

MEETING MINUTES

Subject/Purpose : 190th Rules Change Committee (Regular) Meeting
 Date & Time : 08 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. Morillos	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	Michelle S. Tuazon	Member (Alternate), Generation Sector	RCC
7	Ryan S. Morales	Member, Distribution Sector	RCC
8	Lorreto H. Rivera	Member, Supply Sector	RCC
9	Ambrocio R. Rosales	Member, System Operator	RCC
10	Isidro E. Cacho, Jr.	Member, Market Operator	RCC
11	John Mark S. Catriz	RCC Secretariat	PEMC
12	Karen A. Varquez	RCC Secretariat	PEMC
13	Divine Gayle C. Cruz	RCC Secretariat	PEMC
14	Dianne L. De Guzman	RCC Secretariat	PEMC
15	Kathleen R. Estigoy	RCC Secretariat	PEMC
16	Luningning G. Baltazar	Observer	DOE
17	Marvin Jay A. Masanda	Observer	DOE
18	Sergio P. Villafuerte	Proponent	NPC
19	Wilfredo S. Senadrin	Proponent	NPC
20	Maria Teresa L. Serra	Proponent	NPC
21	Bernardino M. Abellera, Jr.	Proponent	NPC
22	Valeriano C. Barro, Jr.	Proponent	NPC
23	Ramon M. Araja Jr.	Proponent	NPC
24	Ken G. Trinidad	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 09:08 AM. The meeting was presided by Ms. Concepcion I. Tanglao (Independent).
II. Determination of Quorum	There were 9 principal members and 1 alternate member present during the meeting.
III. Adoption of Agenda	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Resolution:</u> The agenda of meeting was approved and adopted by the body.</p>
IV. New Business	
Proposed Urgent Amendments to the WESM Manual on Dispatch Protocol on the Criteria of Must-Run Units	<p><u>Presenter:</u> Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For discussion/approval as urgent amendment</p> <p><u>Material/s:</u> Annex – Proposal Summary</p> <p><u>Proceedings:</u></p> <p>The body acknowledged the virtual attendance of the representatives from National Power Corporation (NPC) being the proponent of the urgent proposal.</p> <p>Ms. Maria Teresa L. Serra presented the overview of the proposal, with highlights as follows:</p> <ul style="list-style-type: none"> The National Power Corporation (NPC) submitted the proposal being the government-owned and controlled corporation mandated to manage/supervise dam operations by optimizing water utilization and ensuring the dam integrity and safety of the people that live downstream of the five (5) dams in Luzon, namely: Ambuklao, Binga, San Roque, Angat and Caliraya Dams, and seven (7) dams in Mindanao. The proposal seeks to reinstate “Local Calamities” and “Emergencies” among the criteria and considerations in selecting must-run units (MRUs) in the Dispatch Protocol

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	<p>Manual Issue 16.0 and to prioritize dispatch of hydropower plants, if possible, in time of calamity when there is excessive amount of stored water that threatens dam and public safety.</p> <p><i>On Public Safety</i></p> <ul style="list-style-type: none"> - MRU Operation optimizes pre-emptive water discharge through power turbines in anticipation of incoming weather disturbances, minimizes spillage through the spillway gates and mitigates flood and its aftermath. - Prioritizing hydropower dispatch during calamities/typhoons with excessive amount of stored water optimizes the beneficial use of available clean power resource and addresses the hazard that threatens dam and public safety. <p>Ex: Caliraya Dam – MRU operation is vital in lowering the dam reservoir to a safe level during flood season. The Kalayaan Pump Power Plant is utilized to draw down the reservoir water level, instead of opening the spillway gates to release water, which will reach the community downstream in a span of 20-40 minutes. Thus, there is a need to operate it as an MRU.</p> <p><i>On Dam Safety</i></p> <ul style="list-style-type: none"> - MRU Operation is the only option to draw down reservoir elevation when needed, in times of emergencies where the spillway gates or other dam appurtenances are inoperable and would require repair. <p>Ex: San Roque Dam – there is an upcoming repair of this dam. There is a need for MRU operation to minimize the spilling.</p> <p><i>Optimized Use of and Earnings from Clean Power Resource</i></p> <ul style="list-style-type: none"> - MRU Operation optimizes the use of stored water in the reservoir for power generation and provides additional compensation to the power plant operators per Section 8.3.4 of the Price Determination Methodology Issue 3.0.

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	<p><i>Summary of the Proposal</i></p> <ul style="list-style-type: none"> - To add the following provision in the Dispatch Protocol Manual <p>17.2.2 Additional Consideration: When there is an excessive amount of stored water in the reservoir, dispatch of hydropower plants shall be prioritized and generating units shall be designated MRUs to ensure dam and public safety particularly during:</p> <ul style="list-style-type: none"> • Local Calamities and Emergencies – refers to short-term incidents (i.e. flooding, etc.) that would require designation of generator as MRUs to avert or minimize damage to infrastructures and to ensure safety of people living in affected localities. • Emergencies – refers to situations when 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. <ul style="list-style-type: none"> - To include the following rows in the Table 9 under Section 17.3 of Dispatch Protocol Manual <table border="1" data-bbox="646 1395 1482 2130"> <thead> <tr> <th data-bbox="646 1395 1066 1512">MRU Criteria</th><th data-bbox="1066 1395 1482 1512">Considerations for Qualifications/ Selection of MRUs</th></tr> </thead> <tbody> <tr> <td data-bbox="646 1512 1066 1939"><u>Local Calamities and Emergencies</u> – refers to short-term incidents (i.e. flooding, etc.) that would require designation of generators as MRUs to avert or minimize damage to infrastructure and to ensure safety of people living in affected localities</td><td data-bbox="1066 1512 1482 1939">Generating units called to run as MRU to ensure dam and public safety by optimizing pre-emptive water discharge through power turbines in anticipation of incoming weather disturbances, minimizing spillage through the spillway gates and mitigating flooding downstream.</td></tr> <tr> <td data-bbox="646 1939 1066 2130"><u>Emergencies</u> – refers to situations when there is an immediate need to lower reservoir elevation but spilling operation through the</td><td data-bbox="1066 1939 1482 2130">MRU Operation is the only option to draw down reservoir elevation when needed, in situations where the spillway gates or other dam</td></tr> </tbody> </table>	MRU Criteria	Considerations for Qualifications/ Selection of MRUs	<u>Local Calamities and Emergencies</u> – refers to short-term incidents (i.e. flooding, etc.) that would require designation of generators as MRUs to avert or minimize damage to infrastructure and to ensure safety of people living in affected localities	Generating units called to run as MRU to ensure dam and public safety by optimizing pre-emptive water discharge through power turbines in anticipation of incoming weather disturbances, minimizing spillage through the spillway gates and mitigating flooding downstream.	<u>Emergencies</u> – refers to situations when there is an immediate need to lower reservoir elevation but spilling operation through the	MRU Operation is the only option to draw down reservoir elevation when needed, in situations where the spillway gates or other dam
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	<table border="1" data-bbox="646 465 1476 622"> <tr> <td data-bbox="646 465 1066 622">spillway cannot be made due to spillway gates or other dam appurtenances requiring repair.</td><td data-bbox="1066 465 1476 622">appurtenances are inoperable or under repair.</td></tr> </table> <p>Ms. Divine Cruz (RCC Secretariat) discussed the background of the changes related to the MRU Criteria, with highlights as follows:</p> <ol style="list-style-type: none"> 1. MRU Manual Issues 1.0 to 4.0 (2004-2014) included Local Calamities and Emergencies as one of the criteria but it was removed in the MRU Manual Issue 5.0 (2014). This change was retained until the last version of the manual, i.e. MRU Manual Issue 8 (2021). 2. In said change, Sections 6.2.3 and 8.3 of the MRU Manual were deleted. These provided for the processes for designating generating units as MRUs to avert the impact of local calamities or emergencies. 3. The reasons for removing local calamities based on the Minutes of 79th RCC Meeting on 03 October 2013 and Original Rules Change Proposal in June 2014 were as follows: <ol style="list-style-type: none"> a. Local calamities and emergencies were considered as conditions for market intervention and generators dispatched during such events are compensated through Administered Price Determination Methodology; and b. Utilization of MRU resulting from grid isolation due to local calamities and emergencies is considered under Real Power Balancing and Frequency Control criterion. 4. Based on records, NPC's particular circumstance regarding dam operations (flooding, spillage) was not considered in the discussion of local calamities and emergencies. <p>Ms. Concepcion I. Tanglao (Independent) asked whether there is an urgency in the reinstatement of local emergencies and calamities as an MRU criterion considering that the same has already been removed as a criterion since 2014 and many years have already passed. Mr. Isidro E. Cacho, Jr. (Market Operator) commented that there is an urgency to the proposal considering the upcoming rainy season, where the criteria will be applicable.</p>	spillway cannot be made due to spillway gates or other dam appurtenances requiring repair.	appurtenances are inoperable or under repair.
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	<p>Mr. Carlito C. Claudio (Generator) posited that the proposal is not an urgent amendment considering the effectivity of urgent amendment, when the proposal would be applicable, and the timeline by which the DOE approves a general proposal (6 months at the minimum). He explained that the San Roque Dam has a maximum water elevation of 280 meters. As of meeting day, it has a water elevation of 237 meters and will continue to dip until May or the summer months. With this data, he surmised that the dam will not reach the spillage level by July or August as typhoons are rarely entering during these months.</p> <p>On the timing of lodging the proposal after the criterion was removed, Ms. Maria Teresa L. Serra (Proponent/NPC) said that they only became aware last year of the removal of local emergencies and calamities as an MRU criterion after a discussion with the plant operator. In terms of urgency, she explained that the proposal was submitted in preparation for the rainy season and that they are relying only on the Kalayaan Pump Storage Plant to draw down Caliraya Dam's water into safe levels. Thus, it is very important for the criteria to take effect before the rainy season to safely manage the water level.</p> <p>Ms. Serra continued that San Roque Dam will undergo an immediate repair on its spillway. While PAGASA forecasts that La Nina will occur only on the first quarter of this year, they are unsure of what will happen in the remaining part of the year. Although the dam has a large allowance capacity before reaching the spillage levels, the proposal is aimed at trying to mitigate or reduce the risks of spillage.</p> <p>Ms. Cherry Javier (Generator) commented on the notion that dam water elevation can only be managed thru MRU. She said that they are operating power plants with dams and the same is managed through offers. For instance, if the water level is rising, the offer price is very low for the plant to be dispatched. She added that even for run-off rivers, they are also encouraging the operators to accurately forecast their dispatch. Therefore, she opined that the proposal is not urgent since water elevation can be managed thru offers in the WESM and there can be adverse effects from the addition of local emergencies and calamities as an MRU event. Ms. Tanglao said that MAG-RRD's preliminary assessment contains similar analysis with Ms. Javier's statement on managing the offers and dispatch of hydropower plants.</p>

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	<p>Mr. Ambrocio Rosales (System Operator) commented on the point raised by Ms. Tanglao regarding the belated submission of the proposal. He posited that the proposal is not urgent considering that the hydropower plants were already exposed for a long-time during calamities and that the MRU criteria is intended to address the security and reliability of the grid. He also recalled that non-security related events were removed as MRU criteria, and if NPC's concern is on dam safety, it cannot be considered as a concern on grid's security and reliability. He agreed with Ms. Javier's statement that water dam elevation can be managed thru offers.</p> <p>Additionally, Mr. Rosales said that if the proposal is considered, it will apply not only to Caliraya and San Roque Dams as MRUs, but also to all hydropower plants. This scenario will result into over-generation because decrease in customer demand occurs during typhoons. And if dams will be allowed to dispatch its capacity at the maximum with the decreased load or demand, the grid security will be compromised because of over-generation. It can result to severe over-frequency, collapse of system, and total blackout. He reiterated that designation of dams as MRU is not aligned with the objective of MRU and its protocol to address the grid's security and reliability. Other generators will likewise be dislodged from its offer if hydropower plants will be tagged as MRU. However, if the NPC would insist on utilizing the dams, it can explore the application of over-riding constraint, subject to the approval of the System Operator.</p> <p>Mr. Valeriano C. Barro, Jr. (NPC) particularly discussed the case of San Roque Dam. He explained that it is a multi-purpose dam used for generation and irrigation. Hence, its water elevation is not managed only for purposes of generation, but it also complies with irrigation policies of the local government. Further, he cited the "Typhoon Maring" (2021) event where the spillage was averted due to San Roque Dam's MRU operation.</p> <p>Ms. Tanglao asked for comment from the NPC on the point that water elevation can be managed by submitting lower offers. In response, Mr. Wilfredo S. Senadrin (NPC) said that submitting a lower offer is being done for the plant at Caliraya Dam to be dispatched.</p>

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	<p>The Secretariat asked for the list of trading participants of the power plants located at NPC's dams in relation to the management of water elevation thru offers. Mr. Senadrin gave the list as follows:</p> <ul style="list-style-type: none"> • PSALM - Caliraya, Kalayaan, Botocan • San Miguel Power Corp. - Angat, San Roque • SN Aboitiz - Ambuklao, Binga <p>Ms. Serra also clarified that their proposal will not be applicable to all hydropower plants during typhoon as certain conditions should be met before being allowed to operate as an MRU. Mr. Senadrin added that Caliraya Dam's maximum water elevation holding capacity is between 286 to 288 meters, which is a relatively small capacity. This would mean that high inflow of water would pose a risk of water dam spillage to the community that could only be prevented by operating the dam as an MRU.</p> <p>Mr. Rosales opined that the proposal would most likely apply to all hydropower plants and will not only be limited to Caliraya Dam or certain generators. While he took note of Caliraya's Dam maximum holding capacity which is relatively small, he reiterated that if the proposal will be allowed, it could compromise the grid's security and reliability <i>since other plants would be dispatched at minimum operation or even on shutdown mode (as part of the contingency plan) while all hydro generators would be at maximum dispatch due to dam elevation concerns</i>. He noted that he understands the concern of NPC regarding the spillage of water to the community, but this can be addressed through other means, such as decreasing the pumping if the approaching typhoon will directly hit the dam or requesting for a maximum dispatch subject to the approval of the System Operator.</p> <p>Mr. Claudio acknowledged that water stored in the dams should not be wasted thru spillage and should instead be used in the power turbines to generate electricity. However, he posited that designation of a hydropower plant as MRU is not fair as water can still be utilized to generate electricity through other means and not by designating the plant as an MRU. For instance, the trading participant could submit a negative or zero offer to ensure dispatch or request from the SO to be dispatched as non-security over-riding constraint. He also agreed with Mr. Rosales that MRU designation must only be due to security-related conditions as what is practiced in the California Independent System Operator (CAISO).</p>

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	<p>Further, on one of the reasons provided by NPC about inconsistency of their dam operations protocol with the MRU Manual, Mr. Claudio commented that NPC's Protocol should conform with the existing MRU Manual and not the other way around.</p> <p>Mr. Sergio P. Villafuerte (NPC) implored to consider public safety (under local emergencies and calamities) in the MRU criterion since it was considered and implemented prior to the revision of the WESM Manual on Dispatch Protocol. He opined that compared to the grid's security and reliability, public safety is more important and this had been recognized before thru the designation of hydropower plants as MRU.</p> <p>Ms. Tanglao requested Mr. Rosales to comment on the previous designation of hydropower plant as MRU, to which Mr. Rosales recalled that hydropower plant was not designated as MRU before but was allowed to operate at its maximum capacity as planned, in coordination with SO, provided that the grid's security and reliability will not be compromised. He suggested that hydropower plant operators may coordinate with SO prior to typhoon's landing or at an earlier time depending on the water elevation so they can be able to operate at maximum capacity to prevent spillage. They may also consider to be dispatched under over-riding constraint as non-security limit but not under security limit, provided that the typhoon is still far from the area of responsibility or landing location. Hydropower plant's operation at a maximum level during the typhoon landing cannot be done since load tripping is uncontrollable already by this time, and SO is obligated to maintain the grid's reliability and security even by instructing other power plants to shut down in some instances.</p> <p>Ms. Tanglao asked Mr. Rosales if the request for maximum dispatch is covered by any WESM Manual, to which Mr. Rosales answered that it is provided under the coordination protocol between the SO and the generator. He also supposed that the proponent's intention is for the hydropower plant to be dispatched at a maximum capacity, but not to be designated as an MRU as the latter is technically defined under the WESM Manual.</p> <p>Ms. Karen A. Varquez (RCC Secretariat) provided the reference for the suggestion of Mr. Rosales to consider the proposal under the</p>

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	<p>non-security limits. She explained that Section 7.6.2 (b) might be the correct provision to be amended to pursue the intent of NPC, to which Mr. Rosales concurred. Mr. Claudio likewise agreed with the provision to be amended as it is still aligned with the purpose to dispatch the hydropower plant at maximum capacity, if needed. The difference, however, is that the hydropower plant will be paid as price-taker and not as an MRU. If market intervention is declared, the hydropower plant will be paid under Administered Price.</p> <p>Mr. Senadrin posed a question for Mr. Rosales on how the coordination with SO will be done, given that Caliraya Dam is being operated by CBK Power Company Limited, traded by Power Sector Assets and Liabilities Management Corporation (PSALM), while the reservoir is managed by the NPC. Mr. Rosales responded that it can be addressed by their existing protocol, subject to SO's approval. He also clarified that the MO's dispatch is subject to dispatch analysis by the SO to determine if it is compliant to N-1. The SO thereafter coordinates with the generators for the allowable output.</p> <p>Ms. Tanglao requested for clarification on the timeline of San Roque Dam's repair and its effect on the proposal. Mr. Senadrin answered that the repair will be finished by May or June 2022.</p> <p>Ms. Tanglao asked the NPC representatives if they are amenable with submitting another proposal under Section 7.6.2 (b) of the Dispatch Protocol. Mr. Bernardino M. Abellera, Jr. (NPC) responded that they are agreeable with the suggestion if it will address the concern on water spillage. He added, however, that by contemplating on the opportunity (rules change) and risk (effects of typhoon), the proposal will unload the reservoir capacity of San Roque Dam and at the same time course the rainwater to generate electricity than wasting it by releasing it through the spillway gates.</p> <p>Ms. Tanglao called for the division of the house on the question of whether the proposal is an urgent amendment and whether it falls under the MRU criterion. With ten (10) votes <i>via</i> MS Teams and Viber chats, the proposal was not considered as an urgent amendment. The voting result was approved and adopted by the body.</p>

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	<p>Below is the tally of votes:</p> <ol style="list-style-type: none"> 1. Ambrocio Rosales – not urgent/not MRU 2. Cherry Javier – not urgent/not MRU 3. Michelle Tuazon – not urgent/not MRU 4. Ryan Morales – not urgent/not MRU 5. Lorreto Rivera – not urgent/not MRU 6. Dixie Anthony R. Banzon – not urgent/not MRU 7. Isidro E. Cacho – considering the need to clarify the processes under over riding constraint then probably a general amendment would be required 8. Carlito Claudio – not urgent/not MRU (via Viber) 9. Jesusito Morillos – not urgent/not MRU (via Viber) 10. Concepcion Tanglao – not urgent/not MRU <p>Ms. Tanglao asked how the Committee would proceed after the adoption of voting results, to which Ms. Kathleen R. Estigoy (Secretariat) responded that based on the earlier agreement, the proponent will submit another proposal based on Section 7.6.2 of the Dispatch Protocol Manual. Further, based on Section 7 of the Rules Change Manual, the RCC will prepare a resolution, for submission to the PEM Board, disapproving the current proposal and substantiating its reasons for rejection.</p> <p>For good order, Mr. Jesusito G. Morillos (Independent) formally adopted the suggestion of the Chairperson to remand the proposal to NPC to align it with the recommendation to amend the provision on non-security limit, instead of disapproving the current proposal. Ms. Tanglao requested the Secretariat to reword the resolution as stated by Mr. Morillos. Ms. Estigoy restated that the resolution to be drafted would remand the proposal to the proponent, rather than disapprove it.</p> <p>For guidance of the NPC, Ms. Estigoy requested clarification on the type of the other proposal for submission – urgent or general amendment. Ms. Tanglao requested for comments from the body. Mr. Morillos moved to classify the proposal for submission as non-urgent considering the resolution of the Committee that the current proposal is not an urgent amendment. Ms. Tanglao stated that her position is the same as Mr. Morillos and that the point on the urgency because of the rainy season can be addressed thru coordination with the SO and concerned trading participants. Having no opposition, the motion of Mr. Morillos to classify the</p>

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	<p>proposal for submission by NPC as general amendment has been approved and adopted by the body.</p> <p>Mr. Abellera, Jr. inquired regarding the difference in the timeline between the urgent amendment and general amendment, to which Ms. Tanglao answered that urgent amendment takes effect 24 hours after publication following the PEM Board's approval, while general amendment is dependent on DOE's timeline. Further, Mr. Abellera, Jr. asked if the general amendment would be implementable by September 2022. Ms. Tanglao responded that they cannot assure them regarding the timeline and advised the NPC to explore other possibilities and options as discussed earlier, to safely manage the dam's water elevation.</p> <p>Mr. Abellera, Jr. stated that the San Roque Hydropower Plant was approved to run as MRU in 2018. He admitted that they were not aware of the removal of local calamities and emergencies as MRU criterion until such time that CBK Power Company Limited made a revision on its procedure. Ms. Tanglao noted that Mr. Rosales previously manifested that San Roque Hydropower Plant's dispatch might not be as an MRU but was merely approved to be dispatched at its maximum capacity because of the generator's coordination with SO. Further, Mr. Barro, Jr. said that even in 2020 and 2021, they were not disallowed by the SO to run at maximum capacity if there is a typhoon.</p> <p><u>Resolution:</u> The RCC adopted to remand the proposal to the NPC to align it with the recommendation to amend the provision on non-security limit (Section 7.6.2 of the Dispatch Protocol Manual) as a general amendment.</p>
V. Schedule of Next Meetings	<p><u>Presenter:</u> Ms. Kathleen R. Estigoy (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p>The RCC noted the following schedules:</p> <ul style="list-style-type: none"> • RCC Regular Meetings <ul style="list-style-type: none"> ○ 18 Feb 2022 ○ 18 Mar 2022 ○ 22 April 2022



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IX. Adjournment	Ms. Javier moved to adjourn the meeting, which was duly seconded by Ms. Lorreto H. Rivera (Supply) and was adopted by the body. The meeting was adjourned at 10:40 AM.

Prepared by:

KATHLEEN R. ESTIGOY
 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

(Vacant)

Member, Independent

(Vacant)

Member, Independent

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

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

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A blue ink signature of Carlito C. Claudio, consisting of a stylized 'C' followed by a horizontal line.

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

A blue ink signature of Mark D. Habana, featuring a stylized 'M' and 'H'.

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

A blue ink signature of Ryan S. Morales, showing a stylized 'R' and 'M'.

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

A blue ink signature of Virgilio C. Fortich, Jr., with a stylized 'V' and 'F'.

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

A blue ink signature of Ricardo G. Gumalal, featuring a stylized 'R' and 'G'.

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

A blue ink signature of Nelson M. De la Cruz, with a stylized 'N' and 'D'.

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

A blue ink signature of Lorreto H. Rivera, showing a stylized 'L' and 'R'.

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

A blue ink signature of Isidro E. Cacho, Jr., with a stylized 'I' and 'C'.

ISIDRO E. CACHO, JR.
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A blue ink signature of Ambrocio R. Rosales, featuring a stylized 'A' and 'R'.

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



ADDITIONAL CRITERIA AND CONSIDERATION FOR SELECTING MRU

21 JANUARY 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.



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OUTLINE



ACTION
REQUESTED



RATIONALE OF THE
PROPOSAL



SUMMARY OF THE
PROPOSAL



OTHER RELEVANT
MATTERS



3

ACTION REQUESTED

- To reinstate “Local Calamities” and “Emergencies” among the criteria and considerations in selecting MRUs in the Dispatch Protocol Manual Issue 16.0.
- To prioritize dispatch of hydropower plants, if possible, in times of calamities when there is excessive amount of stored water that threatens dam/public safety



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RATIONALE OF THE PROPOSAL

- Public Safety

MRU Operation optimizes pre-emptive water discharge through power turbines in anticipation of incoming weather disturbances, minimizes spillage through the spillway gates and mitigates flood and its aftermath.

Prioritizing hydropower dispatch during calamities/typhoons with excessive amount of stored water optimizes the beneficial use of available clean power resource and addresses the hazard that threatens dam/public safety.



5

RATIONALE OF THE PROPOSAL

- Dam Safety

MRU Operation is the only option to draw down reservoir elevation when needed, in times of emergencies where the spillway gates or other dam appurtenances are inoperable and requires repair.

- Optimized Use of & Earnings from Clean Power Resource

MRU Operation optimizes the use of stored water in the reservoir for power generation and provides additional compensation to the power plant operators per Section 8.3.4 of Price Determination Methodology Issue 3.0.



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SUMMARY OF THE PROPOSAL

To add the following provision in the Dispatch Protocol Manual:

"17.2.2 Additional Consideration:

When there is an excessive amount of stored water in the reservoir, dispatch of hydropower plants shall be prioritized and generating units shall be designated as MRUs to ensure dam and public safety particularly during:

- *Local Calamities and Emergencies – 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.*
- *Emergencies - refers to situations when 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."*



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SUMMARY OF THE PROPOSAL

To include the following rows in the Table 9 under Section 17.3.2 of Dispatch Protocol Manual:

MRU Criteria	Considerations for Qualifications/ Selection of MRUs
<u>Local Calamities and Emergencies</u> – refers to short-term incidents (i.e. flooding, etc.) that would require designation of generators as MRUs to avert or minimize damage to infrastructure and to ensure safety of people living in affected localities.	<ul style="list-style-type: none"> • Generating units called to run as MRU to ensure dam and public safety by optimizing pre-emptive water discharge through power turbines in anticipation of incoming weather disturbances, minimizing spillage through the spillway gates and mitigating flooding downstream.
<u>Emergencies</u> – refers to situations when 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.	<ul style="list-style-type: none"> • MRU Operation is the only option to draw down reservoir elevation when needed, in situations where the spillway gates or other dam appurtenances are inoperable or under repair.



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OTHER RELEVANT MATTERS

- No further issues/ matters.



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ACTION REQUESTED

- Approval of the Proposed Changes



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THANK YOU!