Board Committees:</p> <ul style="list-style-type: none"> ○ Inclusion of Compliance Committee ○ Independent composition of WESM Governance Committees 	
VII. Other Matters	
<p>1. Overview of Supreme Court Decision regarding Implementation of Retail Competition and Open Access (RCOA)</p>	<p><u>Presenter/s:</u> Atty. Andrea Mendiola (PEMC-Legal)</p> <p><u>Action Requested:</u> For information</p> <p><u>Presentation Material/s:</u> Annex I – Presentation Material</p> <p><u>Proceedings:</u></p> <p>Atty. Andrea Mendiola gave an overview on the Supreme Court decision on the DOE Circular and ERC Resolutions relative to Retail Competition and Open Access ("RCOA").</p> <p><u>Resolution:</u> The RCC noted the information provided.</p>
<p>2. DOE Public Consultation Updates</p>	<p><u>Presenter:</u> Ms. Melanie Papa (DOE Observer)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Virtual Public Consultations (VPC) will be conducted on 15 and 17 November 2021 for the following proposals:</p> <ol style="list-style-type: none"> 1. Adopting Further Amendments to WESM Rules and Market Manual on Dispute Resolution; 2. Adopting Further Amendments to the WESM Rules and Market Manual on Billing and Settlement for the Implementation of Enhancements to the WESM Design and Operations (Provisions for Prudential Requirements); and

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
 Date & Time : 15 October 2021, 09:00 AM
 Venue : Online via Microsoft Teams
 Page : 21 of 88



Agenda	Agreements / Action Taken / Action Required
	<p>3. Adopting Further Amendments to the WESM Rules and Market Manual on Registration for the Implementation of Enhancements to WESM Design and Operations (Provisions for De-registration and Cessation).</p> <p>The following proposals were already signed and are for publication:</p> <ol style="list-style-type: none"> 1. DOE DC Adopting Further Amendments to the WESM Rules and Market Manual on the Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals; and 2. Repealing Section 3 of DOE DC No. DC2017-04-0006 (Abolition of Administered Price Determination Methodology Manual) <p><u>Resolution:</u> The RCC noted the information provided.</p>
VIII. Schedule of Meetings	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>The RCC noted on the following schedule of meetings:</p> <ul style="list-style-type: none"> • PEM Board Meeting <ul style="list-style-type: none"> ○ 27 October 2021 • RCC Regular Meeting <ul style="list-style-type: none"> ○ 19 November ○ 17 December ○ 21 January 2022 <p><u>Resolution:</u> Presenters for the BRC and PEM Board Meetings will be coordinated off-line.</p>
IX. Adjournment	<p>The meeting was adjourned at 03:35 PM, with 13 principal members and 1 alternate member.</p>

MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
Date & Time : 15 October 2021, 09:00 AM
Venue : Online via Microsoft Teams
Page : 22 of 88



Prepared by:

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DIANNE L. DE GUZMAN

Specialist, Rules Review Division
Market Assessment Group

Reviewed by:

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KAREN A. VARQUEZ

Manager, Rules Review Division
Market Assessment Group

Noted by:

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JOHN MARK S. CATRIZ

Head, Market Assessment Group

Approved by:

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ALLAN C. NERVES

Chairman, Independent

A handwritten signature in black ink, appearing to read 'Concepcion I. Tanglao', is positioned above the name.

CONCEPCION I. TANGLAO

Member, Independent

A handwritten signature in black ink, appearing to read 'Jesusito G. Morillos', is positioned above the name.

JESUSITO G. MORALLOS

Member, Independent

(vacant)

Member, Independent

A handwritten signature in black ink, appearing to read 'Dixie Anthony R. Banzon', is positioned above the name.

DIXIE ANTHONY R. BANZON

Member, Generation Sector
Masinloc Power Partners Co. Ltd. (MPPCL)

A handwritten signature in black ink, appearing to read 'Cherry A. Javier', is positioned above the name.

CHERRY A. JAVIER

Member, Generation Sector
Aboitiz Power Corp. (APC)

A handwritten signature in blue ink, appearing to read 'Carlito C. Claudio', is positioned above the name.

CARLITO C. CLAUDIO

Member, Generation Sector
Millennium Energy, Inc. / Panasia Energy, Inc.
(MEI/PEI)

A handwritten signature in black ink, appearing to read 'Mark D. Habana', is positioned above the name.

MARK D. HABANA

Member, Generation Sector
Vivant Corporation – Philippines (Vivant)

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MEETING MINUTES

Subject/Purpose : 185th Rules Change Committee (Regular) Meeting
Date & Time : 15 October 2021, 09:00 AM
Venue : Online via Microsoft Teams
Page : 23 of 88



A handwritten signature in blue ink, appearing to read "Ryan S. Morales".

RYAN S. MORALES

Member, Distribution Sector
Manila Electric Company (MERALCO)

A handwritten signature in blue ink, appearing to read "Virgilio C. Fortich, Jr.".

VIRGILIO C. FORTICH, JR.

Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO III)

A handwritten signature in blue ink, appearing to read "Ricardo G. Gumalal".

RICARDO G. GUMALAL

Member, Distribution Sector
Iligan Light and Power, Inc. (ILPI)

A handwritten signature in blue ink, appearing to read "Nelson M. Dela Cruz".

NELSON M. DELA CRUZ

Member, Distribution Sector
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area I)

A handwritten signature in blue ink, appearing to read "Lorreto H. Rivera".

LORRETO H. RIVERA

Member, Supply Sector
TeaM (Philippines) Energy Corporation (TPEC)

A handwritten signature in blue ink, appearing to read "Isidro E. Cachao, Jr.".

ISIDRO E. CACHO, JR.

Member, Market Operator
Independent Electricity Market Operator of the
Philippines (IEMOP)

A handwritten signature in blue ink, appearing to read "Ambrocio R. Rosales".

AMBROCIO R. ROSALES

Member, System Operator
National Grid Corporation of the Philippines
(NGCP)

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RULES CHANGE COMMITTEE

Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Enhancements to Market Operator and System Operator Procedures

Effective Date : 15 October 2021

Page : 24 of 88

WHEREAS, the DOE on 23 October 2015 adopted⁵ enhancements to WESM design and operations which include among others the change from a 1-hour dispatch interval to a 5-minute dispatch interval;

WHEREAS, the Market Operator was tasked⁶ to propose changes to the WESM Rules and Market Manuals, and ensure upgrading of the Market Management System and other systems which are necessary for the implementation of the enhancements to WESM design and operations;

WHEREAS, among the preparations made for the implementation of the enhanced market design were the conduct, since 26 June 2017, of the Parallel Operations Program (POP) for the New Market Management System (NMMS) by the Market Operator, System Operator and WESM Members, and the market readiness assessment by the Market Readiness Steering Committee since 26 April 2019 to, among others, evaluate the capability of the NMMS to implement the scheduling and dispatch processes in a 5-minute dispatch;

WHEREAS, based on the results of the POP and the findings of the market readiness assessment, the Market Operator and System Operator have noted possible enhancements to the processes for scheduling and dispatch that needed to be incorporated in the WESM Manual on Dispatch Protocol Issue 13.2 ("Dispatch Protocol Manual") and other relevant Market Manuals;

WHEREAS, the Market Operator (Independent Electricity Market Operator of the Philippines or IEMOP) submitted to the Rules Change Committee (RCC) on 23 March 2021 proposed urgent amendments to various WESM Manuals in view of the implementation of the enhanced WESM design and operations on 26 June 2021 ("Go-Live Date");

WHEREAS, the IEMOP clarified that the proposal was submitted as urgent because the changes were intended to guide WESM stakeholders during the preparatory activities prior the Go-Live Date (i.e., POP and Limited Live Dispatch Operations), and to establish the rules and procedures upon the Go-Live Date;

WHEREAS, in accordance with the procedures for processing proposed urgent amendments⁷, the RCC immediately convened for a special meeting on 26 March 2021⁸ and determined that the proposal satisfies the criteria for urgent proposals set forth in Clause 8.4.1.1 of the WESM Rules.⁹ The RCC then proceeded to deliberate on the urgent proposal, and approved to endorse the same, as amended, to the PEM Board as embodied in RCC Resolution 2021-02 dated 30 March 2021;

WHEREAS, the PEM Board subsequently deliberated and approved the urgent proposal on 31 March 2021 per PEM Board Resolution No. 2021-34-09, as submitted, after which the revised WESM Rules and WESM Manuals reflecting the urgent amendments were posted in the PEMC website on 01 April 2021 for provisional implementation within a period of no more than six (6) months. The Dispatch Protocol Manual

⁵ DOE Department Circular No. 2015-10-0015 dated 23 October 2015.

⁶ DC No. 2015-10-0015, 3.

⁷ Section 7.2 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals

⁸ 176th RCC (Special) Meeting

⁹ Also in Section 3.1 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals

Issue 16.0 took effect on the commencement date of the enhanced market design and operations on 26 June 2021;

WHEREAS, following the process for urgent proposals, the IEMOP on 22 April 2021 re-submitted to the RCC the PEM Board-approved urgent proposed amendments as a general proposal to be processed as such, for final approval and promulgation of the DOE;

WHEREAS, as with the original urgent proposal, the general proposed amendments aim to enhance the processes between the Market Operator, System Operator, and Trading Participants and establish a framework where all WESM stakeholders are enjoined to independently perform their duties and responsibilities to ensure grid security and reliability upon the implementation of the 5-minute dispatch interval;

WHEREAS, the following summarizes the proposed changes to the WESM Rules and WESM Manuals on (a) Dispatch Protocol, (b) Registration, (c) Market Network Model (MNM), and (d) Information Disclosure and Confidentiality:

- 1) Use nomenclature for reserves types (i.e. regulation, contingency, and dispatchable) as provided under DOE Department Circular No. DC2019-12-0018;
- 2) Replace the term 'system snapshot' with 'real-time data', including the reference to the Market Network Modelling Criteria and Procedures (MNMCP) Manual concerning the required type of information for these data;
- 3) Clarify the process for updating SO constraints data in the NMMS;
- 4) Submission of day-ahead projected output from must dispatch generating units to the System Operator;
- 5) Enhancements on the creation of the Merit Order Table (MOT), specifically on the exclusion of scheduled reserve capacities and outages, and on the MO's provision of MOT to the SO
- 6) Process enhancements on dispatch implementation;
- 7) Provide definition of automatic generation control (AGC) aligned with the Philippine Grid Code and include guidelines on dispatch via AGC;
- 8) Improvements in post-dispatch reporting;
- 9) Registration of option for generator availability for WESM scheduling;
- 10) Improve process on MNM Development and Deployment;
- 11) Allow urgent updates to the MNM; and
- 12) Improve documentation and reporting;

WHEREAS, the RCC took up the general proposal during its 179th meeting on 21 May 2021 and approved to post the proposal in the PEMC website, as submitted, to solicit comments from WESM Members and stakeholders;

WHEREAS, following the 30-working day commenting period from 25 May to 06 July 2021, the RCC considered during its series of deliberations the comments received from the Philippine Electricity Market Corporation (PEMC), the Technical Committee, SPC Island Power Corp. and Aboitiz Power Corp., together with the IEMOP's responses to said comments;

WHEREAS, the RCC deliberated on the proposal over four (4) meetings, from its 181st to 184th meetings, during which the body agreed to reflect the following salient revisions:

Document / Provision	Salient Revisions
1) WESM Rules Clause 3.2.1.5	Revised to clarify that the basis providing the procedures for implementing changes in the Market Network Model (MNM) is no longer the MO's Information and Communications Technology Change Management Process (ICMP) but rather its internal business process. Except for the integration of new networks, changes to the MNM shall no longer be approved by the PEM Board, as specified in the ICMP, since the new MMS is capable of changing or updating the MNM as near-to-real-time as possible. The RCC considered IEMOP's justification that changes to the MNM are not changes to the market system or software, rather, are changes to the NMMS inputs, i.e. the MNM.
2) WESM Manual on Dispatch Protocol Sections 11.1.3 and 11.1.4	Did not adopt the proposed revision to Section 11.1.3 and proposed new Section 11.1.4, both of which provisions describe the responsibility of the System Operator to issue dispatch instructions to Trading Participants on automatic generation control (AGC), and of the Trading Participant on AGC to comply. The RCC accepted the System Operator's comment that dispatch instructions should no longer be necessary if the Trading Participant is on AGC since the commands are already automated, and that the 5-minute dispatch interval no longer give the System Operator the opportunity to make calls to the Trading Participant.
3) WESM Manual on Dispatch Protocol Section 11.4.2 (e)	<p>Agreed to delete the proposed Section 11.4.2 (e), which reads:</p> <p><u>For generating units operating on AGC, the following shall be observed:</u> <u>xxx</u></p> <p><u>e. For an aggregated generating unit, the Generation Company shall pro-rate the AGC command to the individual generating units based on each unit's MW capability at that time.</u></p> <p>The deletion was in consideration of the System Operator being not yet capable of performing AGC over aggregated generating units. It was noted that the System Operator may be able to eventually do so once it switches to cloud-based data.</p>
4) WESM Manual on Market Network Model Development and Maintenance - Criteria and Procedures Section 4.5.6 (Table 1. MNM Development Timeline)	Replaced "power system topology" with "breaker-oriented single line diagram" as the information to be provided by the System Operator before updating the MNM to model new load facilities or there are changes to the grid. The latter term is deemed more accurate and specific considering the kind of information that the System Operator shall provide.
5) WESM Manual on Market Operator Information Disclosure and	Added timeline for the Market Operator to publish the revised Dispatch Instruction Report resulting from the Trading Participant's reconciliation of data in the Report with the System Operator.

Document / Provision	Salient Revisions
Confidentiality Appendix A - Market Information Catalogue	

WHEREAS, during its 185th meeting on 15 October 2021, the RCC finalized the proposal and approved its endorsement to the PEM Board;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve via electronic communication platforms, as follows:

RESOLVED, that the RCC approves as amended the Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Enhancements to Market Operator and System Operator Procedures attached as Annexes A to E;

RESOLVED FURTHER, that the said Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Enhancements to Market Operator and System Operator Procedures, are hereby endorsed to the PEM Board for approval;

Done this **15th** day of **October 2021**, *via* Microsoft Teams.

RULES CHANGE COMMITTEE

Proposed Amendments to Various WESM Manuals for Improvements to Market Resource Modelling and Monitoring



Effective Date : 15 October 2021

Page : 28 of 88

WHEREAS, the WESM Manuals on 1) Market Network Model Development and Maintenance – Criteria and Procedures Issue 4.2 (MNMCP Manual) and 2) Registration, Suspension and De-Registration Criteria and Procedures Issue 5.3 (RSDCP Manual) provide the procedures for registration of market resources and corresponding changes to the market network model (MNM);

WHEREAS, on 23 March 2021, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted proposed amendments to the MNMCP and RSDCP Manuals to refine and clarify the modelling of market resources in the MNM and to provide additional features in the modelling of generators;

WHEREAS, the RCC took up the proposal during its 177th Regular Meeting on 16 April 2021 and approved to post the proposal in the Philippine Electricity Market Corporation (PEMC) website, as submitted, to solicit comments from WESM Members and stakeholders;

WHEREAS, following the 30-working day commenting period from 21 April 2021 to 03 June 2021, the PEMC, WESM Technical Committee (TC), Millennium Energy Inc. (MEI), Panasia Energy Inc. (PEI), Aboitiz Power Corporation (APC), and Manila Electric Company (MERALCO) submitted their comments which were responded to by the proponent and were considered in RCC's deliberations;

WHEREAS, the National Grid Corporation of the Philippines (NGCP) submitted its comments on 05 July 2021, which is beyond the commenting period, but was nevertheless considered for discussion by the RCC during its 181st Regular Meeting held on 16 July 2021;

WHEREAS, during several RCC meetings¹⁰, the RCC agreed on the following:

- (1) Include the Provisional Authority to Operate (PAO) or Energy Regulatory Commission (ERC) Certificate with appropriate exhibit as bases for the generator's registered capacity (Pmax), in addition to the Certificate of Compliance (COC) also issued by the ERC;
- (2) The responsibility for ensuring accurate and complete real-time data falls under the System Operator, in coordination with Network Service Providers and Trading Participants. The Market Operator and the System Operator will develop a standard to determine the acceptable level of completeness, availability, and accuracy of data, which will be submitted as proposed amendments to the WESM Manual on Dispatch Protocol;

¹⁰ The proposal was discussed during the 180th, 181st, 182nd, 183rd and 184th RCC Meetings held on 18 June 2021, 16 July 2021, 23 July 2021, 20 August 2021 and 17 September 2021, respectively.

- (3) The result of market impact study conducted by the Market Operator under Section 4.6.3 of the MNMCP Manual shall be submitted to the DOE, ERC and PEM Board, and may be posted in the market information website at their discretion;
- (4) Include the reporting of real-time monitoring facilities owned by the System Operator that have been persistently erroneous or non-updating and the period to resolve the erroneous data which will be within fifteen (15) days for both the Trading Participant and the System Operator;
- (5) Include the coordination of the System Operator with the Market Operator and Trading Participant in estimating real-time data that was reported as erroneous or non-updating; and
- (6) The Market Operator may provisionally model the generating unit at the nearest MNM substation to which it is indirectly connected following the illustration of Simplified Model for Embedded Generators under Section 5.3.2 of the MNMCP Manual;

WHEREAS, the RCC noted the objections of Mr. Ambrocio R. Rosales (SO) and Prof. Jordan P. Orillaza (Technical Committee Chairperson) on the abovementioned illustration of Simplified Model for Embedded Generators. Mr. Rosales opined that the illustration appears to be radial which is not equivalent to the actual network that is being simplified and suggested using a pseudo-line in looping the substations for such network connection. Meanwhile, Prof. Orillaza posited that the proposed provision on simplifying the network is not technically sound as it should be illustrated using power flows;

WHEREAS, as requested by Mr. Ryan S. Morales (Distribution Sector), the RCC also noted the number of cases where such simplification is being done, as follows:

Region	No. of Registered Generators (as of 20 Aug 2021)	No. of Registered Generators Modelled at Nearest Substation
Luzon	185	73 (39%)
Visayas	87	54 (62%)

WHEREAS, the RCC also noted IEMOP's response, as relayed by Mr. Edward I. Olmedo (IEMOP Representative), that the proposal reflects the current market network modelling process of the Market Operator and that the IEMOP will submit another proposal by December 2021 enhancing the market network simplification process to address the issues raised by the SO and Technical Committee **Chairperson** and on the modelling of embedded generators;

WHEREAS, the RCC during its 185th meeting on 15 October 2021 finalized the proposal and approved its endorsement to the PEM Board;¹¹

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve *via* electronic communication platform, as follows:

RESOLVED, that the RCC approves the Proposed Amendments to WESM Manuals on Market Network Model Development and Maintenance – Criteria and Procedures Issue 4.2 and on Registration,

Suspension and De-Registration Criteria and Procedures Issue 10.0 for Improvements to Market Resource Modelling and Monitoring (Annex);

RESOLVED FURTHER, that the said Proposed Amendments to the WESM Manuals on Market Network Model Development and Maintenance – Criteria and Procedures Issue 4.2 and on Registration, Suspension and De-Registration Criteria and Procedures Issue 10.0 for Improvements to Market Resource Modelling and Monitoring are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation.

Done this 15th day of October 2021 *via* Microsoft Teams.





RULES CHANGE COMMITTEE

Revisions to RCC Resolution No. 2019-04 on the Proposed Amendments to the WESM Rules, Retail Rules and Market Manuals Related to Audit and Performance Monitoring

Effective Date : 15 October 2021

Page : 31 of 88

WHEREAS, the PEM Audit Committee (PAC) submitted to the Rules Change Committee (RCC) on 04 December 2018 the Proposed Amendments to Provisions Related to Audit and Performance Monitoring Under the WESM Rules, Retail Rules, PEM Audit Manual, and Guidelines Governing the Constitution of the PEM Board Committees;

WHEREAS, the subject proposal aimed to clarify the responsibilities of the PAC in the conduct of market audits and special reviews, whose members are **associated** ~~connected~~ with PEMC as external partners and who are expected to give advice in their capacity as experts;

WHEREAS, the proposal also intends to enhance the preparation and implementation of market audits and the performance monitoring of WESM service providers considering the recommendations of external auditors of prior market audits;

WHEREAS, the proposal covers, among others, the following:

- (1) Scope of market audits to include review of the System Operator (SO);
- (2) Development and monitoring of System Operator Performance Standards (SOPS);
- (3) Clarifying that the PAC “oversees” instead of “conducts” market audits;
- (4) Changing the term “PEM Auditor” to “PEM Audit Committee” comprised of three (3) members; and
- (5) Enhancements and clarifications to the audit process and timeline, including the engagement of External Auditor and the frequency of market audits;

WHEREAS, the proposed amendments were made to the following documents:

- (1) WESM Rules;
- (2) Retail Rules;
- (3) Guidelines Governing the Constitution of the PEM Board Committees; and
- (4) PEM Audit Market Manual;

WHEREAS, pursuant to Procedures for Changes to the WESM and Retail Rules and Market Manuals (Rules Change Manual) Section 6.1.1, the RCC gave due course to the proposal and determined that the same satisfies the criteria for rules change during its 148th RCC Regular Meeting on 06 December 2018. In the same meeting, the RCC approved the publication of the proposal in PEMC website to solicit comments from industry stakeholders and interested parties;

WHEREAS, following the 30-working day commenting period, comments were received from the Department of Energy (DOE) and the National Grid Corporation of the Philippines (NGCP);

WHEREAS, during the 149th and 150th RCC Meetings held on 22 February 2019 and 15 March 2019, respectively, the SO expressed its strong objection on the provisions related to the SO review, citing the

Energy Regulatory Commission's (ERC) exclusive jurisdiction over its regulated transmission services under the Electric Power Industry Reform Act of 2001 (EPIRA), while the proponent reiterated the proposed review is only in relation to the SO's obligations under the WESM Rules, and that the review will be aligned with the timeline of completion of Market Operator-System Operator Protocol to be developed within that year;

WHEREAS, the proposal was approved as amended for endorsement to the PEM Board by the RCC on 15 March 2019 under RCC Resolution No. 2019-04, except for the provisions relating to SO review, for which the RCC agreed to seek guidance from the PEM Board. The proposal was subsequently approved by the PEM Board on 27 March 2019¹² with the directive to incorporate the proposed SO review in the PEMC-System Operator Protocol;

WHEREAS, the proposal was submitted for final approval to the DOE, which conducted public consultations on the proposal on 15, 17 and 19 June 2020;

WHEREAS, on 22 April 2021, PEMC received the DOE letter dated 21 April 2021 remanding the proposal with directives/comments on the following items:

- (1) *Introduction of the new term "independent auditor"* – This should be harmonized with WESM Rules Clauses 1.5.3 and 5.2.6.4 and Section 4.1 of the PEM Audit Market Manual for the services engagement of a qualified independent auditor. Per the DOE, the conduct of audit should be a primary responsibility of the PAC and that the engagement of an independent third party should remain an option for the PAC depending on the scope and difficulty of the audit;
- (2) *Responsibilities of PEM Audit Committee and Other WESM Governance Committees under the PEM Audit Market Manual* – These should be reviewed relative to DOE DC 2020-10-0021 entitled "Adopting Further Amendments to the WESM Rules on Provisions for the Implementation of the Independent Market Operator;
- (3) *Periodic Conduct of Audits* – The use of the term "periodic" should be specified in detail in the PEM Audit Market Manual to ensure regularity in the conduct of audit and to identify the necessary frequency of various audits;
- (4) *Audit of the Central Registration Body (CRB)* – The proposal should consider that the CRB is part of the Market Operator's function and the same may be integrated to market operations audit to be more cost-effective;

WHEREAS, on 26 April 2021, the RCC forwarded the DOE's letter to the PAC, being the proponent, requesting a presentation on their recommended revisions to the PEM Board-approved proposal in consideration of the DOE's above-mentioned directives/comments;

WHEREAS, during the 180th RCC Regular Meeting on 18 June 2021, the PAC presented its revised proposal and the RCC resolved to:

- (1) *On the Introduction of the new term "independent auditor"* – Adopted that the conduct of audit should be a primary responsibility of the PAC and the engagement of an independent third party remains as an option for the PAC with the additional option to engage the services of PEMC's Internal Audit Department (IAD);

¹² PEM Board Resolution No. 2019-10-10 dated 23 April 2019

- (2) *Responsibilities of PEM Audit Committee and Other WESM Governance Committees under the PEM Audit Market Manual* – Pursuant to DOE DC 2020-10-0021, adopted the renaming of PEM Auditor to PEM Audit Committee as global change;
- (3) *Periodic Conduct of Audits* – Adopted, as reworded, the proposed term “periodic” in prescribing the conduct of market audits under the WESM Rules and Retail Rules, and to specify the frequency of audit in the PEM Audit Manual to be conducted at least once at an interval not exceeding three (3) years from the last audit considering the results of past audits, the duration of the audit engagement and implementation. The periodic audit will consider the results of past audits indicating that the Market Operator has demonstrated an acceptable level of maturity in its compliance with the WESM rules and related standards. The system or process is deemed mature when it has consistently exhibited no or minimal audit findings for the past three (3) audits and whose impact does not pose significant operational, legal or market risks. After the first three (3) audits of a particular system or process, the frequency of the periodic audits may be reduced based on the Market Operator’s compliance maturity level;
- (4) *Audit of the Central Registration Body (CRB)* – Adopted the PAC’s proposal to retain the separate provisions pertaining to the audit of CRB in the PEM Audit Manual since the CRB is identified as a separate entity under the Retail Rules. Currently, the audit of the CRB is included in the market operations audit being part of MO’s function;

WHEREAS, the RCC adopted the proposal on 18 June 2021 as contained in RCC Resolution No. 2021-09 and presented to the PEM Board for approval and endorsement to the DOE during the 39th Regular Board Meeting held on 25 August 2021. However, the PEM Board deferred approval of the proposal until the guidelines or criteria for exercising the option to engage an independent third party or the IAD are presented to the PEM Board;

WHEREAS, during the 184th RCC Regular Meeting on 17 September 2021, the PAC presented the 1) draft guidelines for engaging the services of the internal audit of the Governance Arm, which will be developed and approved by the PAC as part of its business procedures, subject to review by the RCC and the PEM Board, and 2) the following corresponding proposed additional amendments to address the PEM Board’s requirement:

- (1) Included a proposed additional provision in the WESM Rules providing for the powers and functions of the internal audit unit of the Governance Arm; and
- (2) Revised the proposed PEM Audit Market Manual Section 4 – Engagement of Qualified Auditors indicating the need for capability building and training of the internal audit unit of the Governance Arms, and for the PAC to define the guidelines in engaging the services of the Independent Auditor and the internal audit unit of the Governance Arm for the conduct of applicable audits;

WHEREAS, the RCC approves, as amended, the proposed additional revisions of the PAC to the subject proposal;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve *via* electronic communication platform, as follows:

RESOLVED, that the RCC approved the Proposed Amendments to the WESM Rules, Retail Rules, Guidelines Governing the Constitution of the PEM Board Committees Issue 3.0, and PEM Audit Market Manual Issue 2.0 (Annex);

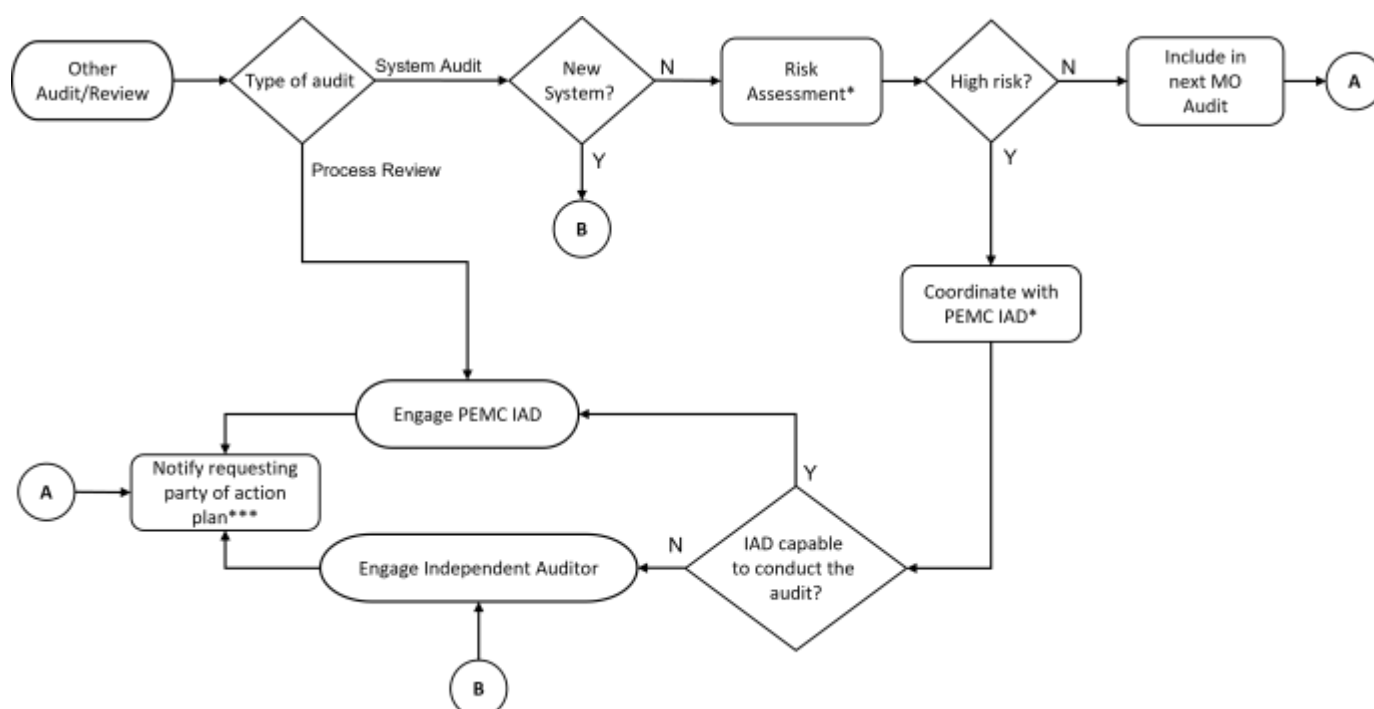
RESOLVED FURTHER, that the said Proposed Amendments to the WESM Rules, Retail Rules, Guidelines Governing the Constitution of the PEM Board Committees Issue 3.0, and PEM Audit Market Manual Issue 2.0 are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation.

Done this **15th** day of **October 2021**, Pasig City.

GENERAL GUIDELINES:

1. Regular audits/review – required under the WESM Rules and Manuals and **will be conducted by Independent Auditors**
 - a. MO Audit, including CRB
 - b. RMIA
2. Other audits/reviews – audits/review required under the WESM Rules and Manuals as may be requested by the MO, or directed by PEM Board, DOE, and ERC and **will be conducted by either Independent Auditors or the PEMC Internal Audit Team**
 - a. Process review – review of processes to identify compliance with the provisions of Market Rules and Manuals, ERC/DOE issuances and internal business process
 - b. System audit – certification audit of new system or enhancements to existing system to determine consistency with the provisions of Market Rules and Manuals, ERC/DOE issuances, and software specifications

PROPOSED DECISION FLOWCHART FOR THE ENGAGEMENT OF AUDITOR FOR OTHER AUDITS/REVIEWS:



*Risk Assessment:

- Market-related Risks
- IT-related Risks
- Urgency of Audit

****Coordination with PEMC IAD:**

- Determination of expertise, qualifications, and certifications for the conduct of audit
- Availability of resources and manpower as well as consideration of the timeline for accommodation the audit

***** Notify requesting party of action plan:**

- If pre-deployment audit is not possible but system needs to be deployed immediately, deploy system as long as it has undergone the ICT Change Management process and the PEM Board and all WESM members were informed. The system will be audited after deployment, instead.

RULES CHANGE COMMITTEE

Request for Extension of Effectivity of Urgent Amendments for Enhanced WESM Design and Operations Implementation



Effective Date : 15 October 2021

Page : 36 of 88

WHEREAS, WESM Rules Clause 8.3.3 required the Rules Change Committee (RCC) to keep a register of all proposals for changes in the WESM Rules or Market Manuals as well as proposals for new Market Manuals submitted to it and give due course to the proposal in the Rules Change Committee meetings;

WHEREAS, Section 5.1 of the Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals (WESM-RCM) allows the submission of proposals by any WESM Member, the Market Operator, the PEM Board or its Committees, any government agency, or any other interested party affected by the operations of the WESM, which necessitates amendments to the WESM Rules, Retail Rules or Market Manuals, and such proposals shall undergo the rules change procedures in accordance with Chapter 8 of the WESM Rules and the WESM-RCM;

WHEREAS, WESM Rules Clause Section 8.5.4 provides for the authority of the PEM Board on the process of approval for general and urgent proposals, to wit:

- a) The PEM Board shall immediately submit the proposal to the DOE for final approval, except in the case of urgent proposal; and
- b) The PEM Board shall cause publication of the approved proposal under WESM Rules Clause 8.4.1.1 (a), which will become effective fifteen (15) working days after its publication or on such date and for such period as the PEM Board determines; or upon such time that the amendment may be implemented taking into consideration the technical changes that need to be introduced to the Market Management System (MMS) or to such other systems.

WHEREAS, WESM Rules Clause 8.4.1.1 enumerates the criteria for classifying a proposal as urgent, which require immediate action to:

- a) Avoid, reduce the risk of or mitigate the adverse effects of certain conditions on the ability of the power system to function normally;
- b) Avoid, reduce the risk of or mitigate the effects of the abuse of market power or anti-competitive behavior;
- c) Avoid, reduce the risk of or mitigate the unintended adverse effect of a WESM Rule (or any of its amendments) or a provision in a Market Manual;
- d) Facilitate the implementation of any regulation, circular, order or issuance of the DOE or ERC pursuant to the EPIRA.

Provided further that the urgent amendments shall be implementable on the affected WESM/Retail operations and/or transactions within the period of six (6) months subject to the confirmation of the Market Operator;

WHEREAS, Section 7.4 (a) and (b) of the WESM-RCM provides that the PEM Board-approved urgent amendment shall become effective within twenty-four (24) hours after publication of the relevant Rules and/or Market Manuals in the market information website, and that the amendment shall be effective for a period of not more than six (6) months from publication or until such time that a general amendment on the same matter has been approved and become effective, whichever comes first;

WHEREAS, pursuant to Section 5.1 of the WESM-RCM in relation to WESM Rules Clause 8.4.1.1, the Independent Electricity Market Operator of the Philippines (IEMOP) as the WESM Market Operator, and the Philippine Electricity Market Corporation (PEMC) as the WESM Governance Arm, submitted the following urgent proposals in view of the implementation of enhanced WESM design and operations on **26 June 2021**:

- a) *Proposed Urgent Amendments to Various WESM Manuals for Enhancements to Market Operator-System Operator Procedures (ORCP-WM-21-03)* – to enhance the processes between the Market Operator, System Operator and Trading Participant;
- b) *Proposed Urgent Amendments to WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC regarding Additional Compensation (ORCP-WM-21-06)* – to align the procedures for additional compensation with the directives provided under the Energy Regulatory Commission's (ERC) decision on Case No. 2017-042RC;
- c) *Proposed Urgent Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and Pricing Re-runs, Issue 6 on Harmonization of Provisions on Automatic Pricing Re-runs with ERC Decision on Case No. 2017-042RC (ORCP-WR-WM-21-08)* – to harmonize the provisions on automatic pricing re-runs in the WESM Rules and Manuals with the ERC directives provided under ERC decision on Case No. 2017-042RC;

WHEREAS, pursuant to Section 7 of the WESM-RCM, the RCC gave due course to these proposals and endorsed it for approval to the PEM Board under RCC Resolution Nos. 2021-02 dated 30 March 2021¹³, 2021-03 dated 26 April 2021¹⁴ and 2021-05 dated 21 May 2021¹⁵, and which were approved by the PEM Board under Resolution Nos. 2021-34-09, 2021-35-13, and 2021-36-04, respectively;

WHEREAS, as qualified in the said RCC Resolutions in relation to WESM Rules Clause Section 8.5.4 (b), the full implementation of the proposed urgent amendments will be from the Go-

¹³ Discussed during the 176th RCC Special Meeting held on 26 March 2021

¹⁴ Discussed during the 178th RCC Special Meeting held on 21 April 2021

¹⁵ Discussed during the 179th RCC Meeting held on 21 May 2021

Live Date of the enhanced WESM design and operations until six (6) months or until 26 December 2021;

WHEREAS, on 25 June 2021, the Department of Energy (DOE) issued Department Circular No. 2021-06-0015 declaring the commercial operations of the enhanced WESM design by 26 June 2021, which sets the expiry of the said urgent amendments by 26 December 2021;

WHEREAS, the IEMOP and PEMC as proponents of the above-mentioned urgent approved proposals submitted the general amendment versions to the RCC for its consideration, with update as follows:

- a) *Proposed General Amendments to Various WESM Manuals for Enhancements to Market Operator-System Operator Procedures (ORCP-WM-21-07)* – approved for endorsement to the PEM Board during the 184th RCC Regular Meeting held on 17 September 2021;
- b) *Proposed General Amendments to WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC regarding Additional Compensation (ORCP-WM-21-09)* – approved for endorsement to the PEM Board during the 184th RCC Regular Meeting held on 17 September 2021;
- c) *Proposed General Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and Pricing Re-runs, Issue 6 on Harmonization of Provisions on Automatic Pricing Re-runs with ERC Decision on Case No. 2017-042RC (ORCP-WR-WM-21-10)* – published for comments in the market information website from 25 August 2021 until 07 October 2021;

WHEREAS, pursuant to Section 7.2 (d) of the WESM-RCM, an assessment of the impact of the urgent amendment on prices and reliability and quality of electricity service, and the nature of the impact was required by the RCC, in response to which the IEMOP submitted the implementation updates and status of impact assessment on 09 September 2021, as follows:

Approved Urgent Amendments	Implementation Updates
Amendments to Various WESM Manuals for Enhancements to Market Operator-System Operator Procedures (ORCP-WM-21-03)	<ul style="list-style-type: none"> Procedures specific to the Market Operator have already been implemented since 26 June 2021. Post-Dispatch reports already provided by System Operator. Regular coordination being done by Market Operator with System Operator on need to further improve accuracy of such reports for purposes of settlement and compliance.

Approved Urgent Amendments	Implementation Updates
Amendments to WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC regarding Additional Compensation (ORCP-WM-21-06)	<ul style="list-style-type: none"> • Necessary software enhancements have been completed and were certified by PAC's third-party auditor. • Procedures specific to the Market Operator have already been implemented.
Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and Pricing Re-runs, Issue 6 on Harmonization of Provisions on Automatic Pricing Re-runs with ERC Decision on Case No. 2017-042RC (ORCP-WR-WM-21-08)	<ul style="list-style-type: none"> • Necessary software configuration changes have been implemented prior to commercial operations on 26 June 2021. • On-going review of the operational impact of CVC values in relation to scheduling and automatic pricing corrections.

WHEREAS, in the same implementation update submitted by IEMOP, the RCC noted that the implementation of the approved urgent amendments attained the objectives of the proposal to harmonize with the provisions of the ERC decision on Case No. 2017-042RC;

WHEREAS, during the 184th RCC Regular meeting held on 17 September 2021, the RCC deemed that the effectivity of the above-mentioned PEM Board-approved urgent amendments should be extended for the continued implementation of harmonized policies, considering the forthcoming expiry of these approved urgent amendments on 26 December 2021 and the period for processing its corresponding general proposal for DOE's approval;

WHEREAS, the RCC deems it necessary to request the PEM Board that the effectivity of the above-mentioned PEM Board-approved urgent amendments be extended until such time that a general amendment on the same proposal has been promulgated or decided upon by the DOE;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve *via* electronic communication platform, as follows:

RESOLVED, that the RCC hereby requests the PEM Board for extension of the effectivity of the following PEM Board-approved urgent amendments for another six (6) months from its expiry on 26 December 2021 or until 26 June 2022:

1. Amendments to Various WESM Manuals for Enhancements to Market Operator-System Operator Procedures (ORCP-WM-21-03)
2. Amendments to WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC regarding Additional Compensation (ORCP-WM-21-06)

3. Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and Pricing Re-runs, Issue 6 on Harmonization of Provisions on Automatic Pricing Re-runs with ERC Decision on Case No. 2017-042RC (ORCP-WR-WM-21-08)

Done this **15th** day of **October 2021** *via* Microsoft Teams.





RULES CHANGE COMMITTEE

Proposed General Amendments to the WESM Rules and WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC on Additional Compensation Process

Effective Date : 15 October 2021
Page : 41 of 88

WHEREAS, the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures (“WESM Registration Manual”) provides for the approval process of applications for WESM membership administered by the Market Operator (Independent Electricity Market Operator of the Philippines or IEMOP);

WHEREAS, during actual operations, the following have been observed¹⁶:

- 1) Since WESM membership is a requirement in order for generation companies to conduct test and commissioning for their respective generating units and obtain Certificate of Compliance (COC) from the ERC, the membership applications of such generation companies are approved and made effective prior to completion of all requirements in order to allow them to conduct the tests;
- 2) There are no provisions in the WESM Registration Manual prescribing the processes and obligations during conduct of test and commissioning, and during the transition of the generation company to commercial operations when it will be allowed to submit offers;
- 3) There were several variable renewable energy generating units that have been under test and commissioning status for an extended period of time (i.e., more than the two-month period prescribed by the ERC) and have not been submitting their hourly forecasted production to the Market Operator which, in turn, adversely affects the accuracy of scheduling and pricing in the WESM; and
- 4) There are no clear procedures that cover instances when a generation company needs to temporarily withdraw power from the transmission system for the construction of their generation facilities;

WHEREAS, in order to address the observations encountered during actual operations, the DOE recommended IEMOP to initiate amendments to the WESM Rules and relevant WESM Manuals to provide more details in the registration procedures including but not limited to the following:

- a) Clarification on what constitutes “Test and Commissioning” status in the WESM;
- b) Specification of definite timeline for completion of registration procedures;
- c) Inclusion of provisions on withdrawal of application, as applicable, if the registration is not completed within prescribed period; and
- d) Enjoining of WESM registrants for immediate information to IEMOP upon issuance of COC by the ERC;

¹⁶ Discussion Paper on the Proposal (ORCP-WM-19-20) submitted by the IEMOP to the RCC.

Request for Extension of Effectivity of Urgent Amendments for Enhanced WESM Design and Operations Implementation

WHEREAS, in compliance with the instruction of the DOE, IEMOP submitted to the RCC on 29 November 2019 the proposed amendments to the WESM Registration Manual to introduce general enhancements in the WESM registration process;

WHEREAS, the submitted proposal aims to:

- 1) Introduce phases for registration of generating units corresponding to the development progress of the generating unit, namely:
 - a. Backfeed Registration for its withdrawal of energy from the grid during construction,
 - b. Test and Commissioning Registration for the conduct of the activity in accordance with the Philippine Grid Code, and
 - c. Commercial Operation Registration for its full participation in the WESM including submission of offers or self-schedules;
- 2) Define the requirements, timelines, and guidelines for each registration phase;
- 3) Require the execution of the Market Participation Agreement prior to the issuance of the notice of WESM approval to obtain commitment of the applicant in following the rest of the registration procedures after the approval of its WESM membership;
- 4) Require the completion of payment of the registration fee, installation of digital certificate and submission of COC or Provisional Authority to Operate (PAO) prior to the issuance of the notice of WESM Membership approval for the complete preparation, authorization and establishment of the market interfaces necessary for the immediate participation of the WESM member upon the issuance of the notice of approval; and
- 5) Establish additional guidelines for the registration and conduct of test and commissioning activity, including clarification on the valid duration of test and commissioning status based on existing ERC rules and its impact on settlement (e.g., no payment for injections beyond test and commissioning period);

WHEREAS, the RCC took up the proposal during its 159th meeting on 06 December 2019 and approved to post the proposal in the PEMC website, as submitted, to solicit comments from WESM Members and stakeholders;

WHEREAS, following the 30-working day commenting period from 10 December 2019 to 28 January 2020, comments were received from PEMC, the Market Surveillance Committee, NGCP, SPC Island Power Corp. and AC Energy Corp., which, together with the IEMOP's responses to said comments, the RCC considered during the deliberations;

WHEREAS, the RCC deliberated on the proposal during its 161st meeting on 21 February 2020, during which the body agreed to amend the proposal, as follows:

- 1) Added two new provisions to incorporate the previous proposal regarding registration of additional facilities, which was already submitted to the DOE for approval¹⁷;
- 2) Clarified that the facility under Backfeed Registration shall be included in the market network model as load resource during this phase;
- 3) Clarified that test and commissioning refers to activities related to the generating unit's connection or synchronization to the grid in order to exclude other required tests that do not disrupt the grid;

¹⁷ Promulgated by the DOE per Department Circular No. DC2020-10-0019 dated 06 October 2021.

Request for Extension of Effectivity of Urgent Amendments for Enhanced WESM Design and Operations Implementation

- 4) Provided a procedure in which applicants shall inform the Market Operator if it has secured an extended period for test and commissioning from the ERC;
- 5) Limited acceptable documents to only the COC or PAO, both from the ERC, for allowing an applicant to commence commercial operations;
- 6) Clarified that a facility under Test and Commissioning Registration phase who opted to subscribe to the Market Participant Interface shall only have a view-only access of its schedules;
- 7) Provided reference to the relevant provision in the WESM Rules for treating any net surplus resulting from injection of energy to the grid due to unauthorized test and commissioning activity;
- 8) Specified that the System Operator shall no longer impose over-riding constraints on a generating unit once its test and commissioning period ends; and
- 9) Provided that non-submission of the appropriate ERC certification on the last date of the approved test and commissioning period shall be treated as non-compliance subject to applicable sanctions;

WHEREAS, the RCC consequently recognized that the proposal has penalty implications and thus requested the Market Surveillance Committee and PEMC's Enforcement and Compliance Office (ECO), through a letter dated 04 March 2020, to review the proposal and see how it could affect the monitoring and penalty imposition processes;

WHEREAS, the RCC resumed the deliberation on 24 April 2020 during its 164th meeting and noted ECO's explanations regarding the grounds for non-compliance related to the proposed enhancements to the registration process and possible corresponding sanctions, and also that the processes for investigation and imposition of penalties applied in the 1-hr and 5-minute market design are sufficient should the proposed changes are implemented;

WHEREAS, during the same meeting, the RCC provisionally approved the proposal but deferred endorsing it to the PEM Board after being informed¹⁸ that the DOE shall be promulgating a general framework governing the test and commissioning of generation facilities, which the RCC agreed that the proposal must be aligned with;

WHEREAS, on 02 July 2021, the DOE issued Department Circular No. DC2021-06-0013 dated 03 June 2021 entitled "Adopting General Framework Governing Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network";

WHEREAS, the IEMOP was requested to review the working draft of the subject proposal in order to align it with the provisions of the general framework;

WHEREAS, IEMOP submitted to the RCC the revisions to the draft proposal on 19 August 2021 and presented the same during the RCC's 183rd meeting on 20 August 2021;

WHEREAS, during the same meeting, the RCC decided to no longer re-publish the proposal in the PEMC website to solicit comments since the changes made were only to harmonize the proposal with the DOE Department Circular, and to defer deliberation in the next meeting to allow RCC members to review the revisions;

¹⁸ RCC was informed that the DOE disseminated a draft Department Circular on the subject to solicit comments from interested parties, including PEMC, until 30 April 2020.

WHEREAS, during the RCC's 184th meeting on 17 September 2021, the RCC re-deliberated on the proposal to consider the changes made by the IEMOP to harmonize with the DOE's general framework, as follows:

- 1) Provided that instead of submitting an ERC certification allowing an applicant to conduct test and commissioning, the applicant shall instead furnish the Market Operator and System Operator a copy of the Provisional Certificate of Approval to Connect (PCATC) issued by the Transmission Network Provider or Distribution Utility certifying that the applicant may conduct test and commissioning;
- 2) Provided that, aside from PCATC, embedded generator applicants must also provide the Market Operator and System Operator a Clearance to energize from the Transmission Network Provider;
- 3) Specified that the test and commissioning period of the applicant shall be based on the PCATC;
- 4) Specified that the Market Operator shall grant full access to the Market Participant Interface no later than eight (8) calendar days from the approval of an applicant's commercial operations registration, instead of upon start of that applicant's commercial operations registration;
- 5) Specified that the Market Operator shall notify an applicant on the approval of its registration, whichever of the phase is applicable, within fifteen (15) calendar days from that applicant's complete submission of requirements;
- 6) Added provisions stating the processes related to extended and suspended validity of PCATC;
- 7) Added provision for updating changes in capacity and capabilities arising from the results of the test and commissioning;
- 8) Added provision related to the Network Service Provider's issuance of Final Certificate of Approval to Connect;
- 9) Shortened timeline, from five working days to three, within which a facility should file its application for Commercial Operations Registration reckoned from its receipt of COC or PAO; and
- 10) Deleted proposed transitory provisions as they are no longer applicable due to the promulgation of the DOE's general framework

WHEREAS, the RCC during its 185th meeting on 15 October 2021 finalized the proposal and approved its endorsement to the PEM Board;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve via electronic communication platforms, as follows:

RESOLVED, that the RCC approves as amended the Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures for General Enhancements to the Application Process of New WESM Members attached as Annex A;

RESOLVED FURTHER, that the said Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures for General Enhancements to the Application Process of New WESM Members, are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation;

Done this 15th day of **October 2021**, *via* Microsoft Teams.



RULES CHANGE COMMITTEE

Proposed General Amendments to the WESM Rules and WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC on Additional Compensation Process

Effective Date : 15 October 2021
Page : 45 of 88

WHEREAS, the DOE on 23 October 2015 adopted¹⁹ enhancements to WESM design and operations which include among others the change from a 1-hour dispatch interval to a 5-minute dispatch interval;

WHEREAS, the Market Operator was tasked²⁰ to propose changes to the WESM Rules and Market Manuals, and ensure upgrading of the Market Management System and other systems which are necessary for the implementation of the enhancements to WESM design and operations;

WHEREAS, among the preparations made for the implementation of the enhanced market design, on 29 December 2020, the ERC promulgated its decision dated 29 August 2020 on ERC Case No. 2017-042RC approving the Price Determination Methodology (PDM) for the enhanced WESM design and operations;

WHEREAS, in line with the implementation of the enhancements to WESM design and operations, the ERC approved the pricing and settlement formulas to be applied in the five-minute dispatch interval market and provided further guidelines in the processing of additional compensation claims, as follows:

- eligibility of constrained-on plants during price substitution methodology (PSM) to claim additional compensation to recover their operating costs;
- 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 (1) 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 (14) 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 (60) day timeline for submitting supporting documents of a claim;
- non-exhaustive list of required supporting documents;
- fourteen (14) working day 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

¹⁹ DOE Department Circular No. 2015-10-0015 dated 23 October 2015.

²⁰ Section 3, *ibid*.

- staggered collection from customers if rate impact is greater than PhP 0.005 / kWh.

WHEREAS, on 16 April 2021, the Market Operator (Independent Electricity Market Operator of the Philippines or IEMOP) submitted to the Rules Change Committee (RCC) the proposed urgent amendments to the WESM Manual on Billing and Settlement Issue 6.1 (BSM) in view of the forthcoming implementation of the enhanced WESM design and operations on 26 June 2021 (“Go-Live Date”);

WHEREAS, the proposal seeks to:

- (1) harmonize the BSM with the abovementioned ERC Decision on ERC Case No. 2017-042RC;
- (2) provide supplementary guidelines on the additional compensation process in the BSM; and
- (3) consistently apply the guidelines to the different pricing or dispatch conditions eligible for additional compensation;

WHEREAS, in accordance with the procedures for processing proposed urgent amendments²¹, the RCC immediately convened for a special meeting on 21 April 2021²² and determined that the proposal satisfies the criteria for urgent proposals set forth in Clause 8.4.1.1 of the WESM Rules²³, proceeded to deliberate on the urgent proposal, and approved to endorse the same to the PEM Board, as amended, embodied in RCC Resolution 2021-03 dated 26 April 2021;

WHEREAS, the PEM Board subsequently deliberated and approved the urgent proposal on 28 April 2021 per PEM Board Resolution No. 2021-35-13, as submitted, after which the revised WESM Rules and WESM Manuals reflecting the urgent amendments were posted in the PEMC website on 29 April 2021 for provisional implementation within a period of no more than six (6) months. The WESM Manual on Billing and Settlement Issue 6.1 took effect on the commencement date of the enhanced market design and operations on 26 June 2021;

WHEREAS, following the process for urgent proposals, the IEMOP on 28 June 2021 re-submitted to the RCC the PEM Board-approved urgent proposed amendments as a general proposal to be processed as such, for final approval and promulgation of the DOE;

WHEREAS, the RCC took up the general proposal during its 181st meeting on 16 July 2021 and approved to post the proposal in the PEMC website, as submitted, to solicit comments from WESM Members and stakeholders;

WHEREAS, following the 30-working day commenting period from 19 July to 01 September 2021, comments were received from PEMC, SPC Island Power Corp. (SPIC) and Aboitiz Power Corp. (APC) which, together with the IEMOP’s responses to said comments, the RCC considered during its deliberation;

WHEREAS, the RCC deliberated on the proposal during its 184th meeting on 17 September 2021, where the body agreed to make the following revisions:

- 1) Changed the timelines, except that of claims arising from being designated as must-run unit or constrain-on generating unit, within which Market Participants may file with the Market Operator claims for additional compensation, as follows:

²¹ Section 7.2 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals

²² 178th RCC (Special) Meeting

²³ Also in Section 3.1 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals

Condition	Timeline for Filing	
	Proposal (based on ERC Decision)	RCC Revision
1) Market suspension or market intervention	not later than fourteen (14) working days after the resumption of the market	not later than fourteen (14) working days after the issuance of the WESM final statement bill and settlement data
2) 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	
3) 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 issuances	

Although the adopted timelines deviate from the ERC Decision, the RCC accepted the comments from APC and SIPC stating that the data to be used as bases for computing additional compensation, if warranted, are yet to be finalized if the timelines from the ERC Decision are adopted. Trading Participants use the final settlement bill and data as primary reference for claiming additional compensation. Further, reckoning the time period for filing claims from the issuance of final settlement data would save the parties involved from doing redundant validation process.

- 2) Allowed submission in advance of electronic or scanned copies of the required documents for claiming additional compensation, provided that the physical copies of the same shall also be submitted which shall trigger the validation process.
- 3) Retained the original process in Section 10.2.4 which states that claims not acted upon by the Market Operator within the prescribed processing timeframe shall be deemed approved, which is contrary to the proposal and ERC Decision stating that claims be considered disapproved, and that Trading Participants may consequently raise a dispute against the Market Operator. The RCC considered that (1) the Market Operator should also strictly comply with the prescribed timelines in the same way that Trading Participants do in relation to this process, (2) additional compensation aims to compensate the generators only for their marginal costs (e.g., fuel and variable costs) incurred for complying with dispatch instructions below their offer price, and essentially for services already rendered, and (3) the dispute resolution process is quite tedious.
- 4) Added diagrams regarding the Market Operator's collection of one-time payment and installment payment for approved claims for additional compensation, for clarity.

WHEREAS, the RCC during its 185th meeting on 15 October 2021 finalized the proposal and approved its endorsement to the PEM Board. The RCC noted that after the DOE's approval of the proposal, the ERC's approval shall be further requested on the proposed timelines of filing claims for additional compensation and effect when the Market Operator has not acted upon such claims;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve via electronic communication platforms, as follows:

RESOLVED, that the RCC approves as amended the Proposed General Amendments to the WESM Manual on Billing and Settlement to Harmonize with ERC Directives on Additional Compensation Process attached as Annex A;

RESOLVED FURTHER, that the said Proposed General Amendments to the WESM Manual on Billing and Settlement to Harmonize with ERC Directives on Additional Compensation Process, are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation;

Done this **15th** day of **October 2021**, *via* Microsoft Teams.



PROPOSED AMENDMENTS TO THE WESM RULES, WESM MANUAL AND RETAIL MANUAL ON VALIDATION TIMELINE ADJUSTMENT IN METERING AND BILLING

15 October 2021 | 185th RCC Regular Meeting
MS Teams

PEMC
A Premier Electricity Market & Champion of Governance

TIMELINE OF EVENTS

Date	Activities
04-Jan-2021	IEMOP submitted proposal on Validation Timeline in Metering and Billing
15-Jan-2021	During its 173 rd RCC Meeting, the proposal was presented and approved the same to publish for solicitation of comments
03-Mar-2021	Deadline of commenting period; comments received from NGCP, Meralco and PEMC
17-Mar-2021	IEMOP requested DOE, thru a letter, to retain "business days" for the timeline of submission of metering data
19-Mar-2021	During its 175 th RCC Meeting, the RCC decided to deferred the deliberation of the proposal, awaiting of DOE's response to IEMOP's letter
25-Jun-2021	DOE responded to IEMOP and recognized the objective and justification of the proposal particularly retaining "business days" for the timeline of submission of metering data
07-Oct-2021	IEMOP endorsed DOE's response to RCC

RATIONALE

- Address issue on inconsistency in Rules and Manuals on metering correction timeline
- Provide additional validation time for MO
- Improve compliance of MSPs to the timely submission of monthly metering data



Validation Timeline in Metering and Billing | 3



A. WESM Rules

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>General Comments</p> <p><u>PEMC:</u></p> <p>1. What will be the effect or impact of the approved RCC Resolution 2019-10 last 19 July 2019 with this proposal?</p> <p><i>RCC Resolution 2019-10 on WESM Metering Manual</i></p> <p><i>7.3.1 Timeline</i></p> <p><i>Upon receipt of the Meter Trouble Report, the Metering Services Provider shall submit the correct metering data to the Market Operator within two (2) <u>seven (7) working</u> business days.</i></p> <p>2. If the proposal will be aligned in the approved RCC Resolution 2019-10, there is a need to revise the following sections of the Retail Metering Manual</p> <ul style="list-style-type: none">• Section 7.4.1• Section 7.4.2.2• Section 7.4.2.2.1• Section 7.4.2.2.2		<p><u>PEMC:</u></p> <p>1. This proposal would amend some of the approved changes under RCC Resolution 2019-10 specifically on the deadline of submission of metered quantities for inclusion in the preliminary and final settlement statements.</p> <p>We note that the approved RCC Resolution 2019-10 performed a general change to set all deadlines using working days instead of business days (or calendar days), which was not part of the original proposal from NGCP. We note that this has significant impact to the available</p>	



Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
							<p>time for IEMOP to prepare the settlement statements since the deadlines for their issuance are a certain number of business days (and not working days) from the end of the billing period.</p> <p>For example, in the approved RCC Resolution 2019-10, the deadline for submission of monthly prelim MQs is three (3) working days after the end of the billing period, which was changed from three (3) business days. If the period falls towards the end of the week and includes weekends, 3 WD would be equivalent to five (5) calendar days. Since the issuance of preliminary settlement statements is</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
							<p>seven (7) calendar days after the end of the billing period, there would be cases when IEMOP will only have two (2) calendar days to validate the MQs and prepare the preliminary settlement statements. As discussed under this proposal, the ideal timeline for processing of settlements statements is five (5) calendar days. We note that IEMOP performs its billing and settlement processes even during weekends and holidays to comply with the timelines under the WESM Rules.</p> <p>Similarly, RCC Resolution 2019-10 provided that the deadline for submission of corrected MQs for inclusion in the final settlement</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
							statements is four (4) working days prior to their issuance. If the period includes weekends, the timeline would be equivalent to six (6) calendar days, which is a shorter timeframe for the submission of the corrected MQs. Since any submission beyond the deadline would be reconciled through settlement adjustments, the shorter timeframe may lead to more settlement adjustments. The five (5) calendar day timeline proposed by IEMOP provides a longer timeframe for submission of corrected MQs while allowing IEMOP to perform more extensive validation of settlement inputs and results.	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
							<p>We also note that the approved Section 7.3.2(b) of RCC Resolution 2019-10 did not harmonize the proposed timeline with other related sections such as 5.3.3 (d), 6.3.2 (c), 6.4.5, which would result in inconsistencies.</p> <p>2. The proposal aims to amend the approved provisions under RCC Resolution No. 2019-10</p>	
Preliminary Statements	3.14.4.1	Within 7 <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give each <i>WESM member</i> who has engaged in <i>market transactions</i> in that billing period a preliminary statement which sets out the <i>market transactions</i> of that <i>WESM member</i> in that billing period and the settlement amount payable by or to that <i>WESM member</i> .	<p>Within <u>8</u> 7 <i>days</i> after the end of each billing period, the <i>Market Operator</i> shall give each <i>WESM member</i> who has engaged in <i>market transactions</i> in that billing period a preliminary statement which sets out the <i>market transactions</i> of that <i>WESM member</i> in that billing period and the settlement amount payable by or to that <i>WESM member</i>.</p> <p>If the <u>eighth</u> seventh day falls on a <i>Non-Working Day</i>, the</p>	The revision is being proposed to increase the validation in metering and billing timeline. This is to reduce issuance of settlement adjustments.	<p><u>PEMC:</u></p> <p>Same with the general comment.</p> <p><u>MERALCO:</u></p> <p>We respectfully recommend maintaining the existing timelines.</p> <p>The IEMOP proposal adjusts only the schedule of the provision of the billing statement but does not</p>		<p><u>PEMC:</u></p> <p>Same response</p> <p><u>MERALCO:</u></p> <p>The amounts due for payment are provided under the final settlement statements, whose timeline for issuance is not</p>	<p>Sir Ryan:</p> <p>Suggest to retain the existing timeline for prelim bill.</p> <p>RCC:</p> <p>Vote</p> <p>7 days: 8</p>

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		If the seventh day falls on a <i>Non-Working Day</i> , the issuance of the preliminary statements shall be made during the next immediate <i>Working Day</i> .	issuance of the preliminary statements shall be made during the next immediate <i>Working Day</i> .		<p>propose a corresponding adjustment in the due date for settlement of the billing. Hence, IEMOP is effectively proposing to reduce the time from receipt of the WESM bill to payment by one day. Thus, the proposal will adversely affect the cash flows of all WESM-registered DUs and ECs, simply to address the non-timely submission of data by a few MSPs.</p> <p>Currently, meter readings are uploaded on a daily basis and many MSPs submit within the 3-day timeline, so that the validation of readings can already be done for those submissions. As the concern is the non-timely submission of some MSPs, it does not seem equitable to adjust the schedule for all billings to address a limited concern.</p> <p>We respectfully encourage IEMOP to explore other, more scalable solutions. Extending the period to prepare the settlement</p>		<p>proposed to be changed under this proposal. Hence, time from receipt of the due WESM bill to payment will not be reduced. The proposed additional one-day for preliminary settlement statement issuance is not only due to non-timely submission of some MSPs but also for additional validation.</p> <p>We note that the proposal aims to improve accuracy of preliminary settlement statements with the additional validation timeline. Although preliminary settlement statements are issued for review</p>	<p>8 days: 5</p> <p>Retain 7days</p> <p>Retain D+14</p>

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>statements to accommodate an increase in the volume of meter data is not a tenable solution moving forward. A scalable solution will be more appropriate with the continued expansion of RCOA and possible introduction of GEOP.</p> <p>We also note that, to address expansion of the contestable market, IEMOP itself has already proposed a mechanism that will not require the same volume of metering data as the current scheme for RCOA (and, potentially, for GEOP). As this proposed mechanism is still on the table, the proposed revision to the billing timeline appears to be premature.</p>		<p>purposes, we find that trading participants will benefit from more accurate preliminary statements as some already use it for billing their customers; hence, we are proposing the additional validation timeline.</p> <p>As mentioned, we are considering the expansion of the contestable market and implementation of GEOP, and also WESM Mindanao, in our proposal. Although we have submitted measures for the efficient processing of the additional volume of data, we still expect that those developments will significantly</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
							increase the required processing by IEMOP.	
	3.14.4.4	If the <i>Market Operator</i> considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement as notified by a <i>WESM member</i> pursuant to clause 3.14.4.3 or as independently identified by the <i>Market Operator</i> , the <i>Market Operator</i> shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the <i>Market Operator</i> at least two <i>Working Days</i> before the deadline of the issuance of the final statements. If the <i>Market Operator</i> receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply.	If the <i>Market Operator</i> considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement as notified by a <i>WESM member</i> pursuant to clause 3.14.4.3 or as independently identified by the <i>Market Operator</i> , the <i>Market Operator</i> shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the <i>Market Operator</i> at least five business two Working Days before the deadline of the issuance of the final statements. If the <i>Market Operator</i> receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply.	The revision is being proposed to harmonize the WESM Rules and Manuals on the submission of final and corrected inputs required for the final statement. This is also in line with the proposed increased validation in metering and billing timeline to reduce issuance of settlement adjustments.	PEMC: An earlier approved proposal provides the submission of corrected metering data 4 working days from the issuance of final settlement statement. Suggest to align the rules with the said proposal that was approved under RCC Resolution 2019-10 last 19 July 2019. RCC Resolution 2019-10 on WESM Metering Manual 7.3.2 Unresolved Meter Trouble Reports a. Estimation xxx b. Late Resolution The Metering Services Provider may still resolve a Meter Trouble Report and provide metering data acceptable to Market	PEMC: 3.14.4.4 If the <i>Market Operator</i> considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement as notified by a <i>WESM member</i> pursuant to clause 3.14.4.3 or as independently identified by the <i>Market Operator</i> , the <i>Market Operator</i> shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections	PEMC: The approved four working day timeline would be equivalent to six (6) calendar days if it covers a weekend, which is a shorter timeframe for the submission of the corrected MQs. Since any submission beyond the deadline would be reconciled through settlement adjustments, the shorter timeframe may lead to more settlement adjustments. The five (5) calendar day timeline proposed by IEMOP provides a longer	Adopt

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>Operator after deadline set in section 7.3.1. For late resolutions, the deadline to be reflected in the final settlement is shall be four (4) working business days prior to issuance of final settlement statement of the affected trading day.</p> <p>c. xxx</p> <p>d. xxx</p> <p><u>NGCP:</u></p> <p>Please refer to the NGCP's comments on Section 5.3.3 of the WESM Manual Metering Standards and Procedures Issue 12.0</p>	<p>requiring the input of an external party are received by the Market Operator at least two four (4) Working Days before the deadline of the issuance of the final statements. If the Market Operator receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply. (As amended by DOE DC No. 2013-03-0005 dated 22 March 2013)</p>	<p>timeframe for submission of corrected MQs while allowing IEMOP to perform more extensive validation of settlement inputs and results.</p> <p><u>NGCP:</u></p> <p>Response is provided in the referred section.</p>	

B. WESM Manual on Billing and Settlement Issue 6.1

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
Procedures	4.2.1	4.2.1 Issuance of Preliminary Statements a. Within seven (7) days after the end of each billing period, the Market Operator shall give each WESM member who has engaged in market transactions in that billing period a preliminary statement which sets out the market transactions of that WESM member in that billing period and the settlement amount payable by or to that WESM member. If the seventh day falls on a Non-Working Day, the issuance of the preliminary statements shall be made during the next immediate working day.	4.2.1 Issuance of Preliminary Statements a. Within eight (8) seven (7) days after the end of each billing period, the Market Operator shall give each WESM member who has engaged in market transactions in that billing period a preliminary statement which sets out the market transactions of that WESM member in that billing period and the settlement amount payable by or to that WESM member. If the eighth seventh day falls on a Non-Working Day, the issuance of the preliminary statements shall be made during the next immediate working day.	The revision is being proposed to increase the validation in metering and billing timeline. This is to reduce issuance of settlement adjustments.	<u>MERALCO:</u> We respectfully recommend maintaining the existing timelines. The IEMOP proposal adjusts only the schedule of the provision of the billing statement but does not propose a corresponding adjustment in the due date for settlement of the billing. Hence, IEMOP is effectively proposing to reduce the time from receipt of the WESM bill to payment by one day. Thus, the proposal will adversely affect the cash flows of all WESM-registered DUs and ECs, simply to address the non-timely submission of data by a few MSPs. Currently, meter readings are uploaded on a daily basis and many MSPs submit within the 3-day timeline, so that the validation of readings can already be done for those submissions. As the		<u>MERALCO:</u> Same response as in WESM Rules Clause 3.14.4.1	7 business days

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>concern is the non-timely submission of some MSPs, it does not seem equitable to adjust the schedule for all billings to address a limited concern.</p> <p>We respectfully encourage IEMOP to explore other, more scalable solutions. Extending the period to prepare the settlement statements to accommodate an increase in the volume of meter data is not a tenable solution moving forward. A scalable solution will be more appropriate with the continued expansion of RCOA and possible introduction of GEOP.</p> <p>We also note that, to address expansion of the contestable market, IEMOP itself has already proposed a mechanism that will not require the same volume of metering data as the current scheme for RCOA (and, potentially, for GEOP). As this proposed mechanism is still on the table, the proposed revision to the billing timeline appears to be premature.</p>			

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>PEMC:</p> <p>An earlier approved proposal provides the submission of corrected metering data 4 working days from the issuance of final settlement statement. Suggest to align the manual with the said proposal that was approved under RCC Resolution 2019-10 last 19 July 2019.</p> <p>RCC Resolution 2019-10 on WESM Metering Manual</p> <p><i>7.3.2 Unresolved Meter Trouble Reports</i></p> <p><i>a. Estimation</i></p> <p>xxx</p> <p><i>b. Late Resolution</i></p> <p><i>The Metering Services Provider may still resolve a Meter Trouble Report and provide metering data acceptable to Market Operator after deadline set in section 7.3.1. For late resolutions, the deadline to be reflected in the final settlement is shall be four</i></p>	<p>PEMC:</p> <p>4.2.1 Procedures</p> <p>a) xxx</p> <p>b) xxx</p> <p>c) xxx</p> <p>d) If the Market Operator considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement as notified by a WESM member or as independently identified by the Market Operator, the Market Operator shall ensure that correction of any error or discrepancy is reflected in the relevant final statements, provided that corrections requiring the input of an external party are received by the Market Operator at</p>	<p>PEMC:</p> <p>Same response as in WESM Rules Clause 3.14.4.4.</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>(4) working business days prior to issuance of final settlement statement of the affected trading day.</p> <p>c. xxx</p> <p>d. xxx</p>	<p>least two (2) four (4) Working Days before the deadline of the issuance of the final statements. If the Market Operator receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, Market Operator shall issue revised statements in accordance to Section Error! Reference source not found. of this Manual.²⁴</p>		

²⁴ WESM Rules Clause 3.14.4.4

B. WESM Manual on Metering Standards and Procedures Issue 12.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
Collection and Submission Procedure	5.3.3	<p>5.3.3 Monthly Process</p> <p>a. Not later than three (3) business days after the end of the billing period, the Metering Services Provider shall submit, via a compact disk, monthly preliminary metering data of all metering points of its associated Trading Participants. In addition, Metering Services Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Metering Services Provider shall also report to the Market Operator all discrepancies between the monthly metering</p>	<p>5.3.3 Monthly Process</p> <p>a. Not later than three (3) business days after the end of the billing period, the Metering Services Provider shall submit, via a compact disk, monthly preliminary metering data of all metering points of its associated Trading Participants. In addition, Metering Services Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Metering Services Provider shall also report to the Market Operator all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies.</p>	<p>The revision is being proposed to strictly implement the existing provision on the submission of monthly metering data.</p> <p>The revision is being proposed to harmonize the WESM Rules and Manuals on the submission of final and corrected inputs required for the final statement. This is also in line with the proposed increased validation in metering and billing timeline to reduce issuance of settlement adjustments.</p>	<p><u>PEMC:</u></p> <p>1. The proposed revision speaks of <u>penalty</u>; and thus, presupposes that the report referred to in the proposed amendment would lead to an <u>investigation</u>.</p> <p><u>Concern:</u></p> <p>a. Under the WESM Rules, ECO may only investigate when a Request for Investigation is filed with the <u>PEM Board</u>, and the PEM Board directs the ECO to investigate. (Clause 7.2.2.1 and 7.2.2.2)</p> <p>b. Under the proposed Penalty Manual 2.0, <u>ECO</u> may conduct the investigation <i>motu proprio</i> (on its own); thus, without a need of the RFI and endorsement from the PEM Board, in which case, a non-compliance report from MO would</p>	<p><u>PEMC:</u></p> <p>For comment no. 2: Proposed wording:</p> <p><u>Non-compliances with the above timeline requirement shall be reported by the Market Operator to the Enforcement and Compliance Officer-Governance Arm or the Enforcement and Compliance Office, as may be authorized by the relevant Market Manuals, subject to the established rules on enforcement proceedings and sanctions. and subject to penalty.</u></p> <p><i>Note: Use of Governance Arm for consistency with the terms used in DC2020-10-0021</i></p>	<p><u>PEMC:</u></p> <p>Agree with the proposed rewording on provision for noncompliance of MSPs</p>	<p>Adopt</p> <p>Confirm to remove (refer to SO's proposal)</p>

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>data and the daily metering data values with justifications for the discrepancies.</p> <p>b. XXX</p> <p>c. The Metering Services Provider shall submit the corrected and final metering data to the Market Operator four (4) business days before the issuance of the final settlement.</p> <p>d. XXX</p>	<p><u>Non-compliances with the above timeline shall be reported to the Enforcement and Compliance Officer and subject to penalty.</u></p> <p>b. XXX</p> <p>c. The Metering Services Provider shall submit the corrected and final metering data to the Market Operator <u>five (5)</u> four (4) business days before the issuance of the final settlement.</p> <p>d. XXX</p>		<p>suffice for ECO to assess or proceed with the investigation.</p> <p>2. To conform to the rules in place, PEMC proposes a modification in the wordings.</p> <p>3. For 5.3.3 (c), it should be 5.3.3 (d)</p> <p>4. For 5.3.3 (d), align the timeline with the approved RCC Resolution 2019-10 last 19 July 2019.</p> <p><i>RCC Resolution 2019-10 on WESM Metering Manual</i></p> <p><i>7.3.2 Unresolved Meter Trouble Reports</i></p> <p><i>a. Estimation</i></p> <p>xxx</p> <p><i>b. Late Resolution</i></p> <p><i>The Metering Services Provider may still resolve a Meter Trouble Report and provide metering data acceptable to Market Operator after deadline set in section</i></p>	<p>For comment no. 4:</p> <p>For 5.3.3 (d)</p> <p>d. The Metering Services Provider shall submit the corrected and final metering data to the Market Operator four (4) business <u>working</u> days before the issuance of the final settlement.</p>	<p>3. Noted on the correction on revised section 5.3.3 (d) and not 5.3.3 (c).</p> <p>4. The approved four working day timeline would be equivalent to six (6) calendar days if it covers a weekend, which is a shorter timeframe for the submission of the corrected MQs. Since any submission beyond the deadline would be reconciled through settlement adjustments, the shorter timeframe may lead to more settlement adjustments. The</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>7.3.1. For late resolutions, the deadline to be reflected in the final settlement is <u>shall be</u> four (4) <u>working</u> business days prior to issuance of final settlement statement of the affected trading day.</p> <p>c. xxx</p> <p>d. xxx</p> <p><u>MERALCO:</u></p> <p>We respectfully request that MSP should be given first a report indicating the reason and basis for non-compliance prior to actual imposition of penalty.</p> <p>Also, we respectfully propose to give MSP enough time to explain or justify the reason for non-compliance since most of the current issues/problems are due to communication failure.</p>	<p><u>MERALCO:</u></p> <p>a. Not later than three (3) business days after the end of the billing period, the Metering Services Provider shall submit, via a compact disk, monthly preliminary metering data of all metering points of its associated Trading Participants. In addition, Metering Services Provider shall submit a transmittal letter</p>	<p>five (5) calendar day timeline proposed by IEMOP provides a longer timeframe for submission of corrected MQs while allowing IEMOP to perform more extensive validation of settlement inputs and results.</p> <p><u>MERALCO:</u></p> <p>IEMOP is amenable to PEMC's proposed wordings on the process for determining possible sanctions for non-compliances. We defer to the Governance Arm on the inclusion of Meralco's proposal in the investigation process.</p> <p>On the proposed rewording of 5.3.3 (c), IEMOP proposes that the deadline for</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
						<p>that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Metering Services Provider shall also report to the Market Operator all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies.</p> <p><u>The Metering Services Provider shall be given a report indicating the reason and basis for non-compliance prior to actual imposition of penalty. The Metering Services</u></p>	submission of corrected MQs be set to five (5) business days prior to the issuance of final settlement statement instead of four (4) business days.	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
						<p><u>Provider shall be given enough time to explain or justify the reason for non-compliance.</u></p> <p>Non-compliances with the above timeline shall be reported to the Enforcement and Compliance Officer and subject to penalty.</p> <p>b. XXX</p> <p>c. The Metering Services Provider shall submit the corrected and final metering data to the Market Operator <u>four (4)</u> business days before the issuance of the final settlement.</p> <p>XXX</p> <p><u>NGCP:</u></p>	<p><u>NGCP:</u></p> <p>1. IEMOP agrees with the</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>1. NGCP supports the strict compliance of all Trading Participants (TP) to WESM Rules and Market Manuals. If a proposed penalty is to be imposed on non-compliance to a particular timeline of submission of Market related data/information, a clear mechanism should be established first to ensure objectivity in the process.</p> <p>2. May we note that NGCP submitted to the RCC the proposed amendments to the WESM Manual on Metering Standards and Procedures Issue 12.0 particularly on "Section 5.3.3 – Collection and Submission Procedure" which the Department of Energy (DOE) conducted public consultations on its draft Department</p>	<p>NGCP recommended to adopt the NGCP's proposed amendments to the WESM Manual on Metering Standards and Procedures Issue 12.0 with provision as follows:</p> <p>"a. <i>Not later than three (3) business working days after the end of the billing period, the Metering Services Provider shall submit, via a compact disk File Transfer Protocol (FTP) or any secure file storage device</i> monthly preliminary metering data of all metering points of its associated Trading Participants. In addition, Metering Services Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Metering Services</p>	<p>establishment on clear mechanism on imposition of penalty. The rationale on the proposed provision for non-compliance of MSPs is to strictly implement the existing provision on the submission of monthly metering data.</p> <p>2. IEMOP noted that the original proposal of NGCP retained the current provision and timeline of 5.3.3(a); however, the approved RCC Reso 2019-10 of the said proposal changed the three (3) business days to three (3) working days. This change on</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>Circular (copy attached) with provision as follows:</p> <p>"a. Not later than three (3) business <u>working</u> days after the end of the billing period, the Metering Services Provider shall submit, via a compact disk <u>File Transfer Protocol (FTP) or any secure file storage device</u> monthly preliminary metering data of all metering points of its associated Trading Participants. In addition, Metering Services Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding</p>	<p>Provider shall also report to the Market Operator all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies</p> <p>b. XXX</p> <p>c. Not later than two (2) <u>business seven (7)</u> <u>working</u> days after the issuance of the Meter Trouble Report, the Metering Service Provider shall correct the metering data in accordance with the procedures set forth in Section 6.4.3 of this Manual.</p> <p>d. The Metering Service Provider shall submit the corrected and final metering data to the Market Operator four (4) business days before the issuance of the final settlement.</p> <p>e. XXX"</p>	<p>the said provision or timeline may result in a longer deadline on submission of monthly prelim MQs (max of 5 days if it falls on weekends and more if during holidays) which will also lead to a much tighter timeline for the Market Operator on its computation and validation process. Thus, IEMOP proposes to retain the current provision of three (3) business days after end of billing period for the submission of monthly prelim MQs for a more definite timeline of the submission of monthly prelim MQ and on the need for</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p><i>total metered quantity for the billing period. The Metering Services Provider shall also report to the Market Operator all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies</i></p> <p>3. While the proposed amendment will allow the Market Operator (MO) to have an additional business day to prepare the final bills/statements, this will consequently reduce the Metering Service Provider's (MSP) timeline of submission of "corrected MQ" by one day (e.g., from End of billing period + 14days to End of billing period + 13days).</p>		<p>sufficient timeline for computation and validation for a more accurate billing statements to stakeholders.</p> <p>3. Yes, the proposal will reduce the time MSPs can submit corrected MQ for consideration in the final settlement statement but will provide IEMOP an additional day to validate bills/statements for better accuracy.</p> <p>4. Meter data reconciliation is</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>4. This will also require all “meter data reconciliation” between MO, MSP and TP to be performed within a shorter period in order to finalize the meter data adjustments within the adjusted deadline [e.g., reconciliation will be done from Day 8-13 (5 days) instead of Day 7-14 (7 days)].</p> <p>5. NGCP would like to emphasize that the “existing timeline” is just enough/sufficient for the MSP to process effectively and timely the collection of meter data up to the submission of the final metering data to the MO.</p> <p>6. NGCP respectfully suggests the following alternative options:</p> <ul style="list-style-type: none">• Amend the total/overall validation timeline to increase by one day (e.g., Final		<p>performed based on meter trouble reports issued by the MO and is not dependent on the issuance of the preliminary settlement statement. The MO issues the monthly MTR 2 business days after the deadline on submission of monthly prelim MQs (after MO has validated said submissions); that is Day 5 to Day 13 (8 days).</p> <p>5. Similarly, the existing timeline is only sufficient for IEMOP to prepare the settlement statements without final validation. We note that there are other inputs/factors that need to be</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>bills will be issued 19 days from end of billing period instead of 18 days). This will provide IEMOP sufficient time to perform extensive validation; or</p> <ul style="list-style-type: none">• Instead of amending the existing timeline, IEMOP to consider assessing its validation tool and/or settlement software/system if these can be further enhanced to expedite the validation process.		<p>validated besides metered quantities (e.g., prices, connections, customer mapping). We recognize that providing the additional validation timeline may result in corrected MQs being considered for settlement adjustments instead of the final settlement statements.</p> <p>6. IEMOP is amenable with the proposed amendment on the total/overall validation timeline to be increased by one day (e.g., Final bills will be issued 19 days from end of billing period instead of 18 days)</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
							<p>The MO assesses and proactively exert efforts on enhancing its validation tool and/or settlement software / system. This proposal is in view of the observed performance of existing systems and future increase in processing.</p> <p>IEMOP also notes the need to align its proposed timeline of 5 business days prior to issuance of final settlement statement to similar provisions in Sections 6.4.5 and 7.3.2(b).</p>	

C. Retail Manual on Metering Standards and Procedures Issue 3.0

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
Metering Data Collection	5.3.3	<p>5.3.4 Monthly Process</p> <p>Not later than three (3) business days after the end of the billing period, the Retail Metering Services Provider shall submit monthly preliminary metering data of all metering points of its associated Contestable Customers. In addition, Retail Metering Services Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Retail Metering Services Provider shall also report to the Central Registration Body all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies. In the event that metering data errors are detected by the Central Registration Body</p>	<p>5.3.4 Monthly Process</p> <p>Not later than three (3) business days after the end of the billing period, the Retail Metering Services Provider shall submit monthly preliminary metering data of all metering points of its associated Contestable Customers. In addition, Retail Metering Services Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Retail Metering Services Provider shall also report to the Central Registration Body all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies. In the event that metering data errors are detected by the Central Registration Body</p>	The revision is being proposed to strictly implement the existing provision on the submission of monthly metering data.	<p>PEMC:</p> <p>1. The proposed revision speaks of penalty; and thus, presupposes that the report referred to in the proposed amendment would lead to an investigation.</p> <p>Concern:</p> <p>a. Under the WESM Rules, ECO may only investigate when a Request for Investigation is filed with the PEM Board, and the PEM Board directs the ECO to investigate. (Clause 7.2.2.1 and 7.2.2.2)</p> <p>b. Under the proposed Penalty Manual 2.0, ECO may conduct the investigation <i>motu proprio</i> (on its own); thus, without a need of the RFI and endorsement from the PEM Board, in which case, a non-</p>	<p>PEMC:</p> <p>Proposed wording:</p> <p><u>Non-compliances with the above timeline requirement shall be reported by the Market Operator to the Enforcement and Compliance Officer Governance Arm or the Enforcement and Compliance Office, as may be authorized by the relevant Market Manuals, subject to the established rules on enforcement proceedings and sanctions. and subject to penalty.</u></p> <p><i>Note: Use of Governance Arm for consistency with the terms used in DC2020-10-0021</i></p>	<p>PEMC:</p> <p>Agree with the proposed rewording on provision for noncompliance of MSPs.</p>	Adopt

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		in accordance with Section 6 of this Manual, the Retail Metering Services Provider shall be required to submit final metering data addressing the errors.	<p>in accordance with Section 6 of this Manual, the Retail Metering Services Provider shall be required to submit final metering data addressing the errors.</p> <p><u>Non compliances with the above timeline shall be reported to Enforcement and Compliance Officer and subject to penalty.</u></p>		<p>compliance report from MO would suffice for ECO to assess or proceed with the investigation.</p> <p>2. To conform to the rules in place, PEMC proposes a modification in the wordings.</p> <p>3. Revised the numbering on the proposal</p> <p><u>MERALCO:</u></p> <p>We respectfully request that MSP should be given first a report indicating the reason and basis for non-compliance prior to actual imposition of penalty.</p> <p>Also, we respectfully propose to give MSP enough time to explain or justify the reason for non-compliance since most of the current</p>	<p>3. 5.3.4 <u>5.3.3</u> Monthly Process</p> <p><u>MERALCO:</u></p> <p>Not later than three (3) business days after the end of the billing period, the Retail Metering Services Provider shall submit monthly preliminary metering data of all metering points of its associated Contestable Customers. In addition, Retail Metering Services</p>	<p>3. Noted on the corrected numbering</p> <p><u>MERALCO:</u></p> <p>IEMOP is amenable to PEMC's proposed wordings on the process for determining possible sanctions for non-compliances. We defer to the Governance Arm on the inclusion of Meralco's proposal in the investigation process.</p>	

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
					<p>issues/ problems are due to communication failure.</p> <p>Currently, Meralco-MSP submits monthly preliminary metering data to Market Operator not later than three (3) business days after the end of billing period</p>	<p>Provider shall submit a transmittal letter that includes a tabulation of all associated metering points and their corresponding total metered quantity for the billing period. The Retail Metering Services Provider shall also report to the Central Registration Body all discrepancies between the monthly metering data and the daily metering data values with justifications for the discrepancies. In the event that metering data errors are detected by the Central Registration Body in accordance with Section 6 of this Manual, the Retail Metering Services Provider shall be required to submit final metering data</p>		

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
						<p>addressing the errors.</p> <p><u>The Metering Services Provider shall be given a report indicating the reason and basis for non-compliance prior to actual imposition of penalty. The Metering Services Provider shall be given enough time to explain or justify the reason for non-compliance.</u></p> <p>Non compliances with the above timeline shall be reported to Enforcement and Compliance Officer and subject to penalty.</p>		
Monthly Validation	6.3.2	In addition to the daily validation, the <i>Central Registration Body</i> shall also validate the monthly <i>metering data</i> sent to the <i>Central Registration Body</i> by the <i>Retail Metering Services Providers</i> . The procedure for			<p><u>PEMC:</u></p> <p>Align the timeline for monthly validation with the wholesale MSPs.</p>	<p><u>PEMC:</u></p> <p>In addition to the daily validation, the <i>Central Registration Body</i> shall also validate the monthly <i>metering data</i> sent to the <i>Central Registration Body</i> by</p>	<p><u>PEMC:</u></p> <p>The approved four working day timeline would be equivalent to six (6) calendar days if it covers a weekend, which is a shorter timeframe</p>	Adopt 4 business days

Annex G – Presentation Material and Matrix of Comments

Title	Section	Provision	Proposed Amendment	Rationale	Comments	Revised Wording based on Comments	Proponent's Response	RCC Decision
		<p>the monthly validation is as follows:</p> <p>a) xxx</p> <p>b) xxx</p> <p>c) If issued a <i>Meter Trouble Report</i>, a <i>Retail Metering Services Provider</i> shall correct the <i>metering data</i> and submit final <i>metering data</i> not later than five (5) business days prior to the issuance of the final settlement statement; and</p> <p>d) xxx</p>				<p>the <i>Retail Metering Services Providers</i>. The procedure for the monthly validation is as follows:</p> <p>a) xxx</p> <p>b) xxx</p> <p>c) If issued a Meter Trouble Report, a Retail Metering Services Provider shall correct the metering data and submit final metering data not later than five (5) business <u>four (4) working</u> days prior to the issuance of the final settlement statement; and</p> <p>d) xxx</p>	<p>for the submission of the corrected MQs. Since any submission beyond the deadline would be reconciled through settlement adjustments, the shorter timeframe may lead to more settlement adjustments. The five (5) calendar day timeline proposed by IEMOP provides a longer timeframe for submission of corrected MQs while allowing IEMOP to perform more extensive validation of settlement inputs and results.</p>	

Note: For convenience, please underline and put in bold letters the proposed changes to the Market Rules or Manual.

A. WESM Rules (EWDO)

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Agreements
					<i>Please write general comments here, if any.</i>			
Automatic Pricing Re-runs	3.6.7.2	The purpose of the automatic market pricing re-runs is to ensure that the energy and reserve prices reflect: (a) the marginal costs of supplying energy at each node; (b) the marginal costs of supplying reserves; (c) shortage pricing when there is a shortage of supply at a node or regional level; and (d) excess pricing when there is an excess of supply at a node or regional level. Such methodology for shortage pricing and excess pricing shall be	The purpose of the automatic market pricing re-runs is to ensure that the energy and reserve prices reflect: (a) the marginal costs of supplying energy at each node; and (b) the marginal costs of supplying reserves; (c) shortage pricing when there is a shortage of supply at a node or regional level; and (d) excess pricing when there is an excess of supply at a node or regional level. Such methodology for shortage pricing and	Consistent with ERC directives* that the existing pricing mechanisms during under-generation and over-generation should be maintained. Such that, these events shall be treated just like other constraint violations. * ERC Decision dated 20 August 2020 (and promulgated on 29 December 2020) on ERC Case No. 2017-042RC				Adopt



WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Agreements
		approved by the DOE and ERC.	excess pricing shall be approved by the DOE and ERC.					
Automatic Pricing Re-runs	3.6.7.3	<p>The automatic re-run of the dispatch optimization shall use the following changes to the soft constraints that was violated:</p> <p>(a) In case of over-generation and under-generation, the soft constraint shall be relaxed by a value to allow the market dispatch optimization model to find a feasible price; and</p> <p>(b) For all other constraints that were violated, each constraint's requirement shall be corresponding to the resulting non-zero violation variable, including a very small value to allow the market dispatch</p>	<p>The automatic re-run of the dispatch optimization shall relax use the following changes to the soft constraints that was violated by a value:</p> <p>(a) In case of over-generation and under-generation, the soft constraint shall be relaxed by a value to allow the market dispatch optimization model to find a feasible price; and</p> <p>(b) For all other constraints that were violated, each constraint's requirement shall be corresponding to the resulting non-zero violation variable, including a very small value, to allow the</p>	<p>Consistent with ERC directives* that the existing pricing mechanisms during under-generation and over-generation should be maintained. Such that, these events shall be treated just like other constraint violations.</p> <p>* ERC Decision dated 20 August 2020 (and promulgated on 29 December 2020) on ERC Case No. 2017-042RC</p>				Adopt

WESM Rules								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Agreements
		optimization model to find a feasible price.	market dispatch optimization model to find a feasible price.					
Pricing Error Notice	3.10.5.5	3.10.5.5 The procedures developed for the market pricing re-runs shall be designed to produce prices reflecting supply shortages at any nodes where there was load shedding and prices reflecting excess supply where there was excess generation.	3.10.5.5 The procedures developed for the market pricing re-runs shall be designed to produce prices reflecting supply shortages at any nodes where there was load shedding and prices reflecting excess supply where there was excess generation.	Consistent with ERC directives* that the existing pricing mechanisms during under-generation and over-generation should be maintained. Such that, these events shall be treated just like other constraint violations. * ERC Decision dated 20 August 2020 (and promulgated on 29 December 2020) on ERC Case No. 2017-042RC				Adopt

B. Constraint Violation Coefficients and Pricing Re-runs, Issue 6 (EWDO)

WESM Manual on Constraint Violation Coefficients and Pricing Re-runs								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Agreements
					<i>Please write general comments here, if any.</i>			
Rationale for Automatic Pricing Re-Runs	5.1.3.	<p>The purpose of the automatic pricing re-runs is to ensure that the energy and reserve prices reflect:</p> <p>a. the marginal costs of supplying energy at each node;</p> <p>b. the marginal costs of supplying reserves;</p> <p>c. shortage pricing when there is a shortage of supply at a node or regional level; and</p> <p>d. excess pricing when there is an excess of supply at a node or regional level.</p>	<p>The purpose of the automatic pricing re-runs is to ensure that the energy and reserve prices reflect:</p> <p>a. the marginal costs of supplying energy at each node; and</p> <p>b. the marginal costs of supplying reserves;</p> <p>c. shortage pricing when there is a shortage of supply at a node or regional level; and</p> <p>d. excess pricing when there is an excess of supply at a node or regional level.</p>	Consistent with the proposed amendment to WESM Rules Clause 3.6.7.2.				Adopt
Process for Automatic	5.2.2. to 5.2.5	5.2.2. In case of over-generation and under-	5.2.2. In case of over-generation and under-	Consistent with the proposed amendment to	Adopt			

WESM Manual on Constraint Violation Coefficients and Pricing Re-runs								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Agreements
Pricing Re-Runs		generation, the soft constraint shall be relaxed by a very small value (delta) to allow the market dispatch optimization model to find a feasible price. When the results of the market dispatch optimization model reflect a violation greater than delta, then the automatic pricing re-run shall reflect the shortage price for under-generation and excess price for over-generation. 5.2.3 xxx 5.2.4 xxx 5.2.5 xxx	generation, the soft constraint shall be relaxed by a very small value (delta) to allow the market dispatch optimization model to find a feasible price. When the results of the market dispatch optimization model reflect a violation greater than delta, then the automatic pricing re-run shall reflect the shortage price for under-generation and excess price for over-generation. 5.2.3 5.2.2 xxx 5.2.4 5.2.3 xxx 5.2.5 5.2.4 xxx	WESM Rules Clauses 3.6.7.3 and 3.10.5.5.				
Automatic Pricing Re-Run Parameters	5.3.1	The corresponding constraint relaxation formulas for the constraint violation coefficients during pricing re-runs shall be	The corresponding constraint relaxation formulas for the constraint violation coefficients during pricing re-runs shall be	Consistent with the proposed amendment to WESM Rules Clauses 3.6.7.3 and 3.10.5.5.				Adopt

WESM Manual on Constraint Violation Coefficients and Pricing Re-runs								
Title	Clause	Provision	Proposed Amendment	Rationale	Comments	Proposed Wording based on Comments	Proponent's Response	RCC Agreements
		as provided in Table 2 below: (see next page)	as provided in Table 2 below: (see next page)					

Provision							Proposed Amendment							Comments	
Order	Constraint Violation Coefficient Name	CVC	Violation Variable Value	Delta	Constraint Relaxation during Pricing Re-Run	Re-run Price ²⁵	Order	Constraint Violation Coefficient Name	CVC	Violation Variable Value	Delta	Constraint Relaxation during Pricing Re-Run	Re-run Price ²⁶	Adopt	
xxx	xxx	xxx	xxx	xxx	xxx	xxx	x	xxx	xxx	x	x	xxx	xxx		
4	System Energy Balance Constraint	1,300,000	x	0	delta	Excess Price for over-generation	4	System Energy Balance Constraint (Over-generation and under-generation)	1,300,000	x	0.1	x+delta	EDP AND RP Excess Price for over-generation		
						Shortage Price for under-generation							Shortage Price for under-generation		
xxx	xxx	xxx	xxx	xxx	xxx	xxx	x	xxx	xxx	x	x	xxx	xxx		

²⁵ EDP refers to *nodal energy dispatch price*; and RP refers to *reserve price*

²⁶ EDP refers to *nodal energy dispatch price*; and RP refers to *reserve price*



SUPREME COURT DECISION ON THE DOE CIRCULAR AND ERC RESOLUTIONS RELATIVE TO RETAIL COMPETITION AND OPEN ACCESS (“RCOA”)

14 October 2021



A Premier Electricity Market & Champion of Governance

TIMELINE OF EVENTS



SC Decision on RCOA

ASSAILED DOE CIRCULAR & ERC RESOLUTIONS

DOE DC 2015-06-0010 (June 2015)	-provided policies for the full implementation of RCOA; mandated all contestable customers with a monthly average peak demand of 1MW which were still sourcing electricity from DUs, to secure a retail supply contract from listed energy suppliers by June 25, 2016
ERC Reso 5 8 March 2016	Rules Governing Issuance of Licenses to Retail Electricity Suppliers; Sec. 3 provided those that may be retail electricity suppliers
ERC Reso Nos. 10 & 11 12 May 2016	- ERC Reso 10 - adopted Revised Rules for Contestability; mandated end-users with a certain average monthly peak demand to <u>enter into</u> retail supply contracts with a RES on a due date. - ERC Reso 11 - imposed restrictions on DUs and RES in the Competitive Retail Electricity Market. It forbade DUs from participating as suppliers in the contestable market and gave local RES 3 years to wind down their business. It also barred them from <u>entering into</u> new retail supply contracts
ERC Reso 28 15 Nov 2016	amended the mandatory contestability date for end-users with an average monthly peak demand of at least one MW

THE PETITIONERS' GROUNDS

1 st Petition	<ul style="list-style-type: none"> under Section 31 of the EPIRA, any migration of electricity end-users to the contestable market is voluntary ERC Reso 10: petitioners are forced to abrogate their current electricity supply contracts and negotiate on an unequal footing with the RES accredited by ERC
2 nd Petition	<ul style="list-style-type: none"> DOE DC and ERC Reso No. 10 are both invalid forms of subordinate legislation EPIRA does not compel CCs to enter into retail supply contracts; language merely permissive; By forcing CCs to enter into contracts with the licensed retail electricity suppliers, DOE and ERC are creating a virtual oligopoly
3 rd Petition	<ul style="list-style-type: none"> Requiring licenses to operate within their existing franchise area will cause ECs to lose business; impair constitutional right to equal protection as issuances discriminate against DUs & ECs; they also violate the rule on non-impairment of contracts; are not a valid exercises of police power and are void for usurping legislative functions

SUPREME COURT DECISION

W/N the assailed issuances should be struck down for being ULTRA VIRES; - YES

the assailed issuances issued under the power of subordinate legislation must still conform to the law it seeks to enforce

EPIRA champions customer choice. DOE's mandatory migration of qualified end-users to the contestable market required in the assailed issuances finds no basis in the law they seek to implement.

the assailed issuances are ultra vires for going beyond the limits of authority conferred to respondent administrative agencies

W/N the Petitions are moot and academic upon DOE's revocation - NO

There remains a continuing controversy because ERC insists that DUs should be prohibited from participating in the contestable market, and that the migration of qualified end-users to the contestable market is mandatory.

DISPOSITIVE: Petitions are **GRANTED**. Assailed Issuances are declared **VOID** for being bereft of legal basis. ERC is **DIRECTED** to promulgate the supporting guidelines to DC Nos. DC2017-12-0013 and DC2017-12-0014.



SC Decision on RCDA | 5



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