



Rules Change Committee 2021 Semestral Report

July to December 2021

January 2022

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



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I. INTRODUCTION

In compliance with its mandate under the WESM Rules¹ and the WESM Manual on the Procedures for Changes to the WESM Rules (“Rules Change Manual”), the Rules Change Committee (RCC) submits this Report, covering the period July to December 2021. This report sets out the following:

- i. All proposals to amend the Market Rules and Manuals which have been submitted or remanded to and deliberated upon by the RCC for the covered period; and
- ii. Status of RCC priorities outlined in the 2021 RCC Work Plan.

II. ACCOMPLISHMENTS AND WORK PROGRESS

The RCC held 8 meetings² during the covered period to discuss and deliberate upon several proposed amendments to the Market Rules and Manuals aimed at refining market processes and operations appropriate for the enhanced market design and as a result of market operations experience.

For second half of 2021, the RCC approved 13 proposals for changes in the Market Rules and Manuals. These include one (1) urgent amendment for the implementation of Green Energy Option Program (GEOP) in December 2021, eight (8) general amendments, and four (4) proposals remanded by the DOE.

Additionally, the proposals approved by the RCC were initiated by the Market Operator, PEM Audit Committee (PAC) and PEMC, as presented below:

Table 1: Proposals Approved by RCC by Proponent (Jul to Dec 2021)

| Proponent | Proposals Approved |
|---|--------------------|
| Market Operator | 10 |
| Market Participants/ WESM Stakeholders | - |
| PEMC/WESM Governance Committees | 3 |
| TOTAL | 13 |

There were five (5) new proposals received during the period covered which were initiated by the Market Operator, System Operator and PEMC, as presented below:

¹ WESM Rules, Clause 8.6.5.

² Six (6) regular meetings and two (2) special meetings

Table 2: Proposals Submitted to RCC by Proponent (Jul to Dec 2021)

| Proponent | Proposals Submitted (% of Total) |
|--|-------------------------------------|
| Market Operator | 3 (60%) |
| Market Participants/ WESM Stakeholders | 1 (20%) |
| PEMC/WESM Governance Committees | 1 (20%) |
| TOTAL | 5 (100%) |

The details of the submitted and approved proposals are detailed in *II.B Proposals Approved by the RCC during the period January to December 2021* and *II.C. On-Going Proposals and Discussions*.

From July 2005 to December 2021, the RCC has completed the processing of 349 amendments to the Market Rules and Manuals (see Annex A for the number of proposals processed per year beginning 2005 until December 2021).

Table 3: Summary of Proposed Amendments Processed by RCC by document (2005 to 2021)

| Documents | Jan to Jun 2021 | Jul to Dec 2021 | Cumulative Total Jan 2005 to Dec 2021 |
|----------------|-----------------|-----------------|--|
| WESM Rules | 4 | 5 | 103 |
| WESM Manuals | 10 | 11 | 215 |
| Retail Rules | 0 | 1 | 11 |
| Retail Manuals | 0 | 5 | 20 |
| TOTAL | 14 | 22 | 349 |

Of the 349 proposed amendments deliberated upon since 2005, the RCC disapproved nine (9) or 2.58% of the total. Some of these were re-developed and re-submitted by the proponent/s to the RCC as new proposals.

The RCC, as part of its consultation process, posts all proposals in the PEMC website to solicit comments from interested parties for a period of 30 working days. Comments received are discussed during the RCC's deliberation of the proposals, with the resulting agreements endorsed to the PEM Board for approval.

For the second half of 2021, the RCC issued 16 resolutions, where 15 of those are on the approval to endorse proposed amendments to the PEM Board.³ These 15 resolutions include

³ One (1) RCC resolution is on the Amendments to the Rules Change Committee Internal Rules Issue 5.0 (RCC Resolution No. 2021-10)

proposals that were deliberated by the RCC, of which four (4) were remanded proposals from DOE and one (1) was a request by the RCC for extension of effectivity of urgent amendments for the implementation of the Enhanced WESM Design and Operations (EWDO). The submitted resolutions were for the PEM Board's endorsement to DOE either for approval (general amendments) or for information (urgent amendments).

A summary of the proposed amendments deliberated by the RCC during the period July to December 2021 is provided in the succeeding sections. All the proposals, minutes of the RCC's meetings and Resolutions are posted in the PEMC website⁴ for public information.

⁴ <https://www.wesm.ph/market-governance/rules-change/rcc-minutes-of-meetings>

II.A. Summary of Proposals Submitted

The table below presents the status summary of all proposals submitted to the RCC in the second half of 2021. Brief discussions on the proposals, both completed and on-going, are further provided in Sections II.B and II.C of this Report.

Table 4: Summary of Proposals carried-over (July to December)

| Item | Proponent | Control No. | Proposal | Submitted to RCC | Date Approved for Posting | Date Published | Deadline of Commenting Period | Comments Received | Action Taken by RCC | RCC Resolution | Action Taken by PEM Board | PEM Board Resolution | Date Submitted to DOE |
|------|-----------|---------------------|--|------------------|---------------------------|----------------|-------------------------------|--|---------------------|------------------------|---------------------------|--------------------------|-----------------------|
| 1 | IEMOP | ORCP-WM-19-20 | Proposed Amendments to WESM Registration Manual for General Enhancements to the Application Process of New WESM Members | 29-Nov-2019 | 06-Dec-2019 | 10-Dec-2019 | 28-Jan-2020 | PEMC, Market Surveillance Committee, AC Energy, SPC/SIPC | Approved | 2021-18 (21 Oct 2021) | Approved | 2021-41-06 | 29-Nov-2021 |
| 2 | IEMOP | ORCP-WR-WM-RM-21-01 | Proposed Amendments to the WESM Rules, WESM Manual and Retail Manual on Validation Timeline Adjustment in Metering and Billing | 09-Jan-2021 | 15-Jan-2021 | 18-Jan-2021 | 03-Mar-2021 | PEMC NGCP Meralco | Approved | 2021-22 (17 Dec 2021) | For deliberation | n/a | n/a |
| 3 | IEMOP | ORCP-WM-21-04A | Proposed Amendments to Various WESM Manuals for Improvements to Market Resource Modelling and Monitoring | 28-Mar-2021 | 16-Apr-2021 | 21-Apr-2021 | 03-Jun-2021 | PEMC TC MEI/PEI Aboitiz Power Meralco | Approved | 2021-15 (15 Oct 2021) | deferred | n/a | n/a |
| 4 | IEMOP | ORCP-WR-WM-21-05 | Proposed Amendments to the WESM Rules and WESM Manual on Registration, Suspension and De-Registration | 28-Mar-2021 | 16-Apr-2021 | 20-Apr-2021 | 02-Jun-2021 | PEMC TC AC Energy Aboitiz | Approved | 2021-11 (16 July 2021) | Approved | 2021-39-08 (25 Aug 2021) | 01-Oct-2021 |

| Item | Proponent | Control No. | Proposal | Submitted to RCC | Date Approved for Posting | Date Published | Deadline of Commenting Period | Comments Received | Action Taken by RCC | RCC Resolution | Action Taken by PEM Board | PEM Board Resolution | Date Submitted to DOE |
|------|-----------|---|---|------------------|---------------------------|----------------|-------------------------------|-----------------------------------|---------------------|--|---------------------------|--------------------------|-----------------------|
| | | | Criteria and Procedures for Improvements to De-registration and Cessation Procedures | | | | | Power Meralco | | | | | |
| 5 | IEMOP | ORCP-WR-WM-21-07 | Proposed General Amendments to WESM Rules and Various WESM Manuals for Enhancements to Market Operator and System Operator Procedures | 27-Apr-2021 | 21-May-2021 | 25-May-2021 | 06-Jul-2021 | PEMC, TC, SPC/SPIC, Aboitiz Power | Approved | 2021-14 (21 Oct 2021) | Approved | 2021-41-04 (27 Oct 2021) | 29-Nov-2021 |
| 6 | IEMOP | ORCP-WM-20-03A <i>(remanded by DOE)</i> | Proposed Revisions to the PEM Board-Approved Amendments to Clarify Bilateral Contracts Accounted for in Settlements | n/a | 16-Apr-2021 | 23-Apr-2021 | 07-Jun-2021 | TC PEMC | Approved | 2021-12 (16 Jul 2021) | Approved | 2021-39-09 (25 Aug 2021) | 01-Oct-2021 |
| 7 | PEMC | ORCP-WR-19-09 ORCP-WR-19-09B <i>(remanded by DOE)</i> | Proposed Revisions to PEM Board-Approved Amendments to the WESM Rules and New WESM Compliance Officers (WCO) Accreditation Manual | n/a | n/a | n/a | n/a | n/a | Approved | 2021-08 (16 Jul 2021) | Approved | 2021-39-07 (25 Aug 2021) | 01-Oct-2021 |
| 8 | PAC | ORCP-WR-RR-WM-18-08 <i>(remanded by DOE)</i> | Proposed Revisions to PEM Board-Amendments to Provisions Related to Audit and Performance Monitoring Under the WESM Rules, Retail Rules, PEM Audit Manual, and Guidelines Governing | n/a | n/a | n/a | n/a | n/a | Approved | 2021-09 (16 Jul 2021) 2021-16 (15 Oct 2021) | Approved | 2021-41-01 (27 Oct 2021) | 29-Nov-2021 |

| Item | Proponent | Control No. | Proposal | Submitted to RCC | Date Approved for Posting | Date Published | Deadline of Commenting Period | Comments Received | Action Taken by RCC | RCC Resolution | Action Taken by PEM Board | PEM Board Resolution | Date Submitted to DOE |
|------|-----------|--|---|------------------|---------------------------|----------------|-------------------------------|-------------------------------|---------------------|--------------------------|---------------------------|-----------------------------|-----------------------|
| | | | the Constitution of the PEM Board | | | | | | | | | | |
| 9 | IEMOP | ORCP-WR-WM-19-19 <i>(remanded by DOE)</i> | Proposed Revisions to PEM Board-Approved Amendments to the WESM Rules and WESM Manual on MO Information Disclosure and Confidentiality to Provide Exceptions for Confidentiality Undertaking for Oversight Bodies | n/a | n/a | n/a | n/a | n/a | Approved | 2021-13 (17 Sep 2021) | Approved | 2021-40-06 (29 Sep 2021) | 11-Oct-2021 |
| 10 | IEMOP | ORCP-WM-21-09 | Proposed General Amendments to the WESM Rules and WESM Manual on Billing and Settlement on Harmonization with ERC Decision on Case No. 2017-042RC on Additional Compensation Process | 28-Jun-2021 | 16-Jul-2021 | 19-Jul-2021 | 01-Sep-2021 | PEMC, SPC/SPIC, Aboitiz Power | Approved | 2021-19 (21 Oct 2021) | Approved | 2021-41-03 (27 Oct 2021) | 29-Nov-2021 |

Table 5: Summary of New Proposals Submitted to RCC (July to December 2021)

| Item | Proponent | Control No. | Proposal | Submitted to RCC | Date Approved for Posting | Date Published | Deadline of Commenting Period | Comments Received | Action Taken by RCC | RCC Resolution | Action Taken by PEM Board | PEM Board Resolution | Date Submitted to DOE |
|------|-----------|------------------|--|------------------|---|----------------|-------------------------------|--|------------------------|-----------------------|---------------------------|--------------------------|-----------------------|
| 1 | IEMOP | ORCP-WM-21-04B | Proposed Amendments to Various WESM Manuals for Improvements to Market Resource Modelling and Monitoring (MNMCP & LFM) | 16-Dec-2021 | 17-Dec-2021 (sent only to commenters of ORCP-WM-21-04A) | n/a | 18-Jan-2022 | NGCP, MERALCO, TC | For final deliberation | n/a | n/a | n/a | n/a |
| 2 | PEMC | ORCP-WR-WM-21-10 | Proposed Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and Pricing Re-runs, Issue 6 on Harmonization of Provisions on Automatic Pricing Re-runs with ERC Decision on Case No. 2017-042RC | 17-Aug-2021 | 20-Aug-2021 | 25-Aug-2021 | 07-Oct-2021 | — | Approved | 2021-22 (17 Dec 2021) | Approved | 2022-44-02 | n/a |
| 3 | IEMOP | ORCP-WR-WM-21-11 | Proposed Amendments to WESM Rules and Various WESM Manuals on Implementation of Reserve Market | 07-Sep-2021 | 17-Sep-2021 | 22-Sep-2021 | 04-Nov-2021 | NGCP, PEMC, TC, APC, AC Energy, MEI/PEI, SNAP, Meralco, SPC/SIPC | Approved | 2021-21 (22 Nov 2021) | Approved | 2021-42-08 (24 Nov 2021) | 17-Dec-2021 |

| Item | Proponent | Control No. | Proposal | Submitted to RCC | Date Approved for Posting | Date Published | Deadline of Commenting Period | Comments Received | Action Taken by RCC | RCC Resolution | Action Taken by PEM Board | PEM Board Resolution | Date Submitted to DOE |
|------|-----------|------------------------|--|--|---------------------------|----------------|-------------------------------|-------------------|---------------------|-----------------------|---------------------------|--------------------------|-----------------------|
| 4 | IEMOP | ORCP-WR-RR-WM-RM-21-12 | Proposed Amendments on Implementation of the Green Energy Option Program | 08-Nov-2021 (proposal) 10-Nov-2021 (IA) | n/a | n/a | n/a | n/a | Approved | 2021-20 (19 Nov 2021) | Approved | 2021-42-07 (24 Nov 2021) | n/a |
| 5 | NGCP | ORCP-WR-WM-21-13 | Proposed Amendments to the WESM Rules and WESM Manuals on System Security and Reliability and Dispatch Protocol for the Implementation of the Reserve Market | 10-Dec-2021 | 17-Dec-2021 | 22-Dec-2021 | 04-Feb-2022 | — | n/a | n/a | n/a | n/a | n/a |

Table 6: Summary of Proposals Remanded to RCC (July to December 2021)

| Item | Proponent | Control No. | Proposal | Date Remanded | Date Approved for Posting | Date Published | Deadline of Commenting Period | Comments Received | Action Taken by RCC | RCC Resolution | Action Taken by PEM Board | PEM Board Resolution | Date Submitted to DOE |
|------|-----------|---------------|--|---------------|---------------------------|----------------|-------------------------------|-------------------|------------------------------------|----------------|---------------------------|----------------------|-----------------------|
| 1 | PEMC | ORCP-WM-20-01 | Proposal to amend the Guidelines Governing the Constitution of the PEM Board Committees, Issue 3.0 | 23-Sep-2021 | n/a | n/a | n/a | n/a | Awaiting inputs from the Proponent | n/a | n/a | n/a | n/a |

II.B. Proposals Approved by the RCC during the period July to December 2021**1) Proposed Amendments to WESM Registration Manual for General Enhancements to the Application Process of New WESM Members**

In compliance to DOE's instruction, Independent Electricity Market Operator of the Philippines (IEMOP) submitted proposed amendments to introduce general enhancements to the WESM Registration Process. The subject proposal was deferred on April 2020 as it was deemed necessary by the RCC to await the DOE's promulgation of the general framework governing the test and commissioning of generation facilities to ensure consistency.

The RCC resumed the deliberation of the proposal following the DOE's promulgation on 02 July 2021 of DOE Department Circular No. DC2021-06-0013 dated 03 June 2021 ("Adopting a General Framework Governing the Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network"). IEMOP was requested to review the working draft of the subject proposal to align with the provisions of general amendment.

During the 184th meeting, the RCC re-deliberated on the proposal to consider the changes made by IEMOP to harmonize with DOE's general framework. On its 185th meeting, the RCC made further revisions to the proposal.

The proposal was then finalized and approved on 21 October 2021 for endorsement to the PEM Board.

2) Proposed Amendments to the WESM Rules, WESM Manual and Retail Manual on Validation Timeline Adjustment in Metering and Billing (ORCP-WR-WM-RM-21-01)

The proposal was initially submitted by IEMOP on 04 January 2021, to enhance the validation process of settlement inputs and calculations. The proposed amendments also intended to address inconsistencies in the WESM Rules and Manuals on metering correction timeline.

The proposed timeline for Metering Service Providers to submit correct meter data was found to be inconsistent with a previous proposal on the same matter and was already submitted to and is being evaluated by the DOE. IEMOP communicated with the DOE to consider aligning the previously endorsed proposal with the new proposal. Having been informed that the inconsistency has a material effect on the current proposal, the RCC agreed to defer the deliberation of the proposal to await the DOE's response.

On 07 October 2021, IEMOP endorsed to RCC the response of the DOE, who recognized the objective and justification of the proposal to align the timeline and

agreed to retain some provisions to maintain the effective and efficient processing of market settlement.

The RCC continued its deliberation and approved the proposal on 17 December 2021 consistent with the DOE's response. However, the RCC deemed that the proposal needed further evaluation to harmonize it and the WESM and Retail Metering Standards and Procedures (i.e. Metering Manual) and Retail Rules with the DOE DC2021-07-0021⁵, specifically on the provisions related to metering validation timelines. The RCC Secretariat will be coordinating with the DOE and IEMOP to discuss the provisions needed to be harmonized.

3) Proposed Amendments to Various WESM Manuals for Improvements to Market Resource Modelling and Monitoring (ORCP-WM-21-04A)

IEMOP submitted the proposed amendments which aim to:

- i. provide refinements and clarity in the modelling of market resources in the Market Network Model; and
- ii. provide additional features in the modelling of generators.

Following extensive deliberation on the proposal conducted over four meetings, the RCC approved the submission of the proposal to the PEM Board. The PEM Board thereafter deliberated on the proposal but deferred the endorsement of the same to DOE pending IEMOP's additional clarification on the concerns raised by the System Operator and Technical Committee regarding the illustration of simplified model for embedded generators.

IEMOP submitted a revised proposal to address the concerns raised, specifically reflecting their proposed process of estimation of real-time data for loads to model embedded generators more closely to the actual network configuration. The revised proposal is currently for the discussion of RCC.

4) Proposed Amendments to the WESM Rules and WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures for Improvements to De-registration and Cessation Procedures

IEMOP submitted the proposal to make the process of de-registering more efficient for WESM Members that has recently become ineligible for membership and provide a validation period for cessation requests in response to a finding during the recent market operations audit.

⁵ DOE DC2021-07-0021: Adopting Further Amendments to the Wholesale Electricity Spot Market (WESM) Rules and Market Manuals on Metering for the Implementation of Enhancements to WESM Design and Operations (Provisions for Metering Services Provider Performance, Metering Standards and Site-Specific Loss Adjustments)

The proposal underwent the 30-working day commenting period. The RCC deliberated on the comments received and approved the submission of the proposal to the PEM Board. Thereafter, the PEM Board endorsed the same to DOE on 01 October 2021.

On 16 and 17 of November 2021, the DOE conducted a series of public consultations for Luzon, Visayas and Mindanao covering the above.

5) Proposed General Amendments to WESM Rules and Various WESM Manuals for Enhancements to Market Operator and System Operator Procedures

The proposal was initially submitted as an urgent amendment and following the process for urgent amendments, the IEMOP re-submitted the urgent amendment as general amendment, for final approval and promulgation of DOE.

The following summarizes the proposed changes to the WESM Rules and WESM Manuals on (a) Dispatch Protocol, (b) Registration, (c) Market Network Model (MNM), and (d) Information Disclosure and Confidentiality: -- suggest the following edits for consistency in the form of the sentences (if okay lang)

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

Following the process of rules changes, the RCC deliberated on the proposal together with the comments received. Salient revisions were made from the original proposal. On 21 October 2021, the RCC finalized the proposal and approved its endorsement to PEM Board.

The PEM Board thereafter endorsed the proposal to the DOE on 29 November 2021.

6) Proposed Amendments to the Proposed Revisions to the PEM Board-Approved Amendments to Clarify Bilateral Contracts Accounted for in Settlements (ORCP-WM-20-03A)

The proposal, which was endorsed to the DOE on 09 June 2020, intends to allow other types of bilateral contract transactions to be accounted for in settlements in the WESM which includes replacement power contracts between generators.

In a letter to PEMC and IEMOP on 17 March 2021, the DOE remanded the proposal and recommended requiring the concerned generators to submit copies of their replacement power supply contracts to IEMOP for transparency. Ensuring that there is an actual replacement power supply contract between generators will discount the possibility that a generator will simply shut down its generating unit when market prices are low and it is more costly to operate.

The IEMOP revised the proposal to consider the DOE's recommendation and re-submitted it to the RCC. Due to substantial changes from its first version, the proposal went through the 30-working day commenting period.

The RCC deliberated the proposal and considered the comments received, including PEMC's recommendation retaining the provision on the submission of copy of supply contracts as a documentary requirement. The RCC retained the deletion of the same considering the comments from the RCC's body.

The RCC approved the proposed amendments and submitted to PEM Board for endorsement to DOE. The PEM Board, thereafter, submitted the proposal to DOE on 01 October 2021.

7) Proposed Revisions to PEM Board-Approved Amendments to the WESM Rules and New WESM Compliance Officers (WCO) Accreditation Manual (ORCP-WR-19-09 and ORCP-WR-19-09B)

The proposal seeks to implement a WESM Compliance Officers (WCO) Accreditation Program to ensure that WCOs possess the right competencies and knowledge of their obligations in the WESM. The proposal was endorsed to the DOE on 16 January 2020 and subsequently underwent multiple rounds of public consultation in July 2020 and coordination between the DOE and the proponent, PEMC.

The DOE remanded the proposal to PEMC on 10 May 2021 with several recommendations to simplify, enhance and make the implementation of the program more practical. In consultation with the DOE, PEMC revised the proposal accordingly and re-submitted the proposal to the RCC on 21 May 2021.

The RCC deliberated the proposal giving considerations on the recommendations of DOE and approved the same to PEM Board for endorsement to DOE.

The PEM Board endorsed the same to DOE on 25 August 2021, having no changes made to DOE's recommendation. The DOE then promulgated the proposal through DOE DC2021-12-0041.

8) Proposed Revisions to PEM Board-Approved Amendments to Provisions Related to Audit and Performance Monitoring Under the WESM Rules, Retail Rules, PEM Audit Manual, and Guidelines Governing the Constitution of the PEM Board (ORCP-WR-RR-WM-18-08)

The PEM Audit Committee (PAC) initiated the proposal in order to fine-tune the responsibilities of the PAC in the conduct of market audits and special reviews and enhance the preparation and implementation of market audits and performance monitoring of WESM service providers.

The proposal was endorsed to the DOE on 14 May 2019 and was subjected to several public consultations in June 2020. The DOE remanded the proposal on 21 April 2021 with recommendations for further enhancement and review in connection with the restructuring of PEMC and IEMOP.

The PAC re-submitted and presented the proposal to the RCC on 18 June 2021. The RCC adopted the following:

- 1) Conduct of audit should be a primary responsibility of the PAC and the engagement of an independent third party remains as an option for the PAC with the additional option to engage the services of PEMC's Internal Audit Department (IAD).
- 2) Renaming of PEM Auditor to PEM Audit Committee.
- 3) Specifying the frequency of audit in the PEM Audit Manual to be conducted at least once at an interval not exceeding three (3) years from the last audit considering the results of past audits.
- 4) Retaining the separate provision pertaining to the audit of CRB in the PEM Audit Manual since the CRB is identified as a separate entity under the Retail Rules. Currently, the audit of the CRB is included in the market operations audit being part of MO's function.

The RCC submitted the proposal to PEM Board for its approval. While the PEM Board approved the proposal, it deferred the endorsement to DOE until guidelines or criteria for exercising the option to engage an independent third party or IAD are presented.

The PAC then presented on 27 October 2021 additional amendments that will address the PEM Board's requirement. The RCC approved the additional amendments and endorsed the same to PEM Board for endorsement to DOE.

Thereafter, the PEM Board endorsed the proposal to DOE on 29 November 2021.

9) Proposed Revisions to PEM Board-Approved Amendments to the WESM Rules and WESM Manual on MO Information Disclosure and Confidentiality to Provide Exceptions for Confidentiality Undertaking for Oversight Bodies (ORCP-WR-WM-19-19)

The proposal was submitted by IEMOP to exempt the DOE and ERC, as oversight bodies, in executing a non-disclosure agreement with IEMOP in receiving confidential market data. It was approved, as amended, to likewise exempt PEMC from executing non-disclosure agreement. The proposal was endorsed to the DOE on 08 April 2020 and underwent public consultations.

The DOE remanded the proposal on 20 May 2021 with the position that only the DOE and ERC should be exempted from executing non-disclosure agreement in light of the current governance structure of the WESM. The DOE recommended PEMC to further justify why it also must be exempted, including the members of the PEMC Board and WESM Governance Committees.

During the 180th and 183rd meeting, the RCC deliberated the remanded proposal and agreed to:

- 1) Remove PEMC from the exempted entities to execute non-disclosure agreement
- 2) Disapprove the inclusion of Governance Arm as one of the entities to whom the disclosure is automatically allowed
- 3) Make clerical enhancements.

The RCC submitted the revisions to the PEM Board for endorsement. Thereafter, the PEM Board endorsed the same to DOE on 11 October 2021.

10) Proposed General Amendments to the WESM Manual on Billing and Settlement to Harmonize with ERC Directives on Additional Compensation Process (ORCP-WM-21-09)

The proposal was initially submitted as an urgent amendment. Following the process for urgent amendments, IEMOP re-submitted the proposal following the process for urgent amendments.

The proposal seeks to:

- 1) Harmonize the Billing and Settlement Manual with the ERC Decision on Case No. 2017-042RC;
- 2) Provide supplementary guideline in the additional compensation process in the BSM; and

- 3) Consistently apply the guideline to the different pricing or dispatch conditions eligible for additional compensation.

The proposal underwent the commenting period and the RCC deliberated the proposal together with the comments received. The RCC agreed to make the following revisions:

- 1) Changed the timelines except the claims arising from being designated as must-run unit or constrained-on generating unit, within which Market Participants may file with the MO claims for additional compensation;
- 2) Allowed submission in advance of electronic copies of the required documents for claiming additional compensation as long as hard copies will still be provided;
- 3) Retained original process in Section 10.2.4 that claims not acted upon by the MO within the prescribed processing timeframe shall be deemed approved;
- 4) Added diagrams for clarity;
- 5) Removed the option of automatic approval or disapproval of claim if the Market Operator does not act upon within prescribed timeline; and
- 6) Added new provision for the recourse of claiming additional compensation if disapproved.

The RCC then submitted the proposal to the PEM Board for approval to endorse to DOE. Thereafter, the PEM Board endorsed the proposal to DOE on 29 November 2021.

11) Proposed General Amendments to WESM Rules and WESM Manual on Constraint Violation Coefficients and Pricing Re-runs to Harmonize with ERC Directives on Automatic Pricing Re-runs for Under-generation and Over-generation

The proposal was initially submitted as an urgent amendment which was approved on 21 May 2021 and took effect upon the commencement of the enhanced WESM design and operations on June 26, 2021. In accordance with the procedures for processing urgent amendments, PEMC re-submitted the proposal as a general amendment. The proposal seeks to harmonize provisions on automatic pricing re-runs for the EWDO, as follows:

| Affected Clauses | Proposed Amendment | Rationale |
|---|--|--|
| WESM Rules (EWDO): <ul style="list-style-type: none"> • 3.6.7.2 • 3.6.7.3 • 3.10.5.5 | Deletion of shortage pricing (for under-generation) and excess pricing (for over-generation) | Existing pricing mechanisms during under-generation and over-generation should be maintained. Such that, these events shall be treated just like other constraint violations |
| WESM Manual on CVC-PR (Issue 6): | Deletion of shortage pricing (for under- | For consistency with WESM Rules |

| Affected Clauses | Proposed Amendment | Rationale |
|---|--|-----------|
| <ul style="list-style-type: none"> 5.1.3 5.2.2. to 5.2.5 5.3.1 | generation) and excess pricing (for over-generation) | |

The RCC initially took up the proposal during its 183rd regular meeting and approved the same for publication to solicit comments. After the 30-working day commenting period, no comments were received from stakeholders. The RCC then finalized the proposal and submitted the same on 22 December 2021 to the PEM Board for endorsement to DOE.

12) Proposed Amendments to WESM Rules and Various WESM Manuals on Implementation of Reserve Market

The DOE issued a general policy framework governing the provision and utilization of ancillary services in the grid under DOE Department Circular DC2019-12-0018 dated 04 December 2019. Similarly, the ERC promulgated its decision on ERC Case No. 2017-042RC, which ordered that reserve related features of the PDM shall be deferred and be subject to the DOE's policy issuance on ancillary services.

On 06 September 2021, IEMOP submitted proposed general amendment to comply with the policy of the DOE with regards to the implementation of the Reserve Market. The proposal reverted the reserve pricing and settlement provisions that were previously approved by the DOE in 2017. The summary of the proposal is as follows:

| Document | Proposed Changes |
|--|---|
| 1. WESM Rules | <ul style="list-style-type: none"> Align definition of reserve categories with DOE DC2021-03-0009 Specify information required for registration of Ancillary Service Providers Inclusion of reserve settlement quantities and amounts Removal of spot reserve recovery charges from Trading Participants' settlement amounts Designation of the System Operator as single buyer for reserves |
| 2. WESM Manual on Price Determination Methodology, Issue 3.0 | <ul style="list-style-type: none"> Definition of Luzon, Visayas and Mindanao as reserve regions Automatic pricing rerun parameters including reserve prices Application of Price Substitution Methodology to reserve prices Reserve Administered Prices Definition of reserve quantities and trading amounts |

| Document | Proposed Changes |
|--|--|
| | <ul style="list-style-type: none"> • Inclusion of reserve trading amounts in the aggregate trading amounts • Removal of spot reserve recovery charges from Trading Participants' settlement amounts • Designation of the System Operator as single buyer for reserve settlement amounts • Inclusion of details on optimization constraints related to scheduling of simultaneous reserve categories. |
| 3. WESM Manual on Registration, Suspension and De-registration Criteria and Procedures, Issue 10.0 | <ul style="list-style-type: none"> • Designation of the System Operator as Customer Trading Participant with respect to purchase of reserves • Specify information required for registration of Ancillary Service Providers including reserve categories and maximum reserve capability |
| 4. WESM Manual on Billing and Settlement, Issue 8.0 | <ul style="list-style-type: none"> • Removal of spot reserve recovery charges from Trading Participants' settlement amounts • Designation of the System Operator as single buyer for reserve settlement amounts • Issuance of separate settlement statements for reserves • Amendment to computation of projected settlement amount to consider reserve transactions by the System Operator |
| 5. WESM Manual on Dispatch Protocol, Issue 16.0 | <ul style="list-style-type: none"> • General revisions on how reserves are scheduled • Changes on the Submission of Reserve Offers to include Modes of Operation • Additional provisions on the scheduling and dispatch of reserves • Inclusion of reserve effectiveness factors for monitoring as reserve conformance standards |

As a priority program of the current administration, PEMC requested the RCC to discuss and finalize the proposed rules changes in time for the November 2021 PEM Board meeting. The RCC deliberated and approved the proposal, adopting the following:

- Proposed changes aligned with the DOE policy on NGCP being single buyer in the reserve market.
- Proposed changes aligned with DOE policy that ancillary service providers may be scheduled to provide multiple reserve categories.
- IEMOP's proposal for System Operator to monitor compliance to the reserve effectiveness factor by ancillary services providers.

The proposal was approved by the PEM Board for endorsement to DOE on 24 November 2021.

Thereafter, the PEM Board submitted the proposal to the DOE on 17 December 2021.

13) Proposed Amendments on Implementation of the Green Energy Option Program

Republic Act No. 9513 also known as Republic Energy Act of 2008 mandated DOE to establish the Green Energy Option Program (GEOP) which shall provide end-users the option to choose renewable energy (RE) resources as their sources of energy.

The DOE promulgated DC2018-07-0019 or “Rules Governing the Establishment of the Green Energy Option Program,” which provides the general rules and procedures to properly guide the End-Users, RE Suppliers and Network Service Provider in facilitating the option taken by End-Users to choose RE Resource as sources of the energy. The said DOE DC mandated the ERC to issue the necessary regulatory framework approving the GEOP Rules.

The GEOP Rules direct the Central Registration Body (CRB) together with the industry stakeholders, to develop and finalize the Market Manuals business process and IT design of the Central Registration and Settlement System to operationalize the GEOP, and to institute initial preparation and population of its registration database.

IEMOP, being the CRB, submitted urgent rules change proposals to harmonize Market Rules and Manuals with the relevant DOE and ERC issuances. Following the processing for the urgent amendments, the RCC convened its special meeting on 12 November 2021, wherein, it was determined that the proposal satisfied the criteria of an urgent amendment.

In the same meeting, the RCC discussed and approved the proposal, adopting the following changes, for endorsement to PEM Board:

- 1) Maintain the consistency with the GEOP Rules; and
- 2) Retain existing timelines prescribed by DOE-approved Retail Rules.

Thereafter, the PEM Board submitted the proposal to the DOE on 17 December 2021.

II.C. On-Going Proposals and Discussions

During the period covered in this Report, the RCC likewise discussed the following proposals:

1) Proposed Proposal to amend the Guidelines Governing the Constitution of the PEM Board Committees, Issue 3.0 (ORCP-WM-20-01)

The Guidelines Governing the Constitution of the PEM Board Committees provide qualifications and disqualification of members of the PEM Board Committees and the process for its selection and appointment.

PEMC submitted rules change proposal on the manual to incorporate the following:

- Policies under DOE Circulars issued on WESM governance;
- Changes to relevant parties involved in WESM governance;
- Targeted scope which is solely for WESM Governance Committees; and
- Updated document structure for Market Manuals.

Following the process for amending rules and manuals, the RCC, on its RCC Resolution 20220-07, approved the proposed amendments including the proposal to revise the composition of WESM Technical Committee to five (5) independent members and one (1) for each of the generation sector, distribution sector, System Operator and Market Operator.

The RCC approved and endorsed the same to PEM Board. During the PEM Board meeting on 27 May 2020, the Board instructed the RCC to study reduction of the proposed five (5) independent members to three (3) while retaining the representations of different sectors. The RCC agreed to adopt PEM Board's recommendation on the reduction in the number of independent members.

However, during the Board Review Committee (BRC) Meeting on 22 July 2020, the BRC suggested to retain the current total membership of five (5) with one (1) independent member and one (1) from each sector.

Thereafter, the PEM Board approved the revised composition of TC, and endorsed the proposal to the DOE on 20 August 2021.

The DOE remanded the proposal on 23 September 2021 and highlighted that the proposal should address the following:

- Formation of Compliance Committee; and
- Independence should be major consideration in the composition of committees.

The proposal is still under revision by PEMC, as the proponent, for evaluation of the RCC.

2) 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)

The RCC identified and raised to NGCP that the WESM Manual on System Security and Reliability Guidelines needs to be amended also to preserve system security and reliability in view of the IEMOP's rules change proposal (see item 12 under Section II.B of this Report) for the implementation of the Reserve Market.

On 10 December 2021, the NGCP submitted proposal which aims to:

- 1) harmonize terms, definitions and provisions with PGC 2016

- 2) harmonize prescribe reserve categories and
- 3) make minor clerical enhancements.

The proposal is still under the 30-working day commenting period.

3) Proposed Amendments to Market Network Model Development and Maintenance-Criteria and Procedures Manual and Load Forecasting Methodology Manual for Improvements to Market Resource Modelling and Monitoring (ORCP-WM-21-04B)

Consistent with the PEM Board directive on Proposed Amendments to the WESM Rules, WESM Manual and Retail Manual on Validation Timeline Adjustment in Metering and Billing (see item 3 in Section II.B of this Report), IEMOP submitted revised rules change to address the concerns of Technical Committee and System Operator.

The proposal was initially discussed during the 188th RCC meeting. Noting the significant changes of the proposal from the original, the RCC approved to solicit comments from the stakeholders who commented on the original proposal.

The proposal is still under evaluation of the RCC.

II.D. Status of Proposals Submitted to the DOE

This section provides updates on the status of DOE approval on the proposals submitted by PEMC during the covered period, which are still ongoing and recently approved. Of the 27 proposals, six (6) were approved by the DOE, one (1) was subjected to virtual public consultations within the period, and five (5) were remanded to the RCC and the proponent. The rest of the proposals have no updates since the previous reporting period.

Table 6: Status of Proposals Submitted to the DOE

| | RCC Resolution No. | Proposals | DOE Approval |
|---|--------------------|--|--|
| 1 | 2018-06 | Proposed Amendments to the WESM Rules and Various WESM Manuals related to Market Surveillance, Enforcement and Compliance | DOE DC2021-08-0025 dated 30 July 2021 |
| 2 | 2019-04 | Proposed Amendments to Provisions Related to Audit and Performance Monitoring Under the WESM Rules, Retail Rules, PEM Audit Manual, and Guidelines Governing the Constitution of the PEM Board | <i>Remanded to PEMC</i> |
| | 2021-09 | Revisions to RCC Resolution No. 2019-04 on the Proposed Amendments to the WESM Rules, Retail Rules and Market Manuals Related to Audit and Performance Monitoring | Ongoing <i>(submitted to DOE on 29 November 2021)</i> |
| 3 | 2019-06 | Proposed Amendments to the WESM Rules and WESM Manual on Metering Standards and Procedures on MSP Performance Monitoring | DOE DC2021-07-0021 dated 25 June 2021 |
| 4 | 2019-10 | Proposed Amendments to the WESM Manual on Metering Standards and Procedures (to align with PGC, PDC and DOE and ERC issuances) | DOE DC2021-07-0021 dated 25 June 2021 |
| 5 | 2019-13 | Proposed Amendments to the WESM Manual on Constraint Violation Coefficients (CVC) and Pricing Re-Runs to Include Additional CVCs to Reflect the Dispatch Hierarchy of Self-Scheduled Generation | DOE DC2021-07-0022 dated 25 June 2021 |
| 6 | 2019-18 | Proposed Amendments to the Retail Rules and Various Retail Manuals to Harmonize with ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers | DOE DC2021-06-0012 dated 03 June 2021 |
| 7 | 2019-19 | Proposed Amendments to the WESM Rules and New WESM Compliance Officers (WCO) Accreditation Manual | DOE DC2021-12-0041 dated 21 December 2021 |
| | 2021-08 | Revisions to RCC Resolution No. 2019-19 on the Proposed Revisions to the WESM Rules and New WESM Compliance Officers (WCO) Accreditation and Certification Manual | DOE DC2021-12-0041 dated 12 December 2021 |
| 8 | 2020-01 | Proposed Amendments to the WESM Metering Manual to Harmonize with the Site Specific Loss Adjustment Procedures of the Wholesale MSP | DOE DC2021-07-0022 dated 25 June 2021 |
| 9 | 2020-02 | Proposed Amendments to the WESM Rules and WESM Manual on MO Information Disclosure and Confidentiality to Provide Exceptions for Confidentiality Undertaking for Oversight Bodies | <i>Remanded to PEMC</i> |

| | RCC Resolution No. | Proposals | DOE Approval |
|----|--------------------|--|--|
| | 2021-13 | Amendments to RCC Resolution No. 20-02 Providing for Proposed Amendments to WESM Manual on Information Disclosure and Confidentiality Regarding Exceptions for Confidentiality Undertakings for Oversight Bodies | Ongoing <i>(submitted to DOE on 11 October 2021)</i> |
| 10 | 2020-04 | Proposed Amendments to the WESM Manual on Metering Standards and Procedures | DOE DC2021-07-0022 dated 25 June 2021 |
| 11 | 2020-06 | Proposed Urgent Amendments to the WESM Manual on Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserves | DOE DC2021-05-0010 dated 10 June 2021 |
| 12 | 2020-08 | Proposed Abolition of Relevant WESM Manuals in View of the Implementation of Enhanced WESM Design and Operations | DOE DC2021-10-0033 dated 12 October 2021 (for Administered Price Determination Methodology Manual) <i>Remanded to PEMC (other manuals)</i> |
| 13 | 2020-09 | Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures to Clarify Bilateral Contracts Accounted for in Settlements | <i>Remanded to PEMC</i> |
| | 2021-12 | Revisions to RCC Resolution 2020-09 on the Proposed Amendments to the Registration, Suspension and De-Registration Criteria and Procedures to Clarify Bilateral Contracts Accounted for in Settlements | Ongoing <i>(submitted to DOE on 01 October 2021)</i> |
| 14 | 2020-10 | Proposed Amendments to the WESM Rules and WESM Manual on the Management of Net Settlement Surplus for the Implementation of ERC Resolution No. 07 Series of 2019 | DOE DC2021-03-0007 dated 16 March 2021 DOE DC2021-11-0038 dated 09 November 2021 |
| 15 | 2020-13 | Proposed Amendment to WESM and Retail Rules for Operation of Renewable Energy Market | DOE DC2021-07-0024 dated 09 Jul 2021 |
| 16 | 2020-14 | Proposed Amendments to the WESM Rules and WESM Manual for Enhancements to the Rules Change Process | <i>Remanded to PEMC</i> |

| | RCC Resolution No. | Proposals | DOE Approval |
|----|--------------------|--|---|
| | 2021-04 | Addition to RCC Resolution No. 2020-14 on the Proposed WESM Rules and WESM Manual on Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals | DOE DC2021-10-0034 dated 12 October 2021 |
| 17 | 2020-15 | Proposal to amend the Guidelines Governing the Constitution of the PEM Board Committees, Issue 3.0 | <i>Remanded to PEMC (on 23 September 2021)</i> |
| 18 | 2020-16 | Proposed Amendments to the WESM Rules and WESM Manual on Billing and Settlement regarding Bilateral Contract Quantity Declaration | Disapproved <i>(DOE Letter dated 03 August 2021)⁶</i> |
| 19 | 2020-17 | Proposed Amendments to the WESM Rules and WESM Manual on Billing and Settlement for Enhancements to Prudential Requirements Procedures | Ongoing <i>(completed series of virtual public consultations on 16 and 17 November 2021)</i> |
| 20 | 2020-18 | Proposed Amendments to the WESM Rules and WESM Manuals on the Rationalization of Billing Adjustment Timelines | DOE DC2021-10-0037 dated 09 November 2021 |
| 21 | 2021-06 | Proposed Amendments to the WESM Rules and WESM Manuals regarding Clarifications on Indirect WESM Membership | Ongoing <i>(submitted to DOE on 29 July 2021)</i> |
| 22 | 2021-07 | Proposed Amendments to the WESM Manual on Dispute Resolution | Ongoing <i>(submitted to DOE on 29 July 2021)</i> |
| 23 | 2021-11 | Proposed Amendments to the WESM Rules and WESM Registration Manual regarding De-registration and Cessation | Ongoing <i>(completed series of virtual public consultations on 16 and 17 November 2021)</i> |
| 24 | 2021-14 | Proposed General Amendments to the WESM Rules and WESM Manuals regarding Market Operator and System Operator Procedures | Ongoing <i>(submitted to DOE on 29 November 2021)</i> |

⁶ On DOE's letter to RCC dated 03 August 2021, though the DOE acknowledges the intention of the proposal and may provide a temporary solution in absence of BCQ submission or declaration, this defeats the purpose of accountability by the TPs in preventing exposure to WESM. The submission and/or confirmation of BCQ is TP's critical responsibility and their non-adherence thereto should be considered as liability and breach of the WESM Rules.

Also, the implementation of the proposal can be costly while on the other hand may run counter to the objective of instilling full compliance submission and confirmation of bilateral contracts by TPs.

| | RCC Resolution No. | Proposals | DOE Approval |
|----|-----------------------|---|--|
| 25 | 2021-18 | Proposed Amendments to the WESM Manual on Registration, Suspension, and De-Registration Criteria and Procedures for General Enhancements to the Application Process of New WESM Members | Ongoing <i>(submitted to DOE on 29 November 2021)</i> |
| 26 | 2021-19 | Proposed General Amendments to the WESM Manual on Billing and Settlement to Harmonize with ERC Directives on Additional Compensation Process | Ongoing <i>(submitted to DOE on 29 November 2021)</i> |
| 27 | 2021-21 | Proposed Amendments to WESM Rules and Various WESM Manuals on Implementation of Reserve Market | Ongoing <i>(DOE public consultations on 27 and 28 January 2022)</i> |

III. STATUS OF 2021 WORK PLAN

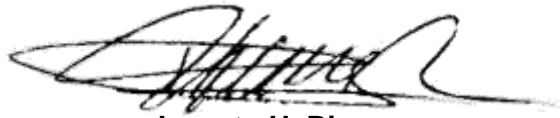
The 2021 RCC Work Plan (Annex C) was developed to align with PEMC's corporate vision, mission and desired outcomes towards 2022.

For the year 2021, the RCC has published 15 minutes of meetings, 22 resolutions and 9 proposals for comments and conducted 17 meetings. The Committee likewise provided inputs to the draft criteria or outcome indicators for the selected topics for rules change effectiveness study. All submitted proposals during the covered period were timely processed by the RCC as prescribed in the Rules Change Manual.

The RCC strives to attain a timely resolution of all proposed amendments it receives and shall continuously direct its efforts to work on PEMC's priority activities as reflected in its Corporate Plan (which includes continuing review of the Market Rules and Manuals for further enhancements and inputs from sectoral representatives of the RCC), and pertinent DOE directives.

| Approved by: THE RULES CHANGE COMMITTEE | |
|---|---|
| Independent Members: | |
|  Allan C. Nerves Chairperson |  Concepcion I. Tanglao |
|  Jesusito G. Morillos | (vacant) |
| Generation Sector Members: | |
|  Dixie Anthony R. Banzon Masinloc Power Partners Co. Ltd. (MPPCL) |  Cherry A. Javier Aboitiz Power Corp. (APC) |
|  Carlito C. Claudio Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI) |  Mark D. Habana Vivant Corporation - Philippines (Vivant) |
| Distribution Sector Members: | |
|  Virgilio C. Fortich, Jr. Cebu III Electric Cooperative, Inc. (CEBECO III) |  Ryan S. Morales Manila Electric Company (MERALCO) |
|  Ricardo G. Gumalal Iligan Light and Power, Inc. (ILPI) |  Nelson M. Dela Cruz Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1) |

Supply Sector Member:



Lorreto H. Rivera
Team (Philippines) Energy Corporation
(TPEC)

Market Operator Member:



Isidro E. Cacho, Jr.
Independent Electricity Market Operator of the Philippines
(IEMOP)

System Operator Member:



Ambrocio R. Rosales
National Grid Corporation of the Philippines
(NGCP)

ANNEX A: Number of Proposed Amendments
Table 7: Number of Proposed Amendments Processed from 2005 to December 2021 (Approved and Disapproved)

| Year | New Manuals | WESM Rules | WESM Manuals | Retail Rules | Retail Manuals | Total |
|----------------------|-------------|------------|--------------|--------------|----------------|------------|
| 2005 | 6 | 7 | 0 | - | - | 13 |
| 2006 | 12 | 9 | 20 | - | - | 41 |
| 2007 | 0 | 0 | 3 | - | - | 3 |
| 2008 | 1 | 3 | 1 | - | - | 5 |
| 2009 | 0 | 0 | 1 | - | - | 1 |
| 2010 | 0 | 6 | 9 | - | - | 15 |
| 2011 | 1 | 3 | 2 | - | - | 6 |
| 2012 | 1 | 6 | 4 | - | - | 11 |
| 2013 | 0 | 8 | 6 | - | - | 14 |
| 2014 | 1 | 8 | 19 | 0 | 3 | 31 |
| 2015 | 0 | 6 | 10 | 1 | 0 | 17 |
| 2016 | 2 | 7 | 21 | 0 | 0 | 30 |
| 2017 | 0 | 4 | 15 | 2 | 2 | 23 |
| 2018 | 1 | 9 | 12 | 3 | 4 | 29 |
| 2019 | 2 | 10 | 20 | 3 | 6 | 41 |
| 2020 | 1 | 8 | 23 | 1 | 0 | 33 |
| 2021 | 1 | 9 | 21 | 1 | 4 | 36 |
| Overall Total | | | | | | 349 |

ANNEX B: Members of the RCC as of December 2021



| Sector | Representative Organization | Members | |
|-------------------|---|---|-------------------------------------|
| | | Principal | Alternate |
| Independent | | Dr. Allan C. Nerves (Chairperson) | - |
| | | Concepcion I. Tanglao | - |
| | | Atty. Jesusito G. Morillos ⁷ | - |
| Market Operations | Independent Market Operator of the Philippines (IEMOP) | Isidro E. Cacho, Jr. | Edwin N. Mosa |
| System Operations | National Grid Corporation of the Philippines (NGCP) | Ambrocio R. Rosales | Henry V. Dela Cruz |
| Generation | Aboitiz Power Corporation (APC) | Cherry A. Javier | Angeli Abad Parcia |
| | Masinloc Power Partners Co. Ltd. (MPPCL) | Dixie Anthony R. Banzon | Rose Ann Alfaro |
| | Millennium Energy, Inc./ Panasia Energy, Inc. (MEI/PEI) | Carlito C. Claudio | Jessie B. Victorio |
| | Vivant Corporation – Philippines (Vivant) | Mark D. Habana | Michelle Tuazon |
| Distribution | PDU – Manila Electric Company (MERALCO) | Ryan S. Morales | Manuel Luis Zagala |
| | PDU – Iligan Light and Power, Inc. (ILPI) | Ricardo G. Gumalal | Keenan M. Erigbuagas |
| | EC – Cebu III Electric Cooperative, Inc. (CEBECO III) | Virgilio C. Fortich, Jr | Getulio Zamoras Crodua |
| | EC – Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1) | Nelson M. Dela Cruz | Jeffrey C. Cudapas |
| Supply | TeaM (Philippines) Energy Corporation (TPEC) | Lorreto H. Rivera | Dennis Paragas |
| Observers | Department of Energy (DOE) | Dir. Emmanuel P. Juaneza | Melanie Papa Luningning Baltazar |

⁷ Appointed on 01 November 2021 through PEM Board letter dated 29 October 2021. Atty. Maila G. De Castro and Mr. Francisco L. R. Castro both expired their terms on 13 September 2021 in the RCC and was appointed to the PEM Audit Committee (PAC) as Chairman and member, respectively. Dr. Allan C. Nerves, on the other hand, was reappointed in the RCC and was designated as Chairman.

ANNEX C: Status of the Rules Change Committee Work Plan for 2021

The Rules Change Committee strives to attain a timely resolution of all rules change proposals it receives and shall continuously direct its efforts to work on priority activities for further enhancements to the Market Rules and Manuals. The activities in the Work Plan will be updated as necessary as more contributions are received from industry sectors and stakeholders, or as directed by the DOE.

Legend:

| | |
|---|---------------------------------|
|  | Submission/Completion of Report |
|  | Regular Activity |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|--|--|------|----|----|----|--|
| | | | Q1 | Q2 | Q3 | Q4 | |
| POWER | | | | | | | |
| 1 | Publish updated and accurate reports and information on time | Published minutes of meetings, resolutions, semestral reports, and rules change proposals in accordance with timelines | | | | | Published the following within timelines: <ul style="list-style-type: none">○ 15 minutes of meetings○ 22 RCC Resolutions○ RCC Semestral Report (July to December 2020 and January to June 2021)○ 2021 RCC Work Plan |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|--|-----------------------------------|------|----|----|----|---|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | <ul style="list-style-type: none"> 10 rules change proposals New-look of the Market Rules and Manuals for 5-minute market Obsolete Market Rules and Manuals (1-hour market) |
| 2 | Provide inputs to the content releases in the PEMC website, if necessary | Proposed input to website content | | | | | Consulted by the Secretariat regarding the new-look of Market Rules and Manuals for the enhanced market design |
| 3 | Participate in WESM events, as requested or scheduled | Attendance to WESM events | | | | | <ul style="list-style-type: none"> Presented rules change proposals for the following PEM Board Meetings: <ul style="list-style-type: none"> 31 Mar 2021 28 Apr 2021 26 May 2021 30 Jun 2021 25 Aug 2021 |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|-------------------|---|----------------------------|------|----|----|----|---|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | <ul style="list-style-type: none"> ○ 29 Sep 2021 ○ 27 Oct 2021 ○ 24 Nov 2021 • Reported on RCC's 15-year accomplishment in preparation for the PEMC Annual General Membership Meeting • Participated in the following WESM Events: <ul style="list-style-type: none"> ○ WCO Summit 2021 ○ WESM Governance Training ○ Market Participant's Update |
| EFFICIENCY | | | | | | | |
| 4 | Enhance rules change process based on best global practices | Updated RCC Internal Rules | | | | | Discussed and approved proposed changes to RCC Internal |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|-------------------|--|---|------|----|----|----|--|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | Rules on 18 June 2021, with corresponding resolution (RCC Reso No. 2021-10 dated 16 July 2021) |
| 5 | Timely approval by the PEM Board of the proposed WGC Performance Measure | Inputs to proposed WGC Performance Measure | | | | | Discussed and provided inputs to proposed WGC Performance Measures as presented by PEMC on 19 March 2021. |
| 6 | Timely submission of the Annual Performance Report of WGCs, if requested | Approval of inputs to Annual Performance Report | | | | | |
| GOVERNANCE | | | | | | | |
| 7 | Timely provision of technical support to the PEM Board relevant to their decision-making functions | Conduct of monthly and urgent meetings | | | | | Conducted the following meetings: <ul style="list-style-type: none"> ○ Q1 – 3 regular meetings and 1 special meeting ○ Q2 – 3 regular meetings, 1 subcommittee meeting and 1 special meeting |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|--|---|------|----|----|----|---|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | <ul style="list-style-type: none"> Q3 – 3 regular meetings and 1 special meeting Q4 – 3 regular meetings and 1 special meeting <p>Total of 12 regular meetings, 4 special meetings and 1 subcommittee meeting</p> |
| 8 | | Review and approval of minutes of meetings and resolutions | | | | | <p>Reviewed and approved the following:</p> <ul style="list-style-type: none"> 15 minutes of meetings 23 RCC Resolutions |
| 9 | | Semestral Reports submitted to the PEM Board in January and July 2021 | | | | | <p>Reviewed and approved RCC Semestral Report covering the following periods:</p> <ul style="list-style-type: none"> July to December 2020 (submitted 18 January 2021); and |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|--|---|------|----|----|----|--|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | <ul style="list-style-type: none"> January to June 2021 (submitted 23 July 2021) |
| 10 | Approved Annual Committee Work Plan | 2021 RCC Work Plan submitted to the PEM Board by March 2021 | | | | | Approved 2021 RCC Work Plan on 19 February 2021 |
| 11 | Assess market rules and manuals and propose amendments, as necessary | Endorsed Proposed Amendments to WESM Rules and Manuals on EWDO implementation | | | | | <p>Endorsed the following proposals related to the implementation of EWDO:</p> <ul style="list-style-type: none"> RCC-RESO-21-02 (Urgent Amendment on MO and SO Procedures) RCC-RESO-21-03 (Urgent Amendment on Additional Compensation) RCC-RESO-21-05 (Urgent Amendment on Automatic Pricing) |

| | ACTIVITIES | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|----|------------|---|------|----|----|----|--|
| | | | Q1 | Q2 | Q3 | Q4 | |
| 12 | | Endorsed Proposed Amendments to WESM Rules and Manuals regarding Data Privacy Act | | | | | Subject to PEMC's revised timeline. |
| 13 | | Endorsed Proposed Amendments to WESM Rules and Manuals on MNMCP/CVC | | | | | <p>a. MNMCP:</p> <p>Submitted as comments to Proposed Amendments to WESM Manuals for Improvements to Market Resource Modelling and Monitoring (ORCP-WM-21-04)</p> <p>b. CVC</p> <p>This is not pursued by PEMC</p> |
| 14 | | Endorsed Proposed Amendments to WESM Rules and Manuals on Bilateral Contract Quantity | | | | | Subject to PEMC's revised timeline. |

| ACTIVITIES | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|--|------|----|----|----|--|
| | | Q1 | Q2 | Q3 | Q4 | |
| 15 | Endorsed Proposed Amendments to WESM Rules and Manuals regarding Compliance Committee | | | | | Included in DOE's comments to the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees to include Compliance Committee. |
| 16 | Endorsed Proposed Amendments to WESM Rules and Manuals MSP's enhanced performance metrics | | | | | Subject to PEMC's revised timeline. |
| 17 | Endorsed other proposed amendments as submitted by WESM Members, or as directed by the PEM Board, DOE or ERC | | | | | <p>Endorsed the following proposals:</p> <p>a. Not critical for EWDO implementation:</p> <ul style="list-style-type: none"> • RCC-RESO-2021-06 (Indirect WESM Membership) • RCC-RESO-2021-07 (Dispute Resolution) • RCC-RESO-2021-14 (General |

| ACTIVITIES | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|---------|------|----|----|----|--|
| | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | Amendment on MO and SO Procedures) <ul style="list-style-type: none"> • RCC-RESO-2021-15 (Market Resource Modelling and Monitoring) • RCC-RESO-2021-18 (General Enhancements to the Application of New WESM Members) • RCC-RESO-2021-19 (General Amendment on Additional Compensation) • RCC-RESO-2021-20 (Implementation of GEOP) • RCC-RESO-2021-21 (Implementation of Reserve Market) • RCC-RESO-2021-22 (General Amendment on CVC and Pricing Re-runs) |

| ACTIVITIES | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|---------|------|----|----|----|---|
| | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | <ul style="list-style-type: none"> RCC-RESO-2021-23 (Metering and Billing Validation Timeline) b. Remanded by the DOE: RCC-RESO-2021-04 (Addition to RCC Resolution No. 2020-14: Rules Change Process) RCC-RESO-2021-08 (Revisions to RCC Resolution No. 2019-19: WCO Accreditation) RCC-RESO-2021-12 (Revisions to RCC Resolution 2020-09: Clarify Bilateral Contracts) RCC-RESO-2021-13 (Amendments to RCC Resolution No. |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|------------|--|--|------|----|----|----|--|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | 20-02: Confidentiality Undertaking) <ul style="list-style-type: none"> RCC-RESO-2021-16 (Revisions to RCC Resolution No. 2019-04: Audit and Performance Monitoring) |
| 18 | | Submitted comments/inputs to DOE policies, ERC issuances and other concerned parties (including participation in public consultations) | | | | | Provided comments/inputs to following: <ul style="list-style-type: none"> NGCP's concerns on the implementation of Reserve Market Composition of Technical Committee |
| 19 | Ensure consistent, responsive and effective market rules | Approved rules change effectiveness study | | | | | <ul style="list-style-type: none"> Reviewed draft criteria/ outcome indicators for rules change effectiveness study on must-run units, prudential requirements and |

| ACTIVITIES | | OUTPUTS | 2021 | | | | REMARKS/STATUS |
|---------------------|---|---|------|----|----|----|--|
| | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | | | registration 19 March 2021 (175 th Meeting) <ul style="list-style-type: none"> Presented to the RCC by the Secretariat the results of MRU Effectiveness Study (183rd Meeting) |
| 20 | Timely formulation of survey on the provision of technical and administrative support to PEM Board, WGC, RGC and WCO Accreditation Body | Inputs to survey formulation | | | | | Provided inputs to mock WGC Secretariat Survey in March 2021. |
| ORGANIZATION | | | | | | | |
| 21 | Timely approval of Corporate and Departmental Strategic Plan by the PEM Board and PEMC Management, respectively | Inputs to Corporate and Departmental Strategic Plan | | | | | |