



MEETING MINUTES

Subject/Purpose : 191st Rules Change Committee (Regular) Meeting
 Date & Time : 18 February 2022, 09:00 AM
 Venue : Online via Microsoft Teams
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ATTENDEES

| | Name | Designation/Position | Department/Company |
|----|----------------------------|---------------------------------------|--------------------|
| 1 | Concepcion I. Tanglao | Member, Independent | RCC |
| 2 | Jesusito G. Morallos | Member, Independent | RCC |
| 3 | Dixie Anthony R. Banzon | Member, Generation Sector | RCC |
| 4 | Cherry A. Javier | Member, Generation Sector | RCC |
| 5 | Carlito C. Claudio | Member, Generation Sector | RCC |
| 6 | Jessie B. Victorio | Member (Alternate), Generation Sector | RCC |
| 7 | Mark D. Habana | Member, Generation Sector | RCC |
| 8 | Michelle S. Tuazon | Member (Alternate), Generation Sector | RCC |
| 9 | Ryan S. Morales | Member, Distribution Sector | RCC |
| 10 | Ricardo G. Gumalal | Member, Distribution Sector | RCC |
| 11 | Virgilio C. Fortich, Jr. | Member, Distribution Sector | RCC |
| 12 | Nelson M. Dela Cruz | 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 | Karen A. Varquez | RCC Secretariat | PEMC |
| 17 | Divine Gayle C. Cruz | RCC Secretariat | PEMC |
| 18 | Dianne L. De Guzman | RCC Secretariat | PEMC |
| 19 | Kathleen R. Estigoy | RCC Secretariat | PEMC |
| 20 | Luningning G. Baltazar | Observer | DOE |
| 21 | Melanie Papa | Observer | DOE |
| 22 | Mari Josephine C. Enriquez | Observer | DOE |
| 23 | Jhannelyn D. Marasigan | Observer | DOE |
| 24 | Elvin Hayes E. Nidea | Chief Governance Officer | PEMC |
| 25 | John Mark S. Catriz | Head, MAG | PEMC |
| 26 | Aldjon Kenneth M. Yap | Sr. Specialist, MAG-MA | PEMC |
| 27 | Clares Loren C. Jalocon | Head, CPC | PEMC |
| 28 | Dece Marwil B. Falar | Manager, CPC-SIC | PEMC |
| 29 | Kevin John Y. Dela Cuesta | TC Secretariat | PEMC |
| 30 | Aldrin W. Reyes | TC Secretariat | PEMC |
| 31 | Ruziel Larmae T. Gimpaya | Proponent | IEMOP |
| 32 | Karen Anne H. Siruma | Proponent | IEMOP |
| 33 | Sheryll M. Dy | Proponent | IEMOP |
| 34 | Lilibeth Grace L. Vetus | Proponent | IEMOP |
| 35 | Edward I. Olmedo | Proponent | IEMOP |
| 36 | Jenny I. Jalandoni | Proponent | IEMOP |
| 37 | Katrina A. Garcia-Amuyot | Proponent | IEMOP |





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| 38 | Valeriano C. Barro, Jr. | Proponent | NPC |
| 39 | Ken G. Trinidad | Proponent | NPC |
| 40 | Maria Teresa Serra | Proponent | NPC |
| 41 | Sergio P. Villafuerte | Proponent | NPC |
| 42 | Valeriano C. Barro, Jr. | Proponent | NPC |





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| I. Call to Order | <ul style="list-style-type: none"> The meeting was conducted via Microsoft Teams and was called to order at 09:02 AM. The meeting was presided by Ms. Concepcion I. Tanglao (Member/Independent). |
| II. Determination of Quorum | <p>AM: There were 13 principal and 1 alternate members present.</p> <p>PM: There were 12 principal and 2 alternate members present, however, 1 principal member requested to leave the meeting earlier for another meeting.</p> |
| III. Adoption of Agenda | <p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Proceedings:</u> Ms. Tanglao informed the body that the Secretariat sent revised agenda of the 191st RCC Meeting, as follows:</p> <ul style="list-style-type: none"> As requested from NGCP, deferral of the deliberation of comments for the Proposed Amendments to the WESM Rules and WESM Manuals on System Security and Reliability and Dispatch Protocol for Implementation of Reserve Market (ORCP-WR-WM-21-13) As submitted by NPC, addition of the Proposed Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints Addition of Updates on the Implementation of Green Energy Option Program (GEOP) <p>Ms. Cruz confirmed that these were the revisions made in the agenda and requested RCC to discuss item 6.1 after 5.2, which are both proposals by NPC.</p> <p><u>Resolution:</u> Having no further comments, Mr. Virgilio C. Fortich, Jr. (Distribution) moved for the approval of the agenda and was seconded by Atty. Jesusito G. Morillos (Independent) and Mr. Mark D. Habana (Generation). The agenda of meeting was approved and adopted by the body, as revised. The request of the Secretariat was also approved.</p> |





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| <p>IV. Approval of Minutes of Previous Regular Meeting</p> <ul style="list-style-type: none"> • 189th Regular Meeting, 21 Jan 2022 | <p><u>Presenter:</u> Ms. Divine Gayle C Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Proceedings:</u> On the matter regarding the additional revisions to the proposed amendments on market network modelling (MNM) in page 8, Ms. Tanglao requested clarification whether the instruction of the PEM Board during their meeting is already considered as formal instruction or formal communication. Ms. Cruz confirmed that PEM Board's instruction was only during their meeting and that there was no further communication, i.e. letter, from the PEM Board on remanding the proposal. She also added that that the usual process was for the PEM Board to issue its instructions by writing, which was not provided in this case.</p> <p><u>Resolution:</u> Having no further comments, Ms. Cherry A Javier (Generation) moved for the approval of the minutes and was seconded by Mr. Ricardo G. Gumalal (Distribution). The minutes of meeting was approved, as submitted, and the members agreed to affix their e-signatures.</p> |
| <p>V. Matters Arising from Previous Meeting</p> | |
| <p>5.1. RCC Resolution No. 2022-01: <i>Proposed Amendments to Various Market Manuals for Improvements to Market Resource Modelling and Monitoring</i></p> | <p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For review and approval to affix e-signature, and submission to PEM Board</p> <p><u>Proceedings:</u> Ms. Estigoy informed the RCC that the Secretariat agrees with the proposed edits of Ms. Tanglao and Mr. Isidro E. Cacho (Market Operator) on the initial draft resolution emailed on 15 February.</p> <p>On the query of Ms. Tanglao if there were two (2) meetings held in July 2021, Ms. Estigoy confirmed that two (2) meetings were conducted: on 16 July (regular meeting) and 23 July (special meeting).</p> <p>Ms. Estigoy summarized the highlights of the RCC's discussion during its last regular meeting:</p> <ul style="list-style-type: none"> • The RCC deemed that the additional proposal from IEMOP addresses the TC's and SO's concerns; |





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| | <ul style="list-style-type: none"> • Unavailability of network distribution data is currently being addressed by the Market Operator (MO); • The network model presented by IEMOP is a temporary solution; and • The results of the impact assessment of the proposal were acceptable. <p>Ms. Tanglao requested confirmation whether the MO and RCC were able to address TC’s concerns. Ms. Estigoy answered that one of the TC’s comments is to review the whole manual, which would be an entirely separate activity from the subject proposal.</p> <p>Ms. Cherry A. Javier (Generation) requested to revise the illustration of the simplification of network model and to include the revenue meters in the market network model, for clarification purposes.</p> <div data-bbox="603 1128 1469 1579" data-label="Diagram"> </div> <p>Resolution: Having no additional comments received on the draft resolution, Mr. Carlito C. Claudio (Generation) moved for the approval of the draft resolution and endorsement of the proposal to the PEM Board, as revised, which was seconded by Mr. Ambrocio R. Rosales (System Operator).</p> |
| <p>5.2. RCC Resolution No. 2022-02: Proposed Urgent Amendments to the WESM Manual on Dispatch Protocol regarding Considerations and Criteria</p> | <p>Presenter: Ms. Divine Gayle C. Cruz (Secretariat)</p> <p>Action Requested: For review and approval to affix e-signature, and submission to PEM Board</p> <p>Proceedings:</p> |



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| <p><i>for Selection of Must-Run Units</i></p> | <p>Further to the special RCC meeting held on 08 February to discuss and deliberate the urgent proposal by the National Power Corporation (NPC), Ms. Cruz presented the draft resolution to the RCC, with the comments received on the initial draft emailed on 15 February. Highlights of the discussion are as follows:</p> <ul style="list-style-type: none"> On the proposed deletion by Mr. Ambrocio R. Rosales (System Operator) of item (d) on page 4, <i>“Previous instances when NPC claims that the System Operator allowed their plants to be dispatched as MRUs are likely accomplished not through the MRU mechanism at all but via the System Operator’s imposition of non-security overriding constraints to the plant.”</i> <p>Mr. Rosales said that the SO allowed NPC to be dispatched as MRU only during the time when it was still under the MRU criteria. Even when natural calamities/emergencies were removed as MRU criteria, he surmised that the SO did not impose overriding constraint limits during such instances since natural calamities/emergencies are not in the criteria for over-riding constraints. He commented that if the SO was doing this, then it is a wrong practice. He also added that based on his recollection, such instance was not mentioned during the discussion and so he is suggesting deleting the provision from the resolution.</p> <ul style="list-style-type: none"> Proposed deletion by Ms. Javier of item (e) on page 4, <i>“Through close coordination with the System Operator, NPC’s plants could request to be dispatched at a maximum capacity ahead of an anticipated weather disturbance. The System Operator may approve such requests if based on its assessment, said dispatch will not adversely affect grid security.”</i> <p>Ms. Javier explained that the subject provision has the same thought as item (d). Mr. Rosales agreed with the suggestion of Ms. Javier. He added that the SO will not accommodate NPC’s request to be dispatched unless it involves security of the grid, which will be assessed by the SO.</p> |



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| | <ul style="list-style-type: none"> Addition of new whereas clause based on the discussion during the meeting, "<i>WHEREAS, on 18 February 2022, while finalizing this resolution during its 191st Meeting, the RCC noted the clarifications made by SN Aboitiz Power (SNAP) and Strategic Power Development Corp. (SPDC), which are the Trading Participants of the power plants situated at NPC-managed dams, that they adjust the offers for these power plants to be dispatched accordingly.</i>" <p>Mr. Dixie Anthony R. Banzon (Generation) confirmed that for SPDC, one of the Trading Participants of the power plants situated at NPC-managed dams, their offers are adjusted to be dispatched accordingly.</p> <p><u>Resolution:</u> Having no additional comments received on the draft resolution, Mr. Fortich moved for the approval of the revised resolution and endorsement of the proposal to the PEM Board, which was seconded by Ms. Javier.</p> |
| <p>5.3. Proposed Amendments to the WESM Rules and WESM Manuals on System Security and Reliability and Dispatch Protocol for the Implementation of the Reserve Market (ORCP-WR-WM-21-13)</p> <p>a) Letter from the Proponent requesting to defer the deliberation of comments</p> | <p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat) Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Material/s:</u> Annex A – Letter from NGCP</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz refreshed the RCC that the proposal was submitted by the National Grid Corporation of Philippines (NGCP). The RCC was scheduled to deliberate the proposal and comments/responses. However, NGCP requested through a letter dated 16 February 2022 to defer the deliberation of comments on the next scheduled RCC meeting to allow them time to respond to the comments.</p> <p><u>Resolution:</u> The RCC noted and approved NGCP's request to defer the deliberation of comments on the next scheduled RCC meeting.</p> |
| <p>5.4. Proposed Amendments to the Guidelines Governing</p> | <p><u>Presenter/s:</u> Mr. Kathleen R. Estigoy (Secretariat)</p> |



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| <p>the Constitution of the PEM Board Committees</p> | <p><u>Action Requested:</u> For approval for submission to PEM Board</p> <p><u>Material/s:</u> Annex B – Presentation material</p> <p><u>Proceedings:</u></p> <p>Ms. Estigoy acknowledged CGO Elvin Hayes E. Nidea, who coordinated the revised proposal, specifically the memberships of the WESM Governance Committees (WGCs), with the PEM Board Chair Noel Aboboto. She provided background of the proposal, as follows:</p> <table border="1" data-bbox="647 929 1453 1335"> <thead> <tr> <th>Dates</th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>11 Feb 2020</td> <td>PEMC submitted to the RCC the proposal</td> </tr> <tr> <td>24 Apr 2020</td> <td>RCC discussed the proposal/comments (164th Meeting)</td> </tr> <tr> <td>15 May 2020</td> <td>RCC discussed the position paper submitted by MERALCO (165th Meeting)</td> </tr> <tr> <td>27 May 2020</td> <td>PEM Board resolved to DEFER APPROVAL of the proposal on the TC and to REMAND the same to the RCC to further study the reduction of 5 to 3 independent members while maintaining the SO, MO, Gen and DU sectoral representation in the committee (PEM Board Reso 2020-24-11)</td> </tr> <tr> <td>19 Jun 2020</td> <td>RCC deliberated on the PEM Board's directive (agreed that the # of independent members will not affect the discussion on technical matters) [7]</td> </tr> <tr> <td>22 Jul 2020</td> <td>BRC recommended to reduce the numbers of independent members due to ERC's decision to reduce PEMC's MTF providing for budgetary requirements of WGCs. [5] RCC adopted BRC's suggestion to revise to 5 members, retaining one (1) independent member</td> </tr> <tr> <td>23 Sep 2021</td> <td>DOE remanded the proposal for enhancement and rectification: 1. Incorporate the Compliance Committee 2. Revisit the proposal if the WGC's composition is aligned with the objectives to (a) ensure consumer protection; (b) enhance competitive operation of the WESM; and (c) promote investor confidence - INDEPENDENCE</td> </tr> </tbody> </table> <p>She also provided the rationale of the proposal:</p> <ul style="list-style-type: none"> • To incorporate DOE policies; • To ensure an adequate number of WGCs corresponding to volume of work; and • To delineate the responsibilities of WGCs and PEMB Committees. <p>Ms. Estigoy also discussed the highlights of the proposal as follows:</p> <ol style="list-style-type: none"> 1. Replaced “PEM Board Committees” with the “WESM Governance Committees” and deleted any references to other PEM Board Committees for PEMC corporate matters. 2. Adopted criteria for independence under DOE DC2018-01-0002 (IMO Transition) 3. Revised the WGC Memberships: | Dates | Activities | 11 Feb 2020 | PEMC submitted to the RCC the proposal | 24 Apr 2020 | RCC discussed the proposal/comments (164 th Meeting) | 15 May 2020 | RCC discussed the position paper submitted by MERALCO (165 th Meeting) | 27 May 2020 | PEM Board resolved to DEFER APPROVAL of the proposal on the TC and to REMAND the same to the RCC to further study the reduction of 5 to 3 independent members while maintaining the SO, MO, Gen and DU sectoral representation in the committee (PEM Board Reso 2020-24-11) | 19 Jun 2020 | RCC deliberated on the PEM Board's directive (agreed that the # of independent members will not affect the discussion on technical matters) [7] | 22 Jul 2020 | BRC recommended to reduce the numbers of independent members due to ERC's decision to reduce PEMC's MTF providing for budgetary requirements of WGCs. [5] RCC adopted BRC's suggestion to revise to 5 members, retaining one (1) independent member | 23 Sep 2021 | DOE remanded the proposal for enhancement and rectification: 1. Incorporate the Compliance Committee 2. Revisit the proposal if the WGC's composition is aligned with the objectives to (a) ensure consumer protection; (b) enhance competitive operation of the WESM; and (c) promote investor confidence - INDEPENDENCE |
| Dates | Activities | | | | | | | | | | | | | | | | |
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| 27 May 2020 | PEM Board resolved to DEFER APPROVAL of the proposal on the TC and to REMAND the same to the RCC to further study the reduction of 5 to 3 independent members while maintaining the SO, MO, Gen and DU sectoral representation in the committee (PEM Board Reso 2020-24-11) | | | | | | | | | | | | | | | | |
| 19 Jun 2020 | RCC deliberated on the PEM Board's directive (agreed that the # of independent members will not affect the discussion on technical matters) [7] | | | | | | | | | | | | | | | | |
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| | WGC | Proposal (No. of Members) | Term |
| | PEM Audit Committee (PAC) | <u>From maximum to at least 3 independent members</u> | 3 years – not changed Reappointment: in no case shall be made for more than two (2) three (3) consecutive terms |
| | Market Surveillance Committee (MSC) | <u>From maximum to at least 3 independent members</u> | 3 years – not changed Reappointment: in no case shall be made for more than two (2) three (3) consecutive terms |
| | Technical Committee (TC) | From at least 5 independent members to 5 members composed of: <ul style="list-style-type: none"> • 4 independent members (composed as follows) <ul style="list-style-type: none"> 1 – Economist 1 – IT Expert 2 – Electricity Market Operations Experts • 1 – System Operator | |
| | Dispute Resolution Administrator (DRA) | 1 independent member – not changed | 5 years – not changed |
| | Compliance | <u>3 independent members</u> | 3 years |



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| | Commi tee (CC) (new WGC) | <p data-bbox="1171 465 1437 658">Reappointment: in no case shall be made for more than <u>three (3)</u> consecutive terms</p> <ul data-bbox="651 703 1469 1043" style="list-style-type: none"> On TC composition, Mr. Isidro E. Cacho (Market Operator) inquired on the reason of having two (2) experts on market operations and one (1) from system operator. Ms. Estigoy clarified that the experts on electricity market operations shall not be related with any WESM Member including IEMOP. On the query about the greater number of experts on market operations, Ms. Estigoy responded that the studies or topics being undertaken by the TC are about market operations. <p data-bbox="699 1088 1469 1352">Mr. Cacho asked if the System Operator is also independent. Ms. Estigoy answered that the current setup of TC includes representative from SO. To add, during the discussion of CGO Nidea, PEMB Chair Aboboto and Dir. Ronald Dylan Concepcion, it was deemed that the SO is indispensable in the TC since majority of the discussion of TC requires expertise on system operations.</p> <p data-bbox="699 1397 1469 1662">Mr. Rosales asked about the qualifications of an “expert”, and the reason why there needs to be two (2) “experts”. Ms. Estigoy responded that as to the expertise, it will be subject to the PEM Board selection committee. For the number of experts, since the topics will involve more on the market operation, preferably, more experts on that field are needed.</p> <p data-bbox="699 1706 1469 1971">Mr. Mark D. Habana (Generation) expressed his opinion that with regards to the experts on market operations and the dynamic changes of the electricity market, it would be challenging to look for a qualified applicant other than the personnel from IEMOP. He suggested that at least one (1) non-independent expert in market operations be included in the TC.</p> <p data-bbox="699 2016 1469 2123">Mr. Claudio said that the System Operator representative in the TC does not necessarily represent the SO but requires the technical knowledge as the System Operator. He then</p> |



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| | <p>suggested having all independent members with different expertise in the TC.</p> <ul style="list-style-type: none"> Ms. Estigoy refreshed the RCC on the DOE's reason for remanding the proposal, specifically that the DOE wanted to ensure independence in the membership of the WGCs. Mr. Cacho reiterated DOE's instruction on TC's composition when it is possible to have a non-independent member. <p>Ms. Javier requested clarification from DOE if their intent for the TC composition was to have 4 independent members and 1 member representing the System Operator. Ms. Baltazar responded that the DOE has no specific numbers yet on the independent members and that they leave to the RCC how it deems to ensure the independence for the WGC. Ms. Javier then commented that the DOE does not intend the System Operator representative as an indispensable member of the TC.</p> <ul style="list-style-type: none"> Mr. Rosales suggested to enumerate the two (2) electricity market operations expert: one (1) power system operations expert and one (1) electricity market operations. <p>Mr. Fortich asked if the suggestion of the power system operations expert requires experience from generation and distribution. Mr. Rosales confirmed the understanding of Mr. Fortich and suggested to also include a representative from the academe as one of the possible criteria for power system operations expert.</p> <ul style="list-style-type: none"> Ms. Tanglao asked the rationale for including an economist in the TC Composition. Ms. Dece Falar (TC Secretariat) responded that based on the discussions and technical studies that the TC conducted, there were studies requiring the point of view of an economist. It would be better to have a diverse point of views. CGO Nidea explained that the existing composition of TC includes a representative from the System Operator. On the number of experts on market operations, it was proposed to also increase the number of independent members. He is also amenable to the suggestion of Mr. Ambrocio to consider candidates from the academe. |





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| | <ul style="list-style-type: none"> • Ms. Javier requested for clarification on the process of approval/consultation of the proposal. Ms. Estigoy clarified that there was a consultation made to PEM Board Chairman by CGO Nidea, to avoid remanding of the proposal from PEM Board to RCC. <ol style="list-style-type: none"> 4. Incorporate provisions for Compliance Committee 5. Harmonize with DOE Policies 6. Harmonize with PEM Board Resolutions <p>On the matrix of the proposal, Ms. Tanglao asked if the proposed changes were taken from the DOE-approved policies, which Ms. Estigoy confirmed.</p> <p><u>Resolution:</u> Having no further comments, Mr. Rosales moved to approve the submission of the proposal to PEM Board and was seconded by Ms. Rivera.</p> <p>On the resumption of the meeting in the afternoon, CGO Nidea requested the body to consider including a representative from the Market Operator as one of the representatives of TC. Mr. Cacho added that the topics being discussed in the TC is about market operations, which supports the proposal to include a Market Operator representative. He also suggested that the one (1) independent member should be electricity/power system operations expert.</p> <p>Mr. Morales asked what is the purpose of having one (1) independent member that is an electricity/power system operations expert, when there are already representatives from the MO and SO. He then suggested using a general term, “energy market expert”.</p> <p>Mr. Claudio further suggested to use either power industry expert or electricity market expert. Mr. Fortich commented that a power industry expert covers everything i.e., market, generation, distribution.</p> |





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| | <p>Considering the suggestions given, Mr. Morales proposed to have 2 power industry experts and 1 economist. CGO Nidea, however, said that there's a need for an IT expert in the TC in consideration of the enhancements in technology and design. The Secretariat likewise cited that this requirement is specifically provided in the WESM Rules. With this it was suggested to add another independent member as power industry expert.</p> <p>Having considered all the inputs, the RCC agreed on the TC Composition, as follows:</p> <ul style="list-style-type: none"> • 4 independent members composed of: <ul style="list-style-type: none"> ○ 1 – Economist ○ 1 – IT Expert ○ 2 – Power Industry Expert (covers market and power systems) • 1 – System Operator • 1 – Market Operator <p>Ms. Karen A. Varquez (Secretariat) suggested to consider the possible impact of having an even number (6) of TC members. Ms. Tanglao noted that this will be revisited in the finalization of the draft resolution on the next scheduled RCC meeting.</p> <p><u>Resolution:</u> Having no further comments, Atty. Morillos further moved for the approval for the submission of the proposal to PEM Board and was seconded by Ms. Rivera.</p> |
| <p>5.5. Proposed Amendments to the WESM Rules, WESM Manual and Retail Manual on Validation Timeline Adjustment in Metering and Billing</p> | <p><u>Presenter/s:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For discussion</p> <p><u>Material/s:</u> Annex C – Presentation material</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman informed the RCC about the meeting conducted with IEMOP and DOE last 14 February 2022, which was held with the following objectives:</p> <ol style="list-style-type: none"> 1. To harmonize DOE DC2021-07-0021 and RCC Resolution 2021-23; and 2. To discuss PEMC's implementation of MSP Performance monitoring related to DOE DC. <p>She also presented the highlights of the said meeting, as follows:</p> |





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| | <p style="text-align: center;">SUMMARY OF AGREEMENT/S</p> <table border="1" data-bbox="703 533 1437 790"> <thead> <tr> <th data-bbox="703 533 983 562">Matters for Clarification</th> <th data-bbox="986 533 1437 562">Agreements During the Meeting</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 566 983 607">Difference on the timelines of WMSPs and RMSPs in resolving MTRs</td> <td data-bbox="986 566 1437 658">Harmonize the timeline for both WMSPs and RMSPs: a) Resolution of Daily MTRs: 2 business days from the receipt of MTRs b) Resolution of Monthly MTRs: 7 business days from the receipt of MTRs c) Late Resolutions: 4 business days prior issuance of final settlement To harmonize the Performance Measurement for both wholesale and retail</td> </tr> <tr> <td data-bbox="703 640 983 680">DOE DC2021-07-0021 amended the MSP Performance Measurement for wholesale</td> <td data-bbox="986 640 1437 680"></td> </tr> <tr> <td data-bbox="703 714 983 754">Implementation of changes to the DOE DC2021-07-0021</td> <td data-bbox="986 714 1437 754">DOE to provide official reply</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Ms. De Guzman emphasized that the agreement of using 2 business days for the resolution of daily MTRs may greatly affect the wholesale MSP (WMSP). She also added that the proposed agreement was to harmonize with the retail MSPs considering that RCOA participants need meter data within the said timeline, though, said timeline would be inconsistent with the DOE-approved timeline for the WMSP to resolve daily MTRs, which is 7-business days. • During the DOE-PEMC-IEMOP coordination meeting, it was also agreed that the performance measures for the RMSPs will be harmonized with the WMSP. <p>Ms. Javier asked if the proposal has an impact on the issuance of preliminary and final billing. Mr. Jalandoni confirmed that no changes were made on the timeline for the issuance of preliminary and final statements.</p> <p>Ms. Javier also asked what will happen if the MSPs were not able to comply with the performance measures. Ms. De Guzman responded that the MSPs may have poor ratings and may not pass the required percentage in the manual. Also, PEMC is currently formulating possible penalties for the MSPs that will not pass the passing percentage.</p> <p>Ms. De Guzman requested RCC if Secretariat can request comments from the System Operator considering their inputs as the sole WMSP are very significant.</p> <p>Ms. Javier also requested to have a brief presentation in the next RCC meeting on the proposed timeline of IEMOP.</p> | Matters for Clarification | Agreements During the Meeting | Difference on the timelines of WMSPs and RMSPs in resolving MTRs | Harmonize the timeline for both WMSPs and RMSPs: a) Resolution of Daily MTRs: 2 business days from the receipt of MTRs b) Resolution of Monthly MTRs: 7 business days from the receipt of MTRs c) Late Resolutions: 4 business days prior issuance of final settlement To harmonize the Performance Measurement for both wholesale and retail | DOE DC2021-07-0021 amended the MSP Performance Measurement for wholesale | | Implementation of changes to the DOE DC2021-07-0021 | DOE to provide official reply |
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| | <p><u>Resolution:</u> The RCC decided to defer the proposal awaiting comments from the System Operator and the Secretariat noted Ms. Javier's request.</p> |
| VI. New Business | |
| <p>6.1. Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints</p> | <p><u>Presenter/s:</u> Mr. Ken Trinidad (NPC)</p> <p><u>Action Requested:</u> For approval for publication to solicit comments</p> <p><u>Material/s:</u> Annex D – Presentation material</p> <p><u>Proceedings:</u></p> <p>As a related topic to item 5.2, Mr. Ken Trinidad (NPC) presented NPC's Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints. He informed the body that the requested action for the proposal is to allow hydroelectric plants to run under non-security over-riding constraints and if possible, to prioritize dispatch of hydro power plants in occurrence of "local calamities" and "emergencies as" a means of ensuring public safety.</p> <p>Mr. Trinidad further explained the rationale of the proposal as follows:</p> <ul style="list-style-type: none"> • Flood Mitigation and Optimized Water Resources Utilization <p>This is to draw down the reservoir elevation to accommodate incoming inflow brought about by heavy rains and utilize excess water for power generation instead of spilling and wasting water.</p> <p>To add, for Caliraya Dam, NPC is trying to prevent spilling of water downstream since it will only take 20 to 40 minutes to reach the downstream communities.</p> • Emergency <p>In consideration during emergency situations, this is the utilization of power turbines wherein there is excess water but spilling operations cannot be carried out due to the spillway gates or other dam structures/appurtenances requiring repair.</p> <p>To add, for the case of San Roque Dam, last 2017 there was an interim agreement between stakeholders due to</p> |





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| | <p>remedial works in San Roque spillway plunge pool area. During those times, spilling operations must not be conducted at all costs. One of the options taken was managing the reservoir elevation during must-dispatch or must-run mode of plants.</p> <p>NPC is looking at the situations in a pro-active manner in case these scenarios arise in the future.</p> <p>Mr. Trinidad added that utilizing MRUs are not new in the WESM. However, revisions were made in the criteria focusing mainly on grid security, and as suggested by the RCC during its special meeting on 08 February 2022, NPC is proposing:</p> <ol style="list-style-type: none"> 1) to include Local Calamities and Emergencies among the type of over-riding constraints; and <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>SUMMARY OF THE PROPOSAL</p> <p>To add the following provision in the Dispatch Protocol Manual: 7.6.2 The types of over-riding constraints that may be imposed in the MDOM include the following:</p> <ul style="list-style-type: none"> b. Non-Security Limits: <i>Testing and commissioning</i> i. Generating Unit Limitations ii. Regulatory and Commercial Testing iii. <i>Local Calamities</i>– refers to short-term incidents (i.e. flooding, etc.) that would require designation of generators as MRUs to avert or minimize damage to infrastructures and to ensure safety of people living in affected localities. iv. <i>Emergencies</i>– refers to situations where there is an immediate need to lower reservoir elevation but spilling operation through the spillway cannot be made due to spillway gates or other dam appurtenances requiring repair. </div> <ol style="list-style-type: none"> 2) to include over-riding constraints due to local calamities and emergencies in the scheduling and dispatch. <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>SUMMARY OF THE PROPOSAL</p> <p>To add the following provision in the Dispatch Protocol Manual:</p> <p>7.6.3 Over-riding constraints in the scheduling and dispatch of generating units qualifying as must-run units <i>and Over-riding constraints in the scheduling and dispatch of generating units due to Local Calamities and Emergencies</i> designated under Section 7.6.2 and Section 17, shall be compensated based on the mechanism set forth in the Price Determination Methodology Manual. Over-riding constraints for the scheduling and dispatch of generating units undergoing Regulatory and Commercial testing process shall be considered as price takers in the WESM for generation traded in the spot market.</p> </div> |



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| | <p>Mr. Claudio commented that for a TP to be dispatched via over-riding constraint due to calamities and emergency events and be compensated based on the Price Determination Methodology (PDM) Manual, there is a need to amend the PDM. He also stated to consider if the plant is fully contracted.</p> <p>Mr. Rosales clarified that a generator can be dispatched under a over-riding constraints which can be either security or non-security related. He added that Section 7.6.3 of Dispatch Protocol Manual (DPM) is intended to compensate MRUs. He suggested to add another criterion under non-security-related over-riding constraint. He also suggested to have a definite description for local calamities and emergencies in Section 7.6.2 of the DPM. This will also help in the assessment of scheduling.</p> <p>Mr. Fortich agreed with Mr. Rosales' suggestion to refine the terminologies, for a clearer guidance. Ms. Tanglao agreed with the suggestion and suggested to consider other plant-types.</p> <p>Atty. Morillos stated his observations that the vagueness of the definition may lead to unintended consequences. He asked for clarification on the meaning of generating unit limitations, whether these consider local calamities and emergencies. Mr. Rosales answered that an example of generating unit limitations is when there is a technical problem in the plant, it may request the SO to limit their dispatch load to 50% instead of 100%.</p> <p>Ms. Maria Teresa Serra expounded that other than repairs, there are other scenarios to be considered, such as emergencies relating to typhoon incidents. She also added that there are still other criteria (i.e. reservoir elevation, forecast) or protocol to be considered prior requesting for dispatch by over-riding constraints. Atty. Morillos suggested to include such protocol in the proposal.</p> <p>Mr. Rosales explained that if the proposal is approved, this does not guarantee the efficient management of water level. It will still depend on the management of inflow, though maximum dispatch output may help. He also suggested for NPC to make a presentation about dam management, i.e. discharge of water, criticality of discharge, rate of discharge.</p> <p>Mr. Valeriano C. Barro, Jr. (NPC) further explained the importance of maximum discharge. If an earlier discharge is done, maximum discharge will be reduced since the amount to be discharged has been lessened due to earlier discharge. NPC will also provide supporting documents on their request for maximum dispatch.</p> |



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| | <p>Ms. Javier clarified that it is the Trading Participant's responsibility to request for non-security matters and the WESM should not be involved in the dam's management protocol.</p> <p>Ms. Tanglao suggested that the proponent take note of all the inputs from the RCC.</p> <p>Ms. Cruz suggested to revise the proposal prior publication, as one of Secretariat's findings in the assessment. Ms. Tanglao also asked if the proposal on Section 7.6.3 will also be revised. Ms. Cruz answered that it would be better for the proposal in said section to be discussed during the deliberation of the proposal/comments.</p> <p>Mr. Claudio suggested grouping emergencies and local calamities with over-riding constraints for regulatory and commercial testing, which are price-takers. Atty. Morillos suggested deleting the proposed wording on Section 7.6.3 since it also refers to the previous section.</p> <p>Ms. Cruz expounded that 7.6.2 also includes the security limit and non-security limit. Mr. Claudio also added that generators imposed with security limits are entitled to additional compensation, however, those with non-security limits are not.</p> <p>Ms. Serra said that they cannot provide comment on the additional compensation part since it is beyond their scope.</p> <p>Having multiple suggestions to revise the wordings of the proposal, the RCC agreed to publish the proposal, as submitted but revising Section 7.6.2 below as agreed by NPC.</p> <p>"7.6.2 The types of over-riding constraints that may be imposed in the MDOM include the following:</p> <p>xxx</p> <p>b. Non-Security Limits: Testing and commissioning</p> <ol style="list-style-type: none"> i. Generating Unit Limitations ii. Regulatory and Commercial Testing iii. <u>Local Calamities– refers to short-term incidents (i.e. flooding, etc.) that would allow hydro-electric plants to run under Non-Security Over-riding Constraints require designation of generators as MRUs to avert or minimize damage to infrastructures and to ensure safety of people living in affected localities.</u> iv. <u>Emergencies– refers to situations where there is an immediate need to lower reservoir elevation but spilling operation through the spillway cannot be</u> |





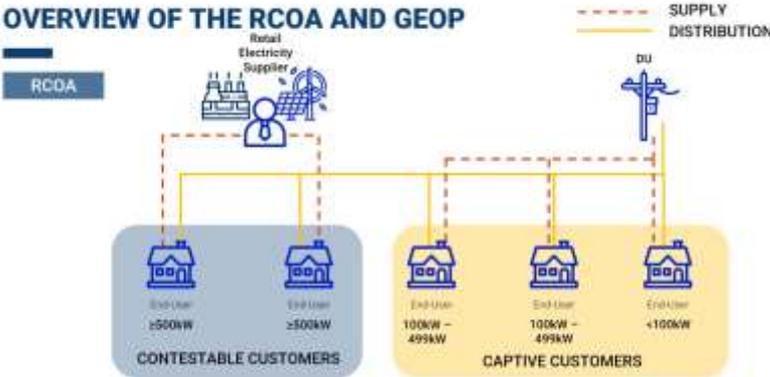
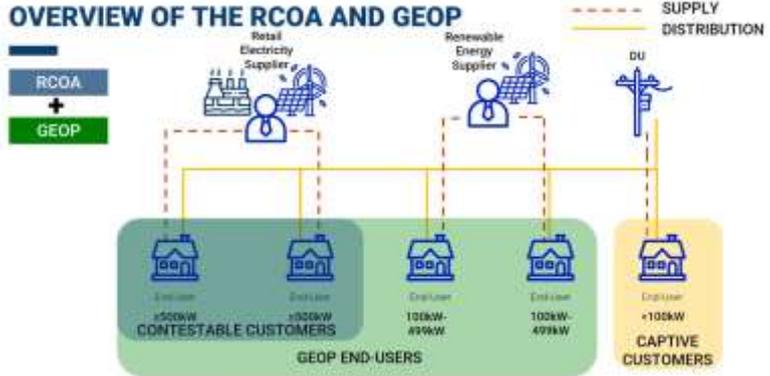
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| | <p style="text-align: center;"><u>made due to spillway gates or other dam appurtenances requiring repair.”</u></p> <p><u>Resolution:</u> Having no other comments received, publication of the proposal was moved by Mr. Rosales, and was seconded by Ms. Rivera.</p> | | | | | | | | |
| <p>6.2. Updates on the GEOP Implementation</p> | <p><u>Presenter/s:</u> Ms. Ruziel Larmae T. Gimpaya (IEMOP)</p> <p><u>Action Requested:</u> For information</p> <p><u>Presentation Material/s:</u> Annex E – Presentation material</p> <p><u>Proceedings:</u></p> <p>Ms. Gimpaya provided background on the policies pertaining to GEOP.</p> <div style="text-align: center;"> <p>BACKGROUND</p> <table border="0"> <tr> <td style="text-align: center;">2008</td> <td style="text-align: center;">2018</td> <td style="text-align: center;">2020</td> <td style="text-align: center;">2021</td> </tr> <tr> <td style="text-align: center;"> ENACTMENT OF R.A. 9513 (RE LAW) Mandated the establishment of GEOP </td> <td style="text-align: center;"> DOE ISSUED DC2018-07-0019 Guidelines for the establishment of the GEOP </td> <td style="text-align: center;"> DOE ISSUED DC2020-04-0009 Guidelines for issuance of Operating Permits to RE Suppliers </td> <td style="text-align: center;"> ERC ISSUED RESO NO. 08, SERIES OF 2021 Detailed rules for implementation of the GEOP </td> </tr> </table> </div> <p>IEMOP proposed the urgent amendments which took effect on 25 November 2021. To give background on the GEOP, it is the mechanism to empower end-users to choose renewable energy in meeting their requirements.</p> | 2008 | 2018 | 2020 | 2021 | ENACTMENT OF R.A. 9513 (RE LAW) Mandated the establishment of GEOP | DOE ISSUED DC2018-07-0019 Guidelines for the establishment of the GEOP | DOE ISSUED DC2020-04-0009 Guidelines for issuance of Operating Permits to RE Suppliers | ERC ISSUED RESO NO. 08, SERIES OF 2021 Detailed rules for implementation of the GEOP |
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| | <p data-bbox="667 506 1241 539">GREEN ENERGY OPTION PROGRAM (GEOP)</p> <ul data-bbox="678 584 1362 663" style="list-style-type: none"> • Mechanism to empower end-users to choose renewable energy in meeting their energy requirements • Conceptually similar to RCOA <div data-bbox="758 689 1289 819" style="text-align: center;">  </div> <p data-bbox="603 925 1469 999">Under the RCOA regime, RES and DUs are the only options for end-users to choose as the suppliers.</p> <div data-bbox="667 1070 1437 1447" style="text-align: center;"> <p>OVERVIEW OF THE RCOA AND GEOP</p>  </div> <p data-bbox="646 1473 1469 1547">However, with GEOP, the Renewable Energy Supplier was also provided as one of the options.</p> <div data-bbox="667 1592 1437 1968" style="text-align: center;"> <p>OVERVIEW OF THE RCOA AND GEOP</p>  </div> <p data-bbox="646 2022 1161 2056">Implementation Updates are as follows.</p> |



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| | <p>IMPLEMENTATION UPDATES</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Issuance of Advisories and Bulletins to Participants</p> <ul style="list-style-type: none"> Advisory on GEOP Contracting Parameters Advisory on Submission of GEOP End-Users Information Bulletin on Registration of RE Suppliers, Retail MSPs and SOLRs Bulletin on GEOP Forms and Templates Bulletin on Customer Switching Implementation </div> <div style="width: 45%;"> <p>Registration of Renewable Energy Suppliers</p> <ul style="list-style-type: none"> Acceptance of applications started on 03 December 2021 9 RE Suppliers completed registration 4 RE Suppliers ongoing processing </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <p>Switching of GEOP End-Users</p> <ul style="list-style-type: none"> Acceptance of switch requests started last 03 January 2022 Ongoing preparation of switching requirements by participants </div> </div> <p>On top of these updates, IEMOP also conducted series of trainings about GEOP.</p> <p>Ms. Gimpaya also provided concerns during the implementation of GEOP. She also informed that the PEM Board, DOE, and ERC are provided with updates.</p> <p>IMPLEMENTATION CONCERNS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">CONCERN</th> <th style="width: 50%;">ACTION TAKEN</th> </tr> </thead> <tbody> <tr> <td> <p>Need for system enhancements</p> <ul style="list-style-type: none"> Inclusion of GEOP-specific registration categories and switch processes in CRSS Automated verification of 100% RE Sourcing for RE Suppliers <p><small>*System enhancements are subject to ample budget allocation</small></p> </td> <td> <p><i>Use of existing CRSS functionalities for RCOA to accommodate GEOP transactions such as:</i></p> <ul style="list-style-type: none"> RE Suppliers are initially registered under RES or LRES category End-Users switching to GEOP are initially registered under Contestable Customer category Switching from RES/LRES to RE Supplier and vice versa to be processed as a Regular Switch <p><i>Use of attestations to ensure compliance with 100% RE sourcing requirements</i></p> <ul style="list-style-type: none"> RE Suppliers are required to submit an attestation stating that its bilateral counterparties are all RE Generators </td> </tr> </tbody> </table> <p>She also emphasized that the GEOP implementation needs system enhancement which may need ample budget.</p> <p>IMPLEMENTATION CONCERNS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">CONCERN</th> <th style="width: 50%;">ACTION TAKEN</th> </tr> </thead> <tbody> <tr> <td> <p>Manpower Limitations</p> <ul style="list-style-type: none"> Being the GEOP CRB is an additional function for IEMOP on top of Market Operator and RCOA CRB functions Current manpower performs Market Operator and CRB functions simultaneously Additional manpower is subject to ample budget allocation </td> <td> <p><i>Implemented queuing system</i></p> <ul style="list-style-type: none"> For initial implementation, GEOP switch requests are accepted only during working days of 1st 15 days of each month with limit of 30 switch requests per month </td> </tr> </tbody> </table> | CONCERN | ACTION TAKEN | <p>Need for system enhancements</p> <ul style="list-style-type: none"> Inclusion of GEOP-specific registration categories and switch processes in CRSS Automated verification of 100% RE Sourcing for RE Suppliers <p><small>*System enhancements are subject to ample budget allocation</small></p> | <p><i>Use of existing CRSS functionalities for RCOA to accommodate GEOP transactions such as:</i></p> <ul style="list-style-type: none"> RE Suppliers are initially registered under RES or LRES category End-Users switching to GEOP are initially registered under Contestable Customer category Switching from RES/LRES to RE Supplier and vice versa to be processed as a Regular Switch <p><i>Use of attestations to ensure compliance with 100% RE sourcing requirements</i></p> <ul style="list-style-type: none"> RE Suppliers are required to submit an attestation stating that its bilateral counterparties are all RE Generators | CONCERN | ACTION TAKEN | <p>Manpower Limitations</p> <ul style="list-style-type: none"> Being the GEOP CRB is an additional function for IEMOP on top of Market Operator and RCOA CRB functions Current manpower performs Market Operator and CRB functions simultaneously Additional manpower is subject to ample budget allocation | <p><i>Implemented queuing system</i></p> <ul style="list-style-type: none"> For initial implementation, GEOP switch requests are accepted only during working days of 1st 15 days of each month with limit of 30 switch requests per month |
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| | <p>To end, she informed the body on the concerns raised to IEMOP by the Trading Participants.</p> <p>IMPLEMENTATION CONCERNS</p> <table border="1" data-bbox="651 663 1410 994"> <thead> <tr> <th data-bbox="651 663 1027 689">CONCERN</th> <th data-bbox="1027 663 1410 689">ACTION TAKEN</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 689 1027 725">Participants expressed concerns in complying with some GEOP requirements</td> <td data-bbox="1027 689 1410 725">• Strict implementation</td> </tr> <tr> <td data-bbox="651 725 1027 797">• Advanced notification to NSP on intent to switch to GEOP (90 CD before signing of supply contract)</td> <td data-bbox="1027 725 1410 797">• Strict implementation</td> </tr> <tr> <td data-bbox="651 797 1027 851">• Advanced submission of supply contract, MSA, TSA to CRB (30 CD before effective switch date)</td> <td data-bbox="1027 797 1410 851">• Strict implementation</td> </tr> <tr> <td data-bbox="651 851 1027 887">• 5-minute meter interval requirement</td> <td data-bbox="1027 851 1410 922">• Considered RCCA-compliant meters to be sufficient subject to prevailing rules on existing metering installation</td> </tr> <tr> <td data-bbox="651 887 1027 994"></td> <td data-bbox="1027 922 1410 994">• Endorsed participants' concern to ERC for appropriate guidance</td> </tr> </tbody> </table> <p>Ms. Cruz informed the body that the proposal on GEOP is then currently posted on the website to solicit comments. She emphasized that there is a new process for processing of urgent amendments. Prior deliberation, the RCC shall consider the following:</p> <ul style="list-style-type: none"> • Comments from the stakeholders; and • Assessment report to be undertaken by MAG <p>She also clarified with Ms. Gimpaya if the major implementation update was the registration of RE Suppliers, which Ms. Gimpaya confirmed.</p> <p><u>Resolution:</u> The RCC noted the information provided.</p> | CONCERN | ACTION TAKEN | Participants expressed concerns in complying with some GEOP requirements | • Strict implementation | • Advanced notification to NSP on intent to switch to GEOP (90 CD before signing of supply contract) | • Strict implementation | • Advanced submission of supply contract, MSA, TSA to CRB (30 CD before effective switch date) | • Strict implementation | • 5-minute meter interval requirement | • Considered RCCA-compliant meters to be sufficient subject to prevailing rules on existing metering installation | | • Endorsed participants' concern to ERC for appropriate guidance |
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| | • Endorsed participants' concern to ERC for appropriate guidance | | | | | | | | | | | | |
| VII. Other Matters | | | | | | | | | | | | | |
| 7.1. Updates on the recently promulgated DOE DC | <p><u>Presenter/s:</u> Ms. Divine Gayle C. Cruz (Secretariat) Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Material/s:</u> Annex F – Presentation material</p> <p><u>Proceedings:</u></p> <p>a. DOE DC2021-11-0037: Adopting Further Amendments to the WESM Rules and Market Manuals on the Rationalization of Billing Timelines</p> | | | | | | | | | | | | |





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| Agenda | Agreements / Action Taken / Action Required |
|--------|---|
| | <p>Ms. Cruz provided background of the proposal and the summary of the DOE-approved DC, as follows:</p> <p>BACKGROUND</p> <p>11 Dec 2020 RCC APPROVAL</p> <ul style="list-style-type: none"> RCC Resolution No. 2020-18 <p>16 Dec 2020 PEM BOARD APPROVAL</p> <ul style="list-style-type: none"> PEM Board Resolution No. 2020-31-03 <p>09 Nov 2021 DOE APPROVAL</p> <ul style="list-style-type: none"> DC2021-11-0034 Effective Date: 07 January 2022 <p>SUMMARY Discrepancy in Final Statement</p> <p>DOE-APPROVED</p> <p>RCC & PEM BOARD-APPROVED</p> <p>She cited that the proposal submitted to DOE:</p> <ul style="list-style-type: none"> there was no definite timeline specified when TP notifies MO of the discrepancy to when MO issues decision; and a 6-month period timeline was given when a dispute decision/order was issued to when MO issues revised statement. <p>However, based on the DOE-approved DC:</p> <ul style="list-style-type: none"> a 3-month period timeline when TP notifies MO of the discrepancy to when MO issues decision was provided; and a 3-month period timeline was given when a dispute decision/order was issued to when MO issues revised statement. |



MEETING MINUTES

Subject/Purpose : 191st Rules Change Committee (Regular) Meeting
 Date & Time : 18 February 2022, 09:00 AM
 Venue : Online via Microsoft Teams
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| Agenda | Agreements / Action Taken / Action Required |
|--------|---|
| | <p>Other key points of the DC were also presented, as follows:</p> <div data-bbox="678 546 1422 824"> <p>SUMMARY Issuance of Revised Statement (from Resolution of MTR)</p> <p>RCC, PEM BOARD AND DOE-APPROVED</p> </div> <div data-bbox="678 882 1422 1128"> <p>SUMMARY Meter Malfunction</p> <p>RCC, PEM BOARD AND DOE-APPROVED</p> <p>MSP has within five (5) months from date of discovery of unintentional meter error to reconcile metering data.</p> <ul style="list-style-type: none"> Original: one (1) year </div> <p>b. DOE DC2021-12-0041 Adopting Further Amendments to WESM Rules and Market Manual on WCO Certification and Registration</p> <p>Ms. De Guzman provided background of the proposal and the of the DOE-approved DC, as follows:</p> <div data-bbox="660 1485 1422 1854"> <p>BACKGROUND</p> <p>16 Jul 2021 RCC APPROVAL</p> <ul style="list-style-type: none"> RCC Resolution No. 2021-08 <p>25 Aug 2021 PEM BOARD APPROVAL</p> <ul style="list-style-type: none"> PEM Board Resolution No. 2021-39-07 <p>21 Dec 2021 DOE APPROVAL</p> <ul style="list-style-type: none"> DC2021-12-0041 Effective Date: 15 January 2022 </div> <p>She informed the body that no differences were found between the RCC/PEM Board-approved proposal and DOE-approved amendments, except for the DOE’s additional clause in Annex I, as shown:</p> |

MEETING MINUTES

Subject/Purpose : 191st Rules Change Committee (Regular) Meeting
 Date & Time : 18 February 2022, 09:00 AM
 Venue : Online via Microsoft Teams
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| Agenda | Agreements / Action Taken / Action Required |
|---------------------------------|--|
| | <p>SUMMARY</p> <ul style="list-style-type: none"> Additional on Annex I: <i>"The designated qualified personnel of the WESM Members (except the Market Operator) must complete at least thirty-six (36) credit units of compliance lecture series or training before being issued with a WCO Certification."</i> <p><u>Resolution:</u> The RCC noted the information provided and requested for the copy of the presentation from the Secretariat.</p> |
| 7.2. DOE Updates | <p><u>Presenter/s:</u> Ms. Luningning G. Baltazar (DOE)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Ms. Baltazar updated that there were recently conducted virtual public consultations last Feb 10 and 11, 2022 on the following amendments:</p> <ol style="list-style-type: none"> Reserve Market; and MO Performance Standards. <p>She also added that another set of virtual public consultations is scheduled on March 10 and 11 on the following amendments:</p> <ol style="list-style-type: none"> Enhancements to MO and SO Procedures, Registration (application of new WESM Members), Billing and Settlement (Additional Compensation), and Constraint Violation Coefficient (Automatic Pricing Re-run) <p><u>Resolution:</u> The RCC noted the information provided.</p> |
| VIII. Schedule of Next Meetings | <p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (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"> RCC Regular Meeting <ul style="list-style-type: none"> 18 Mar 2022 22 Apr 2022 |





MEETING MINUTES

Subject/Purpose : 191st Rules Change Committee (Regular) Meeting
 Date & Time : 18 February 2022, 09:00 AM
 Venue : Online via Microsoft Teams
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| Agenda | Agreements / Action Taken / Action Required |
|-----------------|---|
| | <ul style="list-style-type: none"> ○ 20 May 2022 ● PEM Board Meeting <ul style="list-style-type: none"> ○ 23 Feb 2022 <p>Ms. Tanglao asked if the same proposals from the BRC meeting will be presented to PEM Board meeting, which Ms. Cruz confirmed.</p> <p><u>Resolution:</u> Presenter for the March PEM Board Meeting will be coordinated off-line.</p> |
| IX. Adjournment | The meeting was adjourned at 02:22PM |





MEETING MINUTES

Subject/Purpose : 191st Rules Change Committee (Regular) Meeting
Date & Time : 18 February 2022, 09:00 AM
Venue : Online via Microsoft Teams
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Prepared by:

DIANNE L. DE GUZMAN
Specialist, Rules Review Division
Market Assessment Group

Reviewed by:

KAREN A. VARQUEZ
Manager, Rules Review Division
Market Assessment Group

Noted by:

JOHN MARK S. CATRIZ
Head, Market Assessment Group

Approved by:

CONCEPCION I. TANGLAO
Chairman, Independent

JESUSITO G. MORALLOS
Member, Independent

FERNANDO MARTIN Y. ROXAS
Member, Independent

DIXIE ANTHONY R. BANZON
Member, Generation Sector
Masinloc Power Partners Co. Ltd. (MPPCL)

JOSE RODERICK F. FERNANDO
Member, Independent

CHERRY A. JAVIER
Member, Generation Sector
Aboitiz Power Corp. (APC)

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

MARK D. HABANA
Member, Generation Sector
Vivant Corporation – Philippines (Vivant)



MEETING MINUTES

Subject/Purpose : 191st Rules Change Committee (Regular) Meeting
Date & Time : 18 February 2022, 09:00 AM
Venue : Online via Microsoft Teams
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Handwritten signature of Ryan S. Morales in blue ink.

RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)

Handwritten signature of Virgilio C. Fortich, Jr. in black ink.

VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO III)

Handwritten signature of Ricardo G. Gumalal in black ink.

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

Handwritten signature of Nelson M. Dela Cruz in black ink.

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

Handwritten signature of Lorreto H. Rivera in black ink.

LORRETO H. RIVERA
Member, Supply Sector
TeaM (Philippines) Energy Corporation (TPEC)

Handwritten signature of Isidro E. Cacho, Jr. in blue ink.

ISIDRO E. CACHO, JR.
Member, Market Operator
Independent Electricity Market Operator of the
Philippines (IEMOP)

Handwritten signature of Ambrocio R. Rosales in black ink.

AMBROCIO R. ROSALES
Member, System Operator
National Grid Corporation of the Philippines
(NGCP)



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RDS-RRDSD-RegMD-RAA-2022-034
16 February 2022

RULES CHANGE COMMITTEE
Philippine Electricity Market Corporation (PEMC)
18/F Robinsons Equitable Tower
ADB Avenue, Ortigas Center, Pasig City

**SUBJECT: REQUEST ON THE SUBMISSION OF NGCP'S RESPONSE TO
STAKEHOLDER COMMENTS ON THE PROPOSED AMENDMENTS TO THE
SSRG MANUAL ISSUE 1.0 AND DISPATCH PROTOCOL ISSUE 16.0**

Dear **Madam/Sir**:

This is in relation to the recent email from the PEMC-Rules Change Committee (RCC), which we received on 15 February 2022¹, requesting NGCP's response to the comments on the proposed amendments² to the Wholesale Electricity Spot Market (WESM) Manuals on System Security and Reliability Guidelines (SSRG Manual) Issue 1.0 and Dispatch Protocol Issue 16.0.

In consideration of NGCP's review and submission of comments to the items raised by concerned stakeholders in the said manuals, we would like to kindly request for the topic to be excluded from the RCC agenda/discussion on 18 February 2022, and have it included instead in the succeeding RCC meeting. Further, for future communications, may we request for the PEMC-RCC to consider sending an official letter addressed to Mr. Anthony L. Almeda, NGCP President & CEO.

Thank you and we hope for the Committee's consideration.

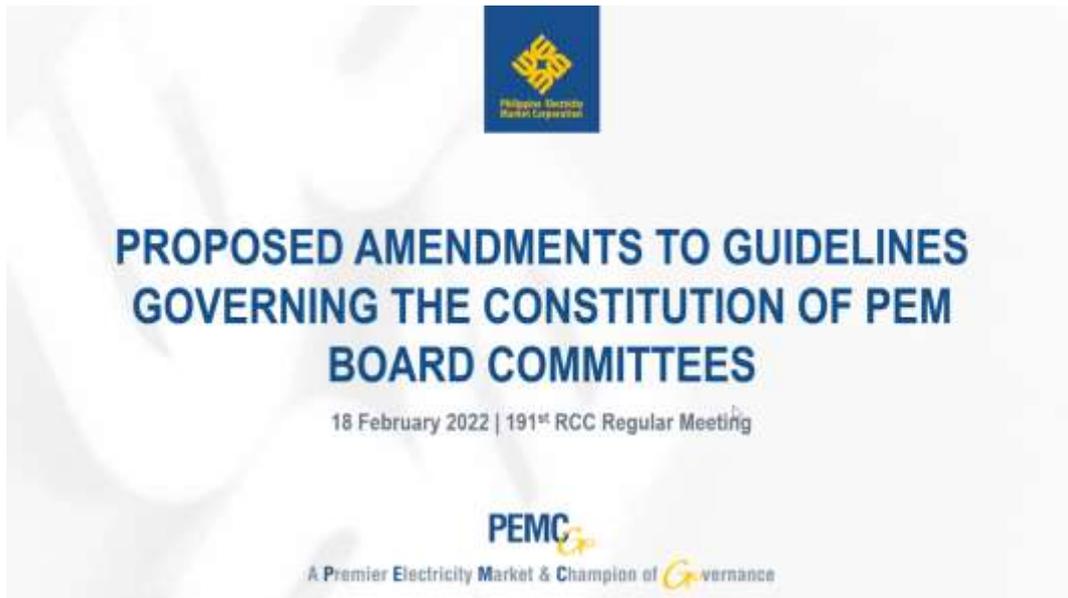
Sincerely,

MA. CYNTHIA Y. MANRIQUE
VP and Head, Revenue and Regulatory Affairs

¹ At around 8:40 PM

² Submitted by NGCP on 10 December 2021





ACTION REQUESTED

- For review and approval of the revisions to the PEM-Board approved amendments, particularly:
 - Inclusion of Compliance Committee
 - Composition and term of office of WGCs



| Dates | Activities |
|-------------|--|
| 11 Feb 2020 | PEMC submitted to the RCC the proposal |
| 24 Apr 2020 | RCC discussed the proposal/comments (164 th Meeting) |
| 15 May 2020 | RCC discussed the position paper submitted by MERALCO (165 th Meeting) |
| 27 May 2020 | PEM Board resolved to DEFER APPROVAL of the proposal on the TC and to REMAND the same to the RCC to further study the reduction of 5 to 3 independent members while maintaining the SO, MO, Gen and DU sectoral representation in the committee (PEM Board Reso 2020-24-11) |
| 19 Jun 2020 | RCC deliberated on the PEM Board's directive (agreed that the # of independent members will not affect the discussion on technical matters) [7] |
| 22 Jul 2020 | BRC recommended to reduce the numbers of independent members due to ERC's decision to reduce PEMC's MTF providing for budgetary requirements of WGCs. [5] RCC adopted BRC's suggestion to revise to 5 members, retaining one (1) independent member |
| 23 Sep 2021 | DOE remanded the proposal for enhancement and rectification: <ol style="list-style-type: none"> 1. Incorporate the Compliance Committee 2. Revisit the proposal if the WGC's composition is aligned with the objectives to (a) ensure consumer protection; (b) enhance competitive operation of the WESM; and (c) promote investor confidence - INDEPENDENCE |



RATIONALE

- Incorporate DOE policies issued on WESM governance
- Ensure the number of WGC members is adequate to support the volume of work assigned to them
- Targeted scope of the Guidelines for WESM Governance Committees (“WGCs”)

SUMMARY OF THE PROPOSAL

1. Replaced “PEM Board Committees” with “WESM Governance Committees” and delete any references to other PEM Board Committees for PEMC corporate matters

SUMMARY OF THE PROPOSAL

2. Adopted criteria for independence under DOE DC2018-01-0002 (IMO Transition)
 - Inclusion of transitory provision for the implementation of revised criteria for independence
 - Outgoing members affected by such revised criteria can complete the duration of their current terms

SUMMARY OF PROPOSAL

3. Revised WGC memberships
 - PEM Audit Committee (PAC)
 - **at least** 3 members
 - Market Surveillance Committee (MSC)
 - **at least** 5 members
4. Incorporated provisions for the Compliance Committee



SUMMARY OF THE PROPOSAL

5. Harmonize with other DOE policies:
 - DC2018-05-0016 – dispute resolution
 - DC2015-07-0013 – DOE approval of Market Manuals
6. Harmonize with PEM Board approved proposed rules changes
 - Board Resolution 2018-03-05 – MSC-related governance provisions
 - Board Resolution 2019-10-10 – audit provisions



TC COMPOSITION

| Current Manual | Previous RCC Proposal* | Revised RCC Proposal** | Latest RCC Proposal*** | PROPOSAL |
|---|--|--|--|---|
| At least 5 members: • 2 - independent • 1 - SO • 1 - OMC • 1 - OMC Term: 3 years | • 5 - independent members • 1 - Gen • 1 - DU • 1 - SO • 1 - MO | • <u>3 - independent member</u> • 1 - Gen • 1 - DU • 1 - SO • 1 - MO | • <u>1 - independent member</u> • 1 - Gen • 1 - DU • 1 - SO • 1 - MO | • 4 independent members 1 - Economist 1 - IT expert 2 - Electricity market operations expert • 1 - System Operator |



MSC COMPOSITION

| | Current Manual | Proposal |
|----------------|--|--|
| No. of Members | 5 members | At least 5 members |
| Term | 3 years Reappointment: in no case shall be made for more than 2 consecutive terms | Not changed Reappointment: in no case shall be made for more than two (2) three (3) consecutive terms |



RCC COMPOSITION

| | Current Manual | Proposal |
|----------------|--|--|
| No. of Members | 15 members: 1 – MO 1 – SO 4 – DU; 2 (EC) and 2 (private DU) 1 – Supply 4 – Generation 4 – Independent | Not changed |
| Term | 3 years Reappointment: one or more additional terms, provided that such be made for more than 2 consecutive terms | Not changed Appointment: in no case shall any member serve for more than two (2) three (3) consecutive terms |



PAC COMPOSITION

| | Current Manual | Proposal |
|----------------|--|--|
| No. of Members | 3 members headed by the PEM Auditor who is an independent member. | At least 3 independent members |
| Term | 3 years Reappointment: in no case shall be made for more than 2 consecutive terms | Not changed Appointment: in no case shall any member serve for more than two (2) three (3) consecutive terms |



DRA

| | Current Manual | RCC/PEM Board Proposal |
|----------------|---|---|
| No. of Members | 1 DRA as Chairperson 7 members (DRG) | 1 - independent member Reference: DOE DC No. 2018-05-0016 |
| Term | DRA - 3 years DRG Member – up to 2 reappointment | DRA - 5 years |



CC COMPOSITION

| | Current Manual | Proposal |
|----------------|----------------|---|
| No. of Members | Not included | 3 - independent members Reference: WESM Rules 1.8.1 |
| Term | Not included | 3 years Reference: WESM Rules 1.8.1 |



ACTION REQUESTED

- For review and approval of the revisions to the PEM-Board approved amendments, particularly:
 - Inclusion of Compliance Committee
 - Composition and term of office of WGCs





BACKGROUND

| 25-Jun-2021 | 17-Dec-2021 | 22-Dec-2021 | 08-Jan-2022 | 07-Jan-2022 | 21-Jan-2022 | 14-Feb-2022 |
|-------------------------------------|---|---|---|--|---|---|
| Approval date of DOE DC2021-07-0021 | RCC approved the RCC Resolution 2021-23: Proposed Amendments to the WESM Rules, WESM Manual and Retail Manual on Validation Timeline Adjustment in Metering and Billing | Submission of RCC Resolution to PEM Board | Requested meeting with DOE through a letter | Meeting of PEMC and DOE Agreement's: • DOE to provide official response to PEMC letter | RCC approved to conduct coordination meeting with DOE and IEMOP to harmonize the RCC Reso 21-23 with DOE DC2021-07-0021 | Conducted the DOE-PEMC-IEMOP Coordination Meeting |

AGENDA OF MEETING

- To harmonize DOE DC2021-07-0021 and RCC Resolution 2021-23; and
- To discuss PEMC's implementation of MSP performance monitoring related to DOE DC.

SUMMARY OF AGREEMENT/S

| Matters for Clarification | Agreements During the Meeting |
|--|---|
| Difference on the timelines of WMSPs and RMSPs in resolving MTRs. | Harmonize the timeline for both WMSPs and RMSPs : a) Resolution of Daily MTRs: 2 business days from the receipt of MTRs. b) Resolution of Monthly MTRs: 7 business days from the receipt of MTRs c) Late Resolutions: 4 business days prior issuance of final settlement |
| DOE DC2021-07-0021 amended the MSP Performance Measurement for wholesale | To harmonize the Performance Measurement for both wholesale and retail |
| Implementation of changes to the DOE DC2021-07-0021 | DOE to provide official reply for guidance of the MSPs |



**CONNECT WITH
PEMC**

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 18F Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City 1600, Philippines

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 pemcinfo
 PEMC_info
 PEMC Info



ADDITIONAL CONSIDERATIONS FOR HYDRO-ELECTRIC PLANT OPERATIONS UNDER NON-SECURITY OVER-RIDING CONSTRAINTS

18 FEBRUARY 2022

MS TEAMS

THE PROPONENT

- The National Power Corporation (NPC) is a Government-Owned and Controlled Corporation (GOCC) and was created under Commonwealth Act No. 120 on November 3, 1936 with the mandate to energize far-flung, off-grid areas and islands in the Philippines, thus the coined role “missionary electrification”. In addition, it is also mandated to manage/ supervise dam operations by optimizing water utilization and ensuring the dam integrity and safety of the people that live downstream of five (5) dams in Luzon: Ambuklao, Binga, San Roque, Angat and Caliraya Dams and seven (7) in Mindanao.



2

ACTION REQUESTED

- To allow hydroelectric plants to run under non-security over-riding constraints and if possible, to prioritize dispatch of hydropower plants in the occurrence of “Local Calamities” and “Emergencies” as a means of ensuring dam and public safety.



4



RATIONALE OF THE PROPOSAL

- Flood Mitigation and Optimized Water Resources Utilization

This is the utilization of power generating turbines for pre-emptive release in anticipation of incoming weather disturbances in order to minimize, if not prevent, spillage through the spillway that may cause flood and its aftermath in the downstream communities.

In addition, the proponent also considers the optimized utilization of reservoir stored water instead of spilling the excess water through the spillway which will be a waste of water resources.



5

RATIONALE OF THE PROPOSAL

- Emergency

This is the utilization of power generating turbines as a means to discharge water from the reservoir during emergency scenarios when there is an excess water in the reservoir but spilling operations through the spillway cannot be carried out due to spillway gates or other dam structures/appurtenances that are inoperable and are under repair.



6

SUMMARY OF THE PROPOSAL

To add the following provision in the Dispatch Protocol Manual:

7.6.2 The types of over-riding constraints that may be imposed in the MDOM include the following:

b. Non-Security Limits: *Testing and commissioning*

i. Generating Unit Limitations

ii. Regulatory and Commercial Testing

iii. *Local Calamities*– refers to short-term incidents (i.e. flooding, etc.) that would require designation of generators as MRUs to avert or minimize damage to infrastructures and to ensure safety of people living in affected localities.

iv. *Emergencies*– refers to situations where there is an immediate need to lower reservoir elevation but spilling operation through the spillway cannot be made due to spillway gates or other dam appurtenances requiring repair.



7



SUMMARY OF THE PROPOSAL

To add the following provision in the Dispatch Protocol Manual:

7.6.3 Over-riding constraints in the scheduling and dispatch of generating units qualifying as must-run units *and Over-riding constraints in the scheduling and dispatch of generating units due to Local Calamities and Emergencies* designated under Section 7.6.2 and Section 17, shall be compensated based on the mechanism set forth in the Price Determination Methodology Manual. Over-riding constraints for the scheduling and dispatch of generating units undergoing Regulatory and Commercial testing process shall be considered as price takers in the WESM for generation traded in the spot market.



8

OTHER RELEVANT MATTERS

- No further issues/ matters.



9

ACTION REQUESTED

- Approval of the Proposed Changes



10





2

BACKGROUND



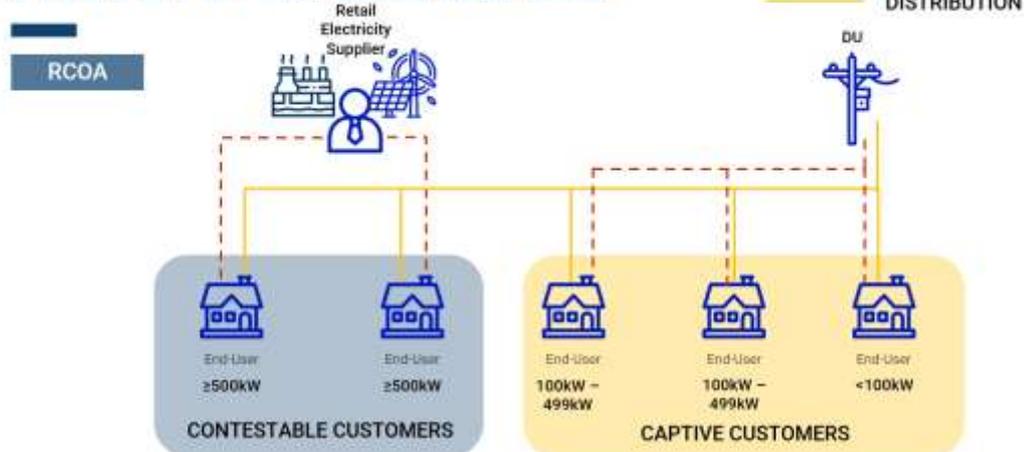
3

GREEN ENERGY OPTION PROGRAM (GEOP)

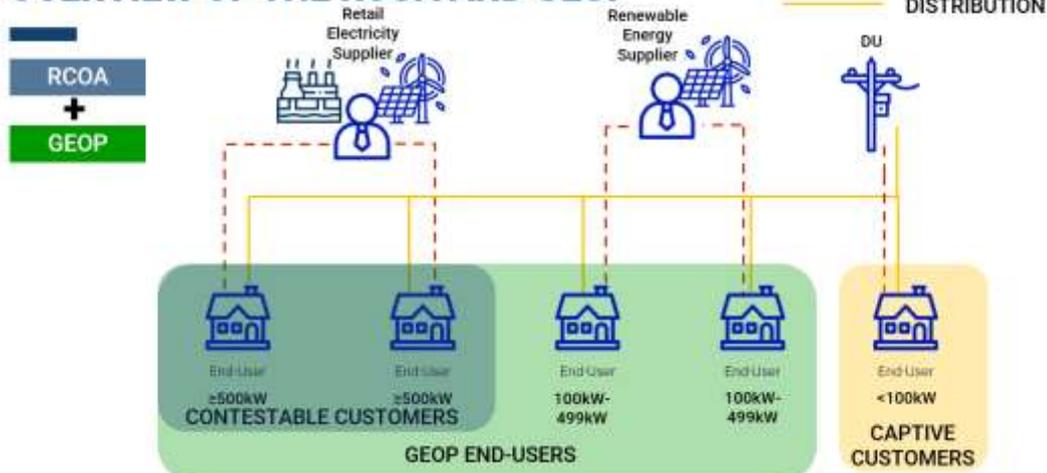
- Mechanism to empower end-users to choose renewable energy in meeting their energy requirements
- Conceptually similar to RCOA



OVERVIEW OF THE RCOA AND GEOP



OVERVIEW OF THE RCOA AND GEOP



IMPLEMENTATION UPDATES

Issuance of Advisories and Bulletins to Participants

- Advisory on GEOP Contracting Parameters
- Advisory on Submission of GEOP End-Users Information
- Bulletin on Registration of RE Suppliers, Retail MSPs and SOLRs
- Bulletin on GEOP Forms and Templates
- Bulletin on Customer Switching Implementation

<https://www.stmcp.ph/geop/>

Registration of Renewable Energy Suppliers

- Acceptance of applications started on 03 December 2021
- 9 RE Suppliers completed registration
- 4 RE Suppliers ongoing processing

Switching of GEOP End-Users

- Acceptance of switch requests started last 03 January 2022
- Ongoing preparation of switching requirements by participants



IMPLEMENTATION CONCERNS

| CONCERN | ACTION TAKEN |
|--|--|
| <p>Need for system enhancements</p> <ul style="list-style-type: none"> Inclusion of GEOP-specific registration categories and switch processes in CRSS Automated verification of 100% RE Sourcing for RE Suppliers <p>*System enhancements are subject to ample budget allocation</p> | <p><i>Use of existing CRSS functionalities for RCOA to accommodate GEOP transactions such as:</i></p> <ul style="list-style-type: none"> RE Suppliers are initially registered under RES or LRES category End-Users switching to GEOP are initially registered under Contestable Customer category Switching from RES/LRES to RE Supplier and vice versa to be processed as a Regular Switch <p><i>Use of attestations to ensure compliance with 100% RE sourcing requirements</i></p> <ul style="list-style-type: none"> RE Suppliers are required to submit an attestation stating that its bilateral counterparties are all RE Generators |

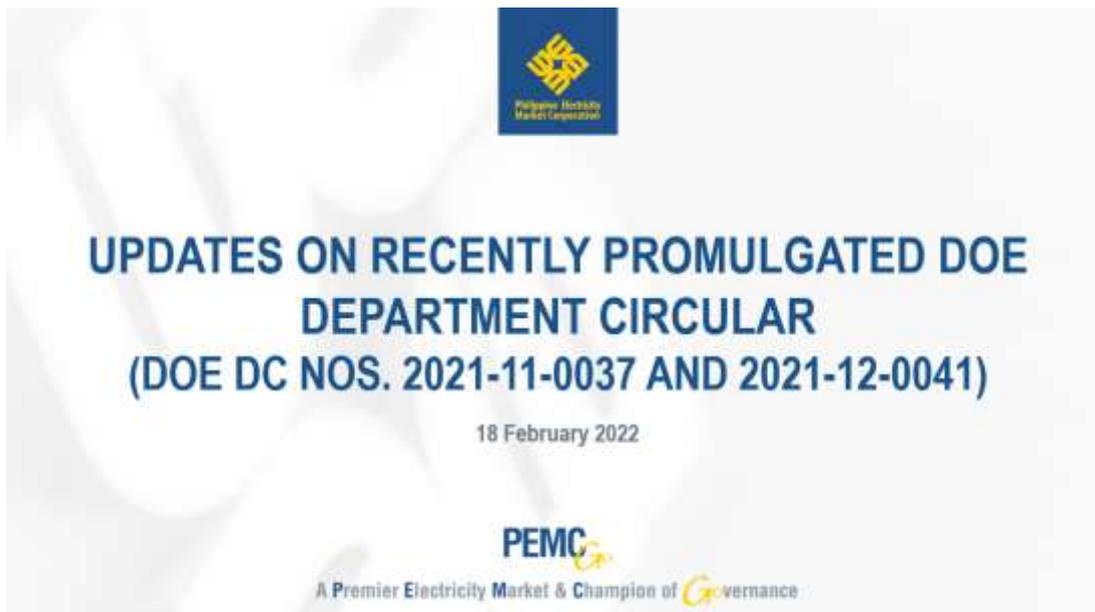
IMPLEMENTATION CONCERNS

| CONCERN | ACTION TAKEN |
|---|---|
| <p>Manpower Limitations</p> <ul style="list-style-type: none"> Being the GEOP CRB is an additional function for IEMOP on top of Market Operator and RCOA CRB functions Current manpower performs Market Operator and CRB functions simultaneously Additional manpower is subject to ample budget allocation | <p><i>Implemented queueing system</i></p> <ul style="list-style-type: none"> For initial implementation, GEOP switch requests are accepted only during working days of 1st 15 days of each month with limit of 30 switch requests per month |

IMPLEMENTATION CONCERNS

| CONCERN | ACTION TAKEN |
|--|---|
| <p>Participants expressed concerns in complying with some GEOP requirements</p> <ul style="list-style-type: none"> Advanced notification to NSP on intent to switch to GEOP (90 CD before signing of supply contract) Advanced submission of supply contract, MSA, TSA to CRB (30 CD before effective switch date) 5-minute meter interval requirement | <ul style="list-style-type: none"> Strict implementation Strict implementation Considered RCOA-compliant meters to be sufficient subject to prevailing rules on existing metering installation Endorsed participants' concern to ERC for appropriate guidance |





ACTION REQUESTED

- For information



BACKGROUND

11 Dec 2020 RCC APPROVAL

- RCC Resolution No. 2020-18

16 Dec 2020 PEM BOARD APPROVAL

- PEM Board Resolution No. 2020-31-03

09 Nov 2021 DOE APPROVAL

- DC2021-11-0034
- Effective Date: **07 January 2022**



Updates in the Rules Change Manual | 4

SUMMARY

Discrepancy in Final Statement

DOE-APPROVED



RCC & PEM BOARD-APPROVED



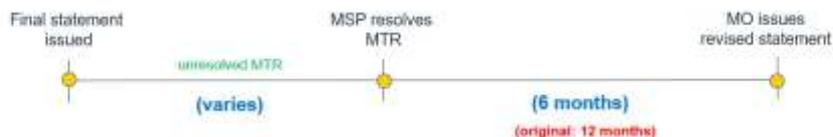
*WESM Dispute Resolution Process

5

SUMMARY

Issuance of Revised Statement (from Resolution of MTR)

RCC, PEM BOARD AND DOE-APPROVED



6



SUMMARY

Meter Malfunction

RCC, PEM BOARD AND DOE-APPROVED

MSP has within **five (5) months** from date of discovery of unintentional meter error to reconcile metering data.

- o Original: one (1) year



7

DOE DC2021-12-0042: WCO CERTIFICATION AND REGISTRATION



8

BACKGROUND

16 Jul 2021 RCC APPROVAL

- RCC Resolution No. 2021-08

25 Aug 2021 PEM BOARD APPROVAL

- PEM Board Resolution No. 2021-39-07

21 Dec 2021 DOE APPROVAL

- DC2021-12-0041
- Effective Date: 15 January 2022



Updates in the Rules Change Manual | 9



SUMMARY

- Additional on Annex I: *“The designated qualified personnel of the WESM Members (except the Market Operator) must complete at least thirty-six (36) credit units of compliance lecture series or training before being issued with a WCO Certification.”*

ACTION REQUESTED

- For information



**A Premier Electricity Market &
Champion of Governance**

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