

MEETING MINUTES

Subject/Purpose : 209th Rules Change Committee (Regular) Meeting
 Date & Time : 17 February 2023, 09:00 AM
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ATTENDEES

No.	Name	Designation/Position	Department/Company
1	Jesusito G. Morillos	Chairman, Independent	RCC
2	Jose Roderick F. Fernando	Member, Independent	RCC
3	Rachel Angela P. Anosan	Member, Independent	RCC
4	Jordan Rel C. Orillaza	Member, Independent	RCC
5	Dixie Anthony R. Banzon	Member, Generation Sector	RCC
6	Cherry A. Javier	Member, Generation Sector	RCC
7	Carlito C. Claudio	Member, Generation Sector	RCC
8	Jessie Victorio	Member (Alternate), Generation Sector	RCC
9	Michelle Tuazon	Member (Alternate), Generation Sector	RCC
10	Ryan S. Morales	Member, Distribution Sector	RCC
11	Nelson M. Dela Cruz	Member, Distribution Sector	RCC
12	Virgilio C. Fortich, Jr.	Member, Distribution Sector	RCC
13	Rocky D. Bayas	Member, Distribution Sector	RCC
14	Lorreto H. Rivera	Member, Supply Sector	RCC
15	Dennis R. Paragas	Member (Alternate), Supply Sector	RCC
16	Ambrocio R. Rosales	Member, System Operator	RCC
17	John Paul S. Grayda	Member, Market Operator	RCC
18	Kristoffer S. Ng	Member (Alternate), Market Operator	RCC
19	Karen A. Varquez	RCC Secretariat	PEMC
20	Divine Gayle C. Cruz	RCC Secretariat	PEMC
21	Dianne L. De Guzman	RCC Secretariat	PEMC
22	Kathleen R. Estigoy	RCC Secretariat	PEMC
23	Bienvenido C. Mendoza, Jr.	MAG Head	PEMC
24	Christin Paula E. Delgado	Executive Assistant, OCGO	PEMC
25	Gabriel R. Marmeto	Jr. Legal Counsel	PEMC
26	Ervin John Mikel D. Hilado	Legal Counsel	PEMC
27	Ma. Hazel M. Gubaton-Lopez	ECO Head	PEMC
28	Dianne Kate C. Langit	EC Specialist	PEMC
29	Paolo C. Alegre	DECO	PEMC
30	Darlene C. Dublar	EC Assistant Manager	PEMC
31	Alyssa Isabella R. Punzalan	EC Assistant Manager	PEMC
32	Carl Angelo B. Dela Cruz	EC Specialist	PEMC
33	Anthony Jose P. Asprer	EC Specialist	PEMC
34	Nylle Gregory P. Bague	EC Specialist	PEMC
35	Noriel Christopher R. Reyes	Observer	DOE
36	Melanie C. Papa	Observer	DOE
37	Jhannelyn D. Marasigan	Observer	DOE



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No.	Name	Designation/Position	Department/ Company
38	Marvin Jay A. Masanda	Observer	DOE
39	Karen Anne H. Siruma	Proponent	IEMOP
40	Lilibeth Grace L. Vetos	Proponent	IEMOP
41	Edward I. Olmedo	Proponent	IEMOP
42	Gian Gutierrez	Observer	First Gen
43	Lex Magtalas	Observer	APC
44	Ermelindo R. Bugaoisan, Jr.	Proponent	NGCP
45	Darryl Lon A. Ortiz	Proponent	NGCP
46	Clark N. Agustin	Proponent	NGCP
47	Ryan Jaspher M. Villadiego	Proponent	NGCP
48	Joselito C. Quilala	Proponent	NGCP
49	Michael Q. Javier	Proponent	NGCP
50	Jayson Francisco	Commenter	APC
51	Glynn Gayman	Commenter	APC
52	Bryan Castro	Commenter	APC
53	Rhovel Flores	Commenter	APC
54	Valfia S. Uy-Gregorio	Commenter	Emerging Power
55	Niecia Vestile Barro	Proponent	NPC
56	Valeriano C. Barro, Jr.	Proponent	NPC
57	Ken Trinidad	Proponent	NPC

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A. Orientation of New RCC Members <ul style="list-style-type: none"> 08:30 AM to 09:00 AM, 17 February 2023 	<ul style="list-style-type: none"> The RCC Secretariat provided an overview of RCC processes to the new members.
B. Meeting Proper	
I. Call to Order	<ul style="list-style-type: none"> The meeting was conducted via Microsoft Teams and was called to order at 09:04 AM. The meeting was presided by Atty. Jesusito G. Morillos (Chairperson/Independent).
II. Determination of Quorum	<p>There were 14 principal members, and 4 alternate members present during the meeting.</p> <p>Former MO representative, Mr. Isidro E. Cacho, Jr., endorsed to the RCC the new MO representatives, Mr. John Paul S. Grayda (Principal Member) and Mr. Kristoffer S. Ng (Alternate).</p>
III. Adoption of Agenda	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Proceedings:</u></p> <p>Ms. Divine Gayle C. Cruz (Secretariat) presented the revised agenda. She informed the body of the additional items in the agenda, as listed below:</p> <ul style="list-style-type: none"> For Discussion - NPC's position on the Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints For Information - Updates on the proposals for caucus For Information - RCC Work Plan for CY 2023 <p><u>Resolution/s:</u></p> <p>✓ The RCC adopted the revised agenda.</p>
IV. Approval of Minutes of Previous Meeting <ul style="list-style-type: none"> 203rd (Special) Meeting, 14 November 2022 204th (Caucus) Meeting, 17 November 2022 	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Proceedings:</u></p>

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<ul style="list-style-type: none"> 207th (Special) Meeting, 28 December 2022 208th (Regular) Meeting, 20 January 2023 	<p>a. Draft Minutes of the 203rd (Special), 204th (Caucus) and 207th (Special) Meetings</p> <p>The Secretariat informed the RCC that draft minutes of the 207th Meeting will be sent for comments and inputs next week. The other minutes will be tabled for approval during the next regular RCC meeting.</p> <p>b. Draft Minutes of the 208th (Regular) Meeting</p> <p>The Secretariat to finalize the minutes to incorporate Prof. Jordan Orillaza's (Independent) comments, and for e-signature routing.</p> <p><u>Resolution/s:</u></p> <p>✓ Having no other comments received, the RCC approved the minutes of the 208th Meeting, as revised.</p>
V. Matters Arising from Previous Meeting	
<p>5.1. Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions</p> <ul style="list-style-type: none"> a. Assessment Report b. Matrix of Comments 	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat) Atty. Hazel G. Lopez (Proponent)</p> <p><u>Action Requested:</u> For discussion and approval</p> <p><u>Material/s:</u> Annex A – Presentation Material Annex B – Matrix of Comments</p> <p><u>Proceedings:</u></p> <p>a. Assessment Report</p> <p>Ms. Dianne L. De Guzman (Secretariat) presented the summary of the draft assessment report of the proposed urgent amendments. She provided the following information:</p> <ul style="list-style-type: none"> Background on the conduct of the assessment report Timeline Summary of the proposal Implementation Update Recommendation Next Steps

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	<p>She also added that the draft report is still for finalization subject to the updates from the proponent.</p>
<p>5.2. Proposed Amendments to Retail Rules and Various Retail Manuals on Requiring for Certification of No Outstanding Balance as Switching Requirement for Retail Customers</p> <ul style="list-style-type: none"> ERC Resolution 01 Series of 2023: <i>"Amendment to the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers"</i> 	<p><u>Presenter:</u> Ms. Karen A. Varquez (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Material/s:</u> Annex C – Presentation Material</p> <p><u>Proceedings:</u></p> <ul style="list-style-type: none"> Ms. Karen A. Varquez (Secretariat) refreshed the RCC on the proposal. On 18 November 2022, the RCC decided to defer the finalization of the proposal awaiting ERC's final resolution on its draft amendments to the ERC Rules on Switching. <div data-bbox="700 1050 1490 1489" data-label="Diagram"> <p>BACKGROUND</p> <p>13 Proposed Amendments on Requiring Certification of no Outstanding Balance as Switching Requirement for Retail Customers by IEMOP</p> <p>Philippine Electricity Market Corporation</p> </div> <p>Ms. Karen Siruma (IEMOP) informed the RCC that the ERC Resolution 01 Series of 2023 supersedes the Proposed Amendments to Retail Rules and Various Retail Manuals on Requiring for Certification of No Outstanding Balance as Switching Requirement for Retail Customers. Hence, the proponent is withdrawing the proposal since the resolution addressed the concern of Contestable Customers switching to another Supplier. In line with this, IEMOP is suggesting PEMC to initiate the harmonization of the ERC Resolution with the Market Rules and Manuals, considering that there are other pending proposals which can accommodate the possible changes.</p> <p><u>Resolution/s:</u></p>

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	<ul style="list-style-type: none"> ✓ The Secretariat noted the suggestion of IEMOP and may consider the harmonization, to be included in the proposal to amend the retail market rules, i.e. IEMOP's proposal on the implementation of Electricity Retail Aggregation Program. ✓ The RCC noted on the information provided. 																
<p>5.3. Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints</p> <ul style="list-style-type: none"> • NPC's position on the Proposed Amendments 	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For discussion</p> <p><u>Material/s:</u> Annex D – Letter of NPC</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz refreshed the RCC on the proposal. It was remanded twice by the PEM Board requesting RCC to further study and to provide simulation on the possible effects of scheduling/dispatching. Further, the RCC instructed the Secretariat to review whether DOE DC No. 2022-10-0031 (All RE as Preferential Dispatch) will address NPC's concerns, which was presented by the Secretariat during the RCC's December 2022 meeting.</p> <div data-bbox="603 1288 1490 1780" style="border: 1px solid #0070C0; padding: 10px;"> <p>BACKGROUND</p> <table border="1"> <tbody> <tr> <td>29 Jun 2022</td><td>• Presented RCC Resolution No. 2022-09 to PEM Board; remanded to RCC</td></tr> <tr> <td>15 Jul</td><td>• RCC re-discussion during 198th RCC meeting</td></tr> <tr> <td>18 Aug</td><td>• RCC letter responding to PEM Board's remanding of proposal</td></tr> <tr> <td>31 Aug</td><td>• Above letter presented to PEM Board; PEM Board remanded to RCC again</td></tr> <tr> <td>16 Sep</td><td>• RCC re-discussion of proposal with simulation on possible effect to scheduling/dispatch (201st RCC meeting); RCC agreed to defer</td></tr> <tr> <td>21 Oct</td><td>• RCC brief re-discussion; instructed Secretariat to look into DOE DC No. 2022-10-0031 (All RE as Preferential Dispatch)</td></tr> <tr> <td>16 Dec</td><td>• Secretariat presentation to RCC on implications of DOE DC No. 2022-10-0031 on proposal</td></tr> <tr> <td>06 Feb 2023</td><td>• NPC Letter to RCC on position to pursue proposal</td></tr> </tbody> </table> <p>15 PRESENTATION TITLE</p> <p> Philippine Electricity Market Corporation</p> </div> <p>On 06 February 2023, the NPC submitted its position to the RCC through a letter, still pursuing the proposal. The RCC's salient points of discussions are as follows:</p> <ul style="list-style-type: none"> • Mr. Ken Trinidad (NPC) requested clarification if the impounding hydro power plants providing ancillary services is excluded in the preferential dispatch. Atty. Morillos said 	29 Jun 2022	• Presented RCC Resolution No. 2022-09 to PEM Board; remanded to RCC	15 Jul	• RCC re-discussion during 198 th RCC meeting	18 Aug	• RCC letter responding to PEM Board's remanding of proposal	31 Aug	• Above letter presented to PEM Board; PEM Board remanded to RCC again	16 Sep	• RCC re-discussion of proposal with simulation on possible effect to scheduling/dispatch (201 st RCC meeting); RCC agreed to defer	21 Oct	• RCC brief re-discussion; instructed Secretariat to look into DOE DC No. 2022-10-0031 (All RE as Preferential Dispatch)	16 Dec	• Secretariat presentation to RCC on implications of DOE DC No. 2022-10-0031 on proposal	06 Feb 2023	• NPC Letter to RCC on position to pursue proposal
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	<p>that as he understood from the DC, an impounding hydro has its option to remain scheduled or change its registration to priority dispatch.</p> <p>Ms. Luningning Baltazar (DOE) said that based on the DOE DC, impounding hydro can be categorized as scheduled plants but at their option can be registered as preferential dispatch. If the plant has contractual obligations, these must be considered before granting the priority dispatch.</p> <ul style="list-style-type: none"> • Mr. Carlito Claudio (Generation) said that based on the proposed amendments of IEMOP re: Preferential Dispatch, AS providers are not qualified to reclassify as Preferential Dispatch. <p>Atty. Morillos asked if “dam operations” only refer to impounding hydro power plants. Mr. Trinidad said that based on his understanding, the AS providers are not allowed for preferential dispatch under the DC, such that the Kalayaanplant may not be allowed. If this happens, the objective of NPC’s proposal to become priority dispatch specifically during calamities may not be met.</p> <p>Mr. Claudio explained that NPC has no recourse in case of Kalayaan Plant since it is not qualified to be registered as priority dispatch and it will remain as scheduled. To address the concern during emergency conditions, it should be included in the conditions in imposing over-riding constraints. He suggested to revert the proposal to the PEM Board.</p> <p>Mr. Dixie Anthony R. Banzon asked if the PEM Board’s concern is on the commercial operations since the plant is price-taker and tagged as over-riding constraint. In addition, during calamities, the market is down and most probably be under market intervention/suspension. He suggested that the RCC may look in this angle to address PEM Board’s concerns. Atty. Morillos recalled that during the PEM Board discussion, it was mentioned that if the primary concern is safety, then the plant may spill or supply to the grid but waive the fees. Ms. Cruz confirmed that the proposal already answers the concern on waiving fees since security over-riding constraints are price takers, and not eligible for additional compensation.</p>

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	<p>Mr. Trinidad said that NPC's primary concern is that they can't open the spill gate since it may lead to catastrophic incident to the surrounding communities. He also requested to discuss NPC's position in the next meeting considering the unavailability of other NPC's personnel.</p> <p><u>Resolution/s:</u></p> <ul style="list-style-type: none"> ✓ Due to time constraints, the RCC agreed to further discuss the proposal in the next regular RCC meeting and in consideration of the availability of NPC's personnel. ✓ The Secretariat will prepare the RCC's draft presentation material to the PEM Board as discussion material.
<p>5.4. Updates on the proposals for caucus</p> <ul style="list-style-type: none"> a. Proposed Amendments to the WESM Rules and the Dispatch Protocol Manual regarding the Maximum Available Capacity b. Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program 	<p><u>Presenter:</u> Ms. Dianne L. De Guzman (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Material/s:</u> Annex E – Presentation Material</p> <p><u>Proceedings:</u></p> <p>Ms. De Guzman provided updates on the following proposals:</p> <ul style="list-style-type: none"> a. Proposed Amendments to the WESM Rules and the Dispatch Protocol Manual regarding the Maximum Available Capacity <ul style="list-style-type: none"> • The proponent is still finalizing the responses to the comments received and the Secretariat to provide updates to the RCC upon receipt of the responses. <p>Ms. De Guzman said that the proposed caucus will be within the 2nd week of March. Prof. Orillaza suggested to receive the necessary materials/references prior the caucus.</p> b. Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program <ul style="list-style-type: none"> • The Secretariat informed the RCC that the proposal needs to be harmonized with the recently promulgated DOE DC on the Green Energy Option

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	<p>Program. Thus, tentative schedule of caucus will be after 1st week of March.</p> <p><u>Resolution/s:</u></p> <ul style="list-style-type: none"> ✓ Noting the suggestion of Prof. Orillaza, the Secretariat to provide the materials/reference needed prior the conduct of the caucus meetings. ✓ The RCC noted of the tentative schedules provided.
<p>5.5. RCC Work Plan for CY 2023</p>	<p><u>Presenter:</u> Ms. Karen A. Varquez (Secretariat)</p> <p><u>Action Requested:</u> For discussion</p> <p><u>Material/s:</u> Annex F – Presentation Material Annex G – Draft RCC Work Plan</p> <p><u>Proceedings:</u></p> <p>Ms. Varquez requested the RCC to review the Work Plan which will be submitted to the PEM Board end of March. She also requested the Sectoral representatives to provide target timelines for the listed proposals on the Work Plan, and to list down other possible proposals.</p> <p><u>Resolution/s:</u></p> <ul style="list-style-type: none"> ✓ Due to time constraints, the RCC will discuss the Work Plan in the March regular meeting. Secretariat to send the draft work plan, for the RCC's inputs/comments.
<p>VI. Other Matters</p>	
<p>6.1 DOE Updates</p> <ul style="list-style-type: none"> a) New RCC Observers b) Schedules of Public Consultation c) Proposals Promulgated / for Promulgation 	<p><u>Presenter:</u> Mr. Marvin Masandra (DOE Observer)</p> <p><u>Action Requested:</u> For information</p> <p><u>Material/s:</u> Annex H – DOE's Letter re: DOE Observers</p> <p><u>Proceedings:</u></p> <p>Mr. Masandra (DOE Observer) provided updates on the following:</p> <ul style="list-style-type: none"> a) New RCC Observers <ul style="list-style-type: none"> ▪ In addition to the current DOE Observers is Mr. Noriel Reyes.

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	<p>b) Schedules of Public Consultation for the (1) Penalty Framework on Test and Commissioning, and (2) Calculation for Additional Compensation</p> <ul style="list-style-type: none"> ▪ Luzon Leg – 09 February 2023, BGC ▪ Visayas Leg – 16 February 2023, Cebu City ▪ Mindanao Leg – 28 February 2023, Davao City <p>c) Proposals Promulgated</p> <ul style="list-style-type: none"> ▪ DC2023-01-0004: <i>“Adopting Amendments to the WESM Rules, Retail Rules and Various Market Manuals, and Promulgation of the Retail Manual on the Procedures for Implementation of GEOP”</i>, dated 31 January 2023 <p><u>Resolution/s:</u></p> <p>✓ The RCC noted the information provided.</p>
6.2 Conduct of RCC Meetings	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For discussion</p> <p><u>Material/s:</u> Annex I – Presentation Material</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz elaborated that the agenda is regarding the mode of the RCC meetings moving forward considering that not all RCC members are in the NCR and giving consideration also on the health risks.</p> <p>Atty. Morillos instructed the Secretariat to conduct a poll offline to ask the preference of the members for the conduct of meetings.</p> <p>Prof. Orillaza asked the Secretariat’s preference on the conduct of meetings considering the preparatory activities. Ms. Cruz responded that the current hybrid meeting is the Secretariat’s preference (i.e. Secretariat is at the PEMC Office while RCC members are online).</p> <p><u>Resolution/s:</u></p> <p>✓ Secretariat to conduct survey on the preference of the members.</p>

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6.3 Schedule of Activities	<p><u>Presenter:</u> Ms. Divine Gayle C. Cruz (Secretariat)</p> <p><u>Action Requested:</u> For information</p> <p><u>Proceedings:</u></p> <p>Ms. Cruz presented the schedule of the next meetings:</p> <ul style="list-style-type: none"> a) RCC Meetings <ul style="list-style-type: none"> • 17 Mar 2023 • 21 Apr 2023 • 19 May 2023 b) BRC Meetings <ul style="list-style-type: none"> • 20 Mar 2023 – Ms. Cruz informed that there will be no RCC item for the February PEM Board Meeting. c) PEM Board Meetings <ul style="list-style-type: none"> • 22 Feb 2023 • 29 Mar 2023 <p><u>Resolution/s:</u></p> <p>✓ The RCC noted the schedule of activities and the information provided.</p>
VIII. Adjournment	The meeting was adjourned at 04:35 PM


Prepared by:


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

Reviewed by:


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

Noted by:


 Bienvenido C. Mendoza, Jr. (Apr 18, 2023 07:16 GMT+8)

BIENVENIDO C. MENDOZA, JR.
 Head, Market Assessment Group

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Approved by:

JESUSITO G. MORALLOS
Chairman, Independent

RACHEL ANGELA P. ANOSAN
Member, Independent

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

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

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

ROCKY D. BAYAS
Member, Distribution Sector
San Fernando Electric Light & Power Company
(SFELAPCO)

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

Jose Roderick Fernando (Apr 18, 2023 09:44 GMT+8)

JOSE RODERICK F. FERNANDO
Member, Independent

JORDAN REL C. ORILLAZA
Member, Independent

Cherry Javier (Apr 18, 2023 06:45 GMT+8)

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

Mark Habana (Apr 18, 2023 11:32 GMT+8)

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

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

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

JOHN PAUL S. GRAYDA
Member, Market Operator
Independent Electricity Market Operator of the
Philippines (IEMOP)

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



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Annex A : Presentation on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions

5.1 Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions

PRESENTATION TITLE

BACKGROUND

Rules Change Manual

7.4 Effectivity of Urgent Amendment

- f) Within ten (10) days from ratification by the PEM Board of the urgent amendment or upon approval by the PEM Board, the Rules Change Committee shall notify and invite all WESM Members and all other interested parties of the amendment to make written submissions as a general amendment in accordance with Section 6 hereof. After one (1) billing period but no later than ninety (90) calendar days from the PEM Board's approval, the Market Assessment Group shall prepare and submit to the Rules Change Committee, copy furnished the PEM Board and the DOE, an assessment report on the implementation of the approved urgent amendments. Thereafter, the Rules Change Committee shall deliberate on the written submissions received to consider the urgent amendment as a general amendment in accordance with Section 6 hereof.



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Annex A : Presentation on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions

TIMELINE AND IMPLEMENTATION UPDATE



PEM Board's Approval of the urgent amendments



After one (1) billing period



No later than 90 calendar days from PEMB's approval

ASSESSMENT REPORT

- Proponent to provide **any update on the implementation** including resulting impact to market performance
- The **assessment report will be based on the implementation update** of the urgent proposal
- **PEM Board may extend the effectivity of urgent amendments only once for up to six (6) months** and shall inform the DOE of such extension, based on the assessment report.

5 IMPLEMENTATION OF URGENT AMENDMENTS ON FORECAST ACCURACY STANDARDS

SUMMARY



Transferred the functions of FAS monitoring from MD to ECO



- Observations / issues / concerns were encountered
- Consultation w/ DOE and MD
- Formulation of the urgent amendment

URGENT AMENDMENT

- **address the gap** between the FAS Manual and the actual procedures and practices
- **ensure compliance** with the requirements set forth in the DOE DC2022-05-0015
- **address some unique conditions, situations, or circumstances** affecting the compliance of the must dispatch generating units
- **give considerations or exemptions** for some plants who have just commenced operations
- **add provisions that will promote due process before any sanction** is imposed relative to a finding of breach of MAPE and PERC95

6 IMPLEMENTATION OF URGENT AMENDMENTS ON FORECAST ACCURACY STANDARDS



MEETING MINUTES

Subject/Purpose : 209th Rules Change Committee (Regular) Meeting
 Date & Time : 17 February 2023, 09:00 AM
 Venue : Online via Microsoft Teams
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Annex A : Presentation on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions

SCOPE OF ASSESSMENT

- Assess whether the objectives or goals of the urgent amendments were met during the implementation of FAS monitoring
 - ✓ RCC's reference in its deliberation
 - ✓ Recommendation to extend the effectivity of the urgent amendments up to 6 months

7

PRESENTATION TITLE

IMPLEMENTATION UPDATES

Improved FAS monitoring procedures	<ul style="list-style-type: none"> • Addressing the data variance issues where there were inconsistent or erroneous data used in the calculation resulting to high forecast percentage error. • ECO is currently validating all the submitted documents prior recalculation
Compliance to DOE issuance	<ul style="list-style-type: none"> • To include must dispatch generating units with expansion units, which are allowed participation in the WESM but is restricted to nominate its full capacity via the market management system • ECO to monitor such must dispatch generating units based on the FAS and to address the possible constraints in the nominations or metering data of the existing unit while the other unit is on test and commissioning.

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PRESENTATION TITLE



MEETING MINUTES

Subject/Purpose : 209th Rules Change Committee (Regular) Meeting
 Date & Time : 17 February 2023, 09:00 AM
 Venue : Online via Microsoft Teams
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Annex A : Presentation on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions

RECOMMENDATION

The existing process of ECO in monitoring of FAS met the objectives of the proposal. It is necessary to ensure that the enforcement proceedings and actions are supported by adequate and fair basis, and has reference in the WESM Rules and its corresponding manuals. Thus, the continuation of its implementation and procedures is recommended.

9

PRESENTATION TITLE

NEXT STEPS



Finalization of the assessment report



Submission to PEM Board and DOE for information



To be presented to PEM Board (tentative: March meeting)

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IMPLEMENTATION OF URGENT AMENDMENTS ON FORECAST ACCURACY STANDARDS

MEETING MINUTES

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
					APC: General Comment/Inquiry: 1. Whose data (e.g. Actual Load) shall prevail in the calculation in case of a discrepancy between the plant data and the market data? It has been observed at times that data transmission is a potential point of failure (e.g. non-updating). 2. We suggest to clarify and to specify what constitutes adequate supporting documents because sometimes the actual load readings in logbooks are not being accepted as sufficient. Actual DCS screenshots may no longer be possible due to retention limitations. 3. Another frequent instance observed is the NULL PO data in the CPEMS despite having a value in the NMMS (e.g Ampohaw_09.09.2022 at 0135H and 0700H). Raw nomination excel files were not also accepted as sufficient supporting documents. The NMMS historical PO data is only limited to the previous 7 days.		PEMC to APC: These concerns may be best addressed through detailed validation procedures or guidelines which are already covered in the WESM Compliance Bulletin No. 16.1. Noted on the data inconsistency concerns.	Atty. Hazel M. Gubaton-Lopez (ECO) presented the comments received together with the responses. On APC's comments re: the data discrepancy, Atty. Gubaton-Lopez said that the concerns on data variance or discrepancy were included already in the proposal. The data variance/discrepancy will be one of the bases of ECO's assessment in FAS. She also added that the concerns of mostly TPs are the documents being considered, which were addressed in the WESM Compliance Bulletin No. 16.1.
					NGCP: GLOSSARY Requesting for clarification on the forecast horizon. WESM Rules as of Nov 2022: Variable Renewable Energy (VRE) Aggregated Generation Forecast. A short term forecast, performed by the System Operator, covering at least the following twenty-four (24) hours, of the total aggregated generation expected to be		PEMC to NGCP: The forecast horizon (for MAPE and PERC95) to be provided by the generator-trading participants is aligned with the 5-minute design of the market. The cited definition is more applicable to the obligation of the System Operator to provide aggregated generation forecast to the	On NGCP's comments, requesting clarification on the forecast horizon, Atty. Gubaton-Lopez explained that the FAS Manual is aligned in EWDO, which has a horizon of every 5-minute. The FAS Manual covers the obligations of MDGUs in compliance to the FAS standards that is consistent with the Philippine Grid Code (PGC). However, the submission of the VRE Aggregated Generation Forecast is SO's obligation to submit the MO. This is different to the obligations of MDGUs.

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
					produced by Generation Companies that is authorized by the ERC to operate wind farms and photovoltaic generation systems in each interconnected system as defined under the Grid Code. PGC 2016: Variable Renewable Energy Aggregated Generation Forecast. A short term forecast, performed by the System Operator, covering at least the following 48 hours, of the total aggregated generation expected to be produced by VRE Generating Facilities in each interconnected system.		Market Operator based on Clause 3.5.3.7 and 3.8.2.3, rather than the computation or determination of FPE of the MDGUs.	
Section 3.5.5 Generation Offers and Data	3.5.5.10	A Trading Participant who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 in respect of projected outputs for a must dispatch generating unit submitted under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2.	A Trading Participant who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 <u>based on an annual assessment and results</u> in respect of projected outputs for a must dispatch generating unit submitted under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2.	For clarity, ECO monitors monthly and annually. Only the failed <u>annual</u> rating shall be subject to sanctions. Deleted part – redundant; it is already stated in the referred clause 3.5.5.8	NGCP: Failure to meet the standards, after annual assessment and review of results, shall already warrant corresponding sanctions.	NGCP: A Trading Participant who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 <u>based on an annual assessment and results, and upon findings of non-compliance by the ECO</u> in respect of projected outputs for a must dispatch generating unit submitted under Clause 3.5.5.5 may shall be liable for sanctions imposed under Clause 7.2.	PEMC to NGCP: Suggest retaining the original proposal. The additional proposed provision on non-submission of projected outputs is already covered in Clause 3.5.5.5 of the WESM Rules. In sum – <ul style="list-style-type: none">3.5.5.5 – rule on nomination of projected outputs3.5.5.8 – FAS compliance	On this provision, NGCP suggested to include additional wordings “ <u>based on an annual assessment and results, and upon findings of non-compliance by the ECO</u> ”, however, Atty. Gubaton-Lopez explained that it is already clear in the manual and rules that the final annual results will be subjected to penalty or sanction. She suggested to retain the original proposal to avoid redundancy. Atty. Morillos recalled that one of the proposal's rationales is the transferring of MO's monitoring of FAS to ECO, and that the timing is annual. He added that the timing is already mentioned in 3.5.5.8. Atty. Rachel P. Anosan (Independent) said that the provision already starts with “A Trading who fails to meet the requisite...xxx”, wherein, the assumption is that the assessment is an assessment

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



WESM Rules								
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								<p>of non-compliance. In her opinion, NGCP's additional proposed wordings will be redundant, thus, she suggested retaining the original proposal.</p> <p>RCC's Decision: Adopt the original proposal</p>
	3.5.5.11	<i>The Enforcement and Compliance Office shall report to the PEM Board and the DOE the monthly and annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs.</i>	The Enforcement and Compliance Office shall report to the PEM Board, <u>the Compliance Committee</u> , and the DOE the monthly and annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs.	To include CC to whom ECO reports as part of the Committee's oversight functions.	NGCP: Proposing to allow the SO to receive a copy of the annual report, upon request, for verification of the Frequency Limit Violation and Voltage Limit Violation cause.	NGCP: The Enforcement and Compliance Office shall report to the PEM Board, <u>the Compliance Committee</u> , and the DOE the monthly and annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs. <u>A copy of the report shall be made available to the System Operator upon request.</u>	PEMC to NGCP: This section provides for the list of entities which exercise regulatory or oversight functions over ECO consistent with the general reportorial requirements under the EC and Penalty Manual. Request by SO of this report may be provided upon request but may not need to be expressly stated in the rules.	<p>Atty. Gubaton-Lopez explained that this specific provision is intended to align the reportorial requirement of ECO to the PEM Board, Compliance Committee, and DOE. She clarified that the ECO is amenable to providing copy of report to SO upon request but may not need to state it in the Rules. She added that the report is a post-evaluation.</p> <p>Prof. Jordan C. Orillaza (Independent) suggested not to include the additional phrase as proposed by NGCP, for brevity of rules, and considering that SO can request copy of the report any time.</p> <p>Atty. Morillos asked if SO can always have access to any reports including reports that are not included in this specific provision. Atty. Gubaton-Lopez answered that any request may be provided to SO considering that data are off-take from both MO and SO, and there's no confidential.</p> <p>Atty. Anosan raised her concern that the additional wordings of NGCP may be interpreted as a limiting provision that only recipients of the report are the ones stated. If the document is publicly available, then there's no need to add the proposed wordings.</p>



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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
								<p>Mr. Carlito Claudio (Generation) emphasized that the report is being submitted to the PEM Board, where SO is represented, thus, there is also a redundancy if a separated report will be submitted to SO.</p> <p>Mr. Ermelindo Bugaoisan (NGCP) asked if the report will be published on the website that would make available to the public. Atty. Gubaton-Lopez said that the requirement is to provide monthly and annual report, but not to publish. She informed the body that they will be consulting PEMC's Legal Team if there will be issues on the confidentiality in case the report will be publish.</p> <p>Atty. Morillos asked if there's a general provision to satisfy that the report may be provided as requested. Atty. Gubaton-Lopez explained that under the Enforcement and Compliance Manual, there's a general provision that ECO can publish reports on the website as necessary. However, there's also a requirement that ECO can publish a restricted version of report specifically if the report contains confidential data (i.e. sanction/penalties).</p> <p>Mr. Ambrocio Rosales (System Operator) asked if there's a possibility on denying SO's request in case a copy of the report will be requested. He explained that the reason for requesting the report is to fully recognize the SO's responsibilities on forecasting.</p>

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WESM Rules								
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								<p>Atty. Morillos suggested to have a general provision that will satisfy both transparency and confidentiality.</p> <p>Mr. Bugaoisan stated his agreements that the reports should be made available not just to SO, but also to other participants. He also noted what Atty. Gubaton Lopez's that it will subject to PEMC's legal confirmation if there will be issues on the confidentiality.</p> <p>Atty. Gubaton-Lopez thinks that the data that may not be treated as confidential that may be provided upon request are the data that were gathered from the system, but the confidential data will be the plants being sanctioned and the sanctions to be implemented. She added that the report being described in 3.5.5.11 is the report indicating the plants that pass or fail the FAS monitoring, including the penalties. She reiterated that this will be consulted with PEMC's Legal if it can be provided. She added that ECO already publishes a restricted version of the report in PEMC website, which only provides general assessment and does not include the names of TPs and cumulative results of FAS.</p> <p>RCC's Decision: Adopt the original proposal</p> <p>RCC's Additional Instruction: PEMC to study if there will be a need to add in the general a clause that</p>

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WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
								would admit Market Participants to request for any information.
	3.5.5.12	The <i>Market Operator</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> .	The <i>Market Operator</i> shall report to the <i>PEM Board</i> and the <i>DOE</i> the monthly and annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i>.	Redundant provision. Under Clause 3.5.5.11, ECO shall perform this task.	NGCP: Noted			RCC's Decision: Adopt the original proposal

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
Section 7.2 Enforcement	7.2.10	<p>All <i>WESM Member</i> shall be exempted from an investigation and imposition of sanctions for probable <i>breach</i> that are committed –</p> <p>(a) Within the first one (1) month of membership in the <i>WESM</i> by said <i>WESM Member</i>; or</p> <p>(b) Within the first one (1) month of the issuance of a new provision of the <i>WESM Rules</i> or a new <i>Market Manual</i>, or an amendment thereto, with respect to such new provisions, <i>Market Manual</i> or amendment, if non-compliance with the same amounts to a <i>breach</i>.</p>	<p><u>Unless otherwise provided in the relevant <i>Market Manual</i></u>, All <i>WESM Members</i> shall be exempted from an investigation and imposition of sanctions for probable <i>breach</i> that are committed –</p> <p>x x x</p>	<p>To allow flexibility in setting a different exemption period when the Market Manual provides for a more practicable provision or consideration.</p> <p>Note: Under the WESM Rules, one-month exemption is provided. In the proposed FAS Manual, an exemption is provided if the plant is in operation for 3 months or less prior to the end of the covered monitoring year. (See related proposal, Section 4.6.2 [b] of the FAS Manual)</p>	<p>NGCP: Deviation from forecasts may result in unforeseen fluctuations in system frequency.</p>	<p>NGCP: x x x Notwithstanding, the DOE may issue a longer exemption period as it may deem necessary, to ensure the readiness of the WESM Members and in the implementation of a new policy or program that directly impacts the enforcement of the WESM Rules and its Market Manuals. For this purpose, the DOE shall issue an advisory to the Governance Arm providing such details of exemption as necessary.</p> <p><u>The resulting frequency limit and/or voltage limit violation shall warrant the same exemption from compliances under the Grid Code.</u></p>	<p>PEMC to NGCP:</p> <p>Clause 7.2.10 refers to exemption “period” and not necessarily to the incidents, circumstances, or grounds for exclusion. This may be appropriately considered in Section 4.3.1 of the FAS Manual.</p> <p>This is already part of the exclusion under Section 4.3 (a) and (b) which reads –</p> <p>“4.3. <i>Forecast percentage errors</i> occurring on the following conditions shall be excluded from the calculation of the <i>MAPE</i> and <i>Perc95 of must dispatch generating units</i>:</p> <p>a) the <i>dispatch target</i> of the <i>must dispatch generating unit</i> was restricted below its projected output;</p> <p>b) the output of the <i>must dispatch generating unit</i> was restricted by the System Operator as indicated in the <i>System Operator's</i> report submitted to the <i>Market Operator</i> in accordance with the <i>WESM Rules</i>.”</p>	<ul style="list-style-type: none">On Exemption of one (1) month:<ul style="list-style-type: none">Atty. Gubaton-Lopez said NGCP's proposed additional wordings might be covered by other provisions of the manual. She clarified with NGCP if NGCP's proposal will be covered by the proposed Clause 4.3 of the FAS Manual.Mr. Bugaoisan explained that NGCP's intention on the proposed wording is that same extension to the TP should be also extended to the SO in terms of power quality, because SO is also being subjected in the performance incentive scheme for the violation, which is not cause by SO, but because of non-compliances of TP that affected the power quality.Prof. Orillaza understands where NGCP is coming from, that when exemptions are given to the plants, there will always be an effect to the grid. He suggested to further discuss why it is necessary to provide one (1) month extension to the plants.Mr. Rosales explained that when plants are exempted, there's no need for them to comply with the dispatch schedule. During these instances, there will be an effect in the grid operation. For every



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		<p>Notwithstanding, the <i>DOE</i> may issue a longer exemption period as it may deem necessary, to ensure the readiness of the <i>WESM Members</i> and in the implementation of a new policy or program that directly impacts the enforcement of the <i>WESM Rules</i> and its <i>Market Manuals</i>. For this purpose, the <i>DOE</i> shall issue an advisory to the <i>Governance Arm</i> providing such details of exemption as necessary.</p>						<p>change in megawatt, there's always a change in frequency. He asked that if NGCP's exemption will be reflected in the PGC, when will be the timeline of PGC's amendments. He suggested to include it in the Dispatch Protocol Manual. If these types of exemptions will be allowed, NGCP cannot provide the power quality that is required from them, and they will be subject to the sanctions and penalties for non-compliance to frequency limit violations.</p> <ul style="list-style-type: none">○ Ms. Cherry Javier (Generation) commented that the manual is about VREs, and these are intermittent. Generators have been asking NGCP a penetration study on VREs to know the grid's capacity for VREs, to also know the limitations need to be set considering the Ancillary Service Providers. She emphasized that the exemption of one (1) month should be considered since it is challenging to forecast every 5-minute for intermittent plants. She added that there should be leeway specifically for new plants.○ Mr. Bugaoisan responded on Ms. Javier's comments and said that the allowable penetration is equivalent to the Regulating Reserve.○ Mr. Rosales added that SO needs to comply with the frequency standard of ± 0.3 (59.7 to 60.3), for it to be considered as a quality
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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



WESM Rules								
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								<p>frequency. He cited an example wherein a VRE plant is scheduled in Pmin but will generate Pmax, it may affect the frequency which may go beyond or go upper or lower with the standard, and this can be translated to frequency limit violation. If the plant is exempted, and as long as it will not run based on its dispatch schedule, the SO will be tagged as non-compliant every 2seconds of non-complying to the standard frequency, which may lead sanctions of SO. He reiterated that the exemption of SO is supposed to be reflected in WESM Rules and manuals, since it will affect the real-time scheduling.</p> <p>On the penetration of VRE, Mr. Rosales said that NGCP can accommodate the sudden outage of VREs since the system is designed to have a contingency reserve, but not to maintain the frequency and power quality. He also added that he will fully agree if all the generators are participating in primary response, there will be assurance of no automatic load dropping. NGCP is only asking to have the same exemption as the Trading Participants.</p> <ul style="list-style-type: none">Prof. Orillaza said to be more careful on making any exemptions. He understands the concern of Ms. Javier on the

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WESM Rules								
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								<p>nature of intermittency of VREs and doing well in forecasting will be a great help. Any exemption may affect the development on the network.</p> <p>He also agreed on the comments of Mr. Rosales but suggested not to have an exemption on the frequency standards.</p> <p>Prof. Orillaza asked on the intention of the revisions on 7.2.10. Atty. Gubaton-Lopez answered that the additional wordings to provide clarification on the provision. The current provision applies would apply to the monthly results of compliance monitoring (i.e. MOR, DCS). The current provision may not be applicable to FAS since it is being determined annually, proposing a different set of exemption for FAS, which is detailed in the FAS Manual.</p> <p>Atty. Gubaton-Lopez further explained the exemptions on FAS by citing example.</p> <p>The determination of cumulative results of January to December is in December. For plants who registered during the last quarter of the year, an exemption is given. If in case the new plants will fail in its FAS, it would be unfair if they will be considered in equal</p>

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WESM Rules								
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								<p>footing for those plants who have been operating for one (1) year. She added that the existing plants has also a transition period of six (6) months in 2021.</p> <p>She also agreed to Prof. Orillaza that they do not revise the original provision but introduce a new mechanism for the exemption to cater the FAS monitoring.</p> <p>In the interest of fairness specially for the new plants, she said that the exemption provides leeway for the opportunity to adjust, considering that the penalty is ₱500,000.00 for MAPE and ₱500,000.00 for Perc95.</p> <p>Prof. Orillaza motioned to adopt the proposal, as written. He wishes that NGCP will also not be penalized for its non-compliances pertaining to the power and frequency quality that is beyond their control.</p> <ul style="list-style-type: none">On NGCP's compliance to the PGC:<ul style="list-style-type: none">Atty. Gubaton-Lopez said that Clause 7.2.10 is a general provision, referring to WESM member that are imposed of sanction, a flexibility of one month. She thinks that the non-compliances of SO may not be appropriate to

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								<div>incorporate in the specific Clause.</div> <div><div>○ Mr. Claudio opined that the exemption of NGCP should be incorporated in the PGC, not in the WESM Rules.</div><div>○ Prof. Orillaza agreed to Mr. Claudio's suggestion that NGCP's exemption should be in the PGC.</div><div>○ In relation to Mr. Claudio's comments, Atty. Gubaton-Lopez clarified that Section 7 of WESM Rules only covers the breach of WESM Rules. Breaches of the PGC or DOE issuances or other rules are not covered. So, if its violation to the PGC, it will be under ERC's jurisdiction. Thus, NGCP's additional proposed wordings may not be appropriate in the specific section since it is a possible violation in PGC.</div><div>○ Mr. Claudio added that the ERC monitors the compliance of NGCP on the frequency limits and voltage limits. These compliances are not included in the WESM documents. He said that if the exemptions will be included in the market documents, it should be incorporated first in the PGC.</div><div>○ Atty. Morillos said that the concept of NGCP's exemption</div></div>

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								<p>is acceptable but the pertinency is not in 7.2.10.</p> <p>Atty. Anosan took off from what Atty. Morillos said and suggested that the proponent to propose revised wordings. She suggested to add letter c). On NGCP's exemption, since the WESM Rules does not provide any exemption to SO, insertion of proposed wordings from SO may not make sense.</p> <p>Mr. Rosales agreed that the WESM Rules does not provide sanctions for SO's violation, but suggested to incorporate exemptions for NGCP so that ERC may recognize it. Mr. Claudio emphasized that the NGCP is being monitored by ERC based on the PGC. Even if it will be incorporated in the WESM Rules, the basis of ERC will still be PGC. He suggested that NGCP may initiate proposed amendments on PGC to be submitted to ERC.</p> <p>RCC's Decision: Adopt revised.</p> <p>7.2.10 Exemption</p> <p>All WESM Members shall be exempted from an investigation and imposition of</p>

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WESM Rules								
Title	Section	Provision	Proposed Amendment (PEM Board-approved as Urgent Amendment)	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
								sanctions for probable breach that are committed – (a) Within the first one (1) month of membership in the WESM by said WESM Member; or (b) Within the first one (1) month of the issuance of a new provision of the WESM Rules or a new Market Manual, or an amendment thereto, with respect to such new provisions, Market Manual or amendment, if non-compliance with the same amounts to a breach; or (c) Within the period prescribed in other Market Manual.
Chapter 11 GLOSSARY		Must Dispatch Generating Unit. A Generating Unit or Generating System so designated by the Market Operator under Clause 2.3.1.5 and is provided Must Dispatch.	Must Dispatch Generating Unit. A Generating Unit or Generating System so designated by the Market Operator <u>certified by the DOE as must dispatch generating unit</u> under Clause 2.3.1.5 and is provided <u>Must Dispatch registered as such in the WESM by the Market Operator.</u>	Use of more appropriate terms. Section 2.3.1.5 speaks of certification by the DOE rather than designation by the Market Operator.	NGCP: Noted			RCC's Decision: Adopt the original proposal

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent’s Response	RCC’s Discussions / Deliberations / Agreements
					<div>NGCP: 1. Add reference/explanation for the basis of MAPE/Perc95 standard values. 2. Frequency Limit Violation and Voltage Limit Violation caused by FPE that is >=19% shall not be charged against the System Operator/TNP under the Grid Code. 3. Specify the term "period" in Section 4.2 if it refers to "billing period" to be consistent with the Glossary item under Section 2.1.2 (c), Section 4.1.2, and MQmax notation under 4.2.3 4. GLOSSARY: Projected quantity. Rewording for clarity.</div>	<div>NGCP:</div>	<div>PEMC to NCGP: 1. Based on the Philippine Grid Code. The reference thereto is made under “Reference Documents” of the FAS Manual. 2. Noted 3. Sec 4.2.1 and 4.2.2 shall only refer to “period” at an any given time. The results are cumulative and may be computed in any period. The FPE computation, on the other hand, under Sec. 4.2.3 considers the maximum MQ during the billing period. 4. Suggest retaining the original proposal. The <i>variable renewable energy aggregated generation forecast</i> was referred to in the WESM Rules in</div>	<div><ul style="list-style-type: none">On NGCP’s comment to specify the term “period”, Atty. Gubaton-Lopez explained that 4.2.1 and 4.2.2 refer to a period of any given time. The concept is that the computation FAS results of MAPE and Perc95, in every 5-minutes, is cumulative from January up to a certain time of dispatch interval. However, on 4.2.3, this refers to the billing period, starting on the 26th day of the month until 25th day of the following month, for reporting purposes. Mr. Bugaoisan clarified on the horizon being measured on the generators. If it is every 5-minute or the day-ahead forecast. Atty. Gubaton-Lopez responded that it is every 5-minutes. Since this is a post-evaluation, ECO refers to the actual projected output and actual projected quantity. She also confirmed that the consideration is every 5-minutes and has a shorter horizon. This is also aligned to the standards indicated in the PGC. She also added that there is a provision in the FAS Manual that mandates ECO and MO to study the standards, however, if there will be changes in the standards, it must be reflected in the PGC. Mr. Bugaoisan recalled that the PGC was crafted during the hourly market, and that the determination of forecast is long term (4-hours ahead) and medium term (1-hour ahead), but the generators are being measured every 5-minute.</div>

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					5. There should be an additional validation process between the GenCo's Forecast Quantity and the SO-validated forecast. Both data are received by the MO.	4. Under Section 2.1.2 Projected quantity. Estimated generation of a must dispatch generating unit over a dispatch interval based on its submitted projected output assuming linear ramping calculated in accordance with Section 4.2.4. <u>For clarity, the forecasted generation used in computing the aggregated forecasted VRE generation refers to Projected Output</u>	different context. Neither was it mentioned in the FAS Manual. 5. Noted. This is already covered in Section 4.4.3 of the FAS Manual. Ref: "4.4.3. The <i>Enforcement and Compliance Office</i> shall assess, validate, and verify the responses and documents submitted by the <i>Generation Company</i> . <u>It may also consult the Market Operator, the System Operator, or the Metering Service Provider, as necessary xxx</u> "	Atty. Gubaton-Lopez noted the concern raised and informed the body that MO has already started a study on the standards. ECO will collaborate with the MO, in case there's a need to revise the standards. • On NGCP's comments that there's a need for additional validation process between GenCo's forecast quantity and SO-validated forecast, Atty. Gubaton-Lopez confirmed that this is not included in the current process of ECO and said that if this may be adopted, it will entail an additional process to ECO. She added that the considerations in the computation are the plant's projection and actual projection. Mr. Bugaoisan said that the PGC requires the SO to submit an aggregated forecast to MO, to ensure that the forecast is near accurate, to minimize the plants that are being bumped-off and to consider in the Ancillary Services. He asked the compliance of MO and PEMC in terms of forecasting VREs that is being submitted by SO. Atty. Gubaton-Lopez confirmed that in WESM Rules, SO has an obligation to submit aggregated forecast to MO, in accordance with PGC. She also recognized that the SO-validated forecast would be helpful in ECO's validation of forecast, but it is not necessary element in the determination of breach on FAS.

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								<p>Mr. Edward I. Olmedo (Market Operator) explained that the aggregated forecast submitted by SO is being publish in MO's website, for VREs to have an idea on the projection of SO. He added that the information is not being matched with the information submitted by the VREs.</p> <p>RCC's Decision: To consider the concerns of NGCP for possible rules change.</p>
SECTION 1 – INTRODUCTION 1.1. Background	1.1.3	[NEW]	<u>A Generation Company that has secured a Final Certificate of Approval to Connect for completing the conduct of test and commissioning but with pending issuance of Certificate of Compliance from the ERC for its <i>must dispatch generating unit</i> shall comply with the <i>forecast accuracy standards</i> in respect of its <i>projected outputs</i>.¹</u>	To reflect the provisions of DOE DC 2022-05-0015 as regards MDGUs' obligation to comply with forecast accuracy standards	NGCP: Noted			<p>RCC's Decision: Adopt the original proposal</p>
SECTION 1 – INTRODUCTION 1.1. Background	1.1.4	[NEW]	<u>A Generation Company that has an <i>expansion unit</i> shall likewise comply with the <i>forecast accuracy standards</i> following the parameters set forth in Section 4.2.8 of this Manual.</u>	To consider the monitoring of a MDGU with expansion unit, i.e., facility with same plant substation and revenue meter; and to comply with the requirements under	NGCP: Noted			<p>RCC's Decision: Adopt the original proposal</p>

¹ Section 4.4.5 of the DOE DC2022-05-0015 “Supplementing Department Circular No. DC2021-06-0013 on the Framework Governing Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network” Published in June 2022

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SECTION 1 – INTRODUCTION 1.1. Background	1.1.3	<i>A Trading Participant who fails to meet the requisite forecast accuracy standards in respect of projected outputs for a must dispatch generating unit may be liable for sanctions imposed under Clause 7.2 of the WESM Rules.</i>	1.1.3 <u>1.1.5</u> A Trading Participant <u>referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof</u> , who <u>which</u> fails to meet the requisite forecast accuracy standards in respect of <i>projected outputs</i> for a <i>must dispatch generating unit</i> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> <u>and the WESM Penalty Manual</u> .	<ul style="list-style-type: none">Renumbered to <u>1.1.5</u> with modificationFor clarity. MDGUs with FCATC are already liable for sanctions in case of violations / breach of FAS.	NGCP: For consistency with WESM Rules Sec. 3.5.5.10 and the proposed amendment above.	NGCP: <u>1.1.5</u> A Trading Participant <u>referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof</u> , who <u>which</u> fails to meet the requisite forecast accuracy standards <u>in respect of projected outputs for a must dispatch generating unit may based on an annual assessment and results, and upon findings of non-compliance by the ECO shall</u> be liable for sanctions imposed under Clause 7.2 of the WESM Rules and the WESM Penalty Manual.	<p>PEMC to NGCP:</p> <p>Agree with the proposed deletion for consistency with other related provisions, with modifications:</p> <p><u>1.1.5</u> A Trading Participant <u>referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof</u>, who <u>which</u> fails to meet the requisite forecast accuracy standards <u>in respect of projected outputs for a must dispatch generating unit may based on an annual assessment and results, and upon findings of non-compliance by the ECO shall</u> be liable for sanctions imposed under Clause 7.2 of the WESM Rules and the WESM Penalty Manual.</p> <p>Additional phrase “and upon findings of non-compliance” may be redundant already. Section 4.1.3 of the FAS Manual already stated that sanction is imposed <u>if MDGU is found in breach of FAS</u>.</p>	<p>RCC's Decision: Adopt the NGCP's suggestions with further modification.</p> <p><u>1.1.5</u> A Trading Participant <u>referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof</u>, who <u>which</u> fails to meet the requisite forecast accuracy standards <u>in respect of projected outputs for a must dispatch generating unit may based on an annual assessment and results, and upon findings of non-compliance by the ECO shall</u> be liable for sanctions imposed under Clause 7.2 of the WESM Rules and the WESM Penalty Manual.</p>

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SECTION 1 – INTRODUCTION 1.1. Background	1.1.4	Moreover, the <i>Enforcement and Compliance Office</i> is required by the <i>WESM Rules</i> report to the <i>PEM Board</i> and the <i>DOE</i> the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> .	1.1.4 <u>1.1.6</u> Moreover, the <i>Enforcement and Compliance Office</i> is required by the <i>WESM Rules</i> <u>to</u> report to the <i>PEM Board</i> , <u>the Compliance Committee</u> , and the <i>DOE</i> the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its <i>projected outputs</i> .	<ul style="list-style-type: none">Renumbered to <u>1.1.6</u>To include CC's oversight functions.There is also a corresponding change in WESM Rules Clause 3.5.5.11	NGCP: Proposing to add the SO as recipient of the report upon request.	NGCP: <u>1.1.6</u> Moreover, the <i>Enforcement and Compliance Office</i> is required by the <i>WESM Rules</i> <u>to</u> report to the <i>PEM Board</i> , <u>the Compliance Committee</u> , and the <i>DOE</i> the annual compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards with respect to its projected outputs. <u>A copy of the report shall be made available to the System Operator upon request.</u>	PEMC to NCGP: This section provides for the list of entities which exercise regulatory or oversight functions over ECO consistent with the general reportorial requirements under the EC and Penalty Manual. Request by SO of this report may be provided upon request but may not need to be expressly stated in the rules.	RCC's Decision: Same with WR 3.5.5.11
SECTION 2 DEFINITIONS, REFERENCES, AND INTERPRETATION 2.1 Definitions	2.1.2	<u>a) (new)</u>	<u>a) Expansion Unit. It shall refer to the expanded capacity of a must-dispatch generating unit or that built in phases and is designed to have the same plant substation and revenue meter as the existing capacity unit.</u>	To clarify the term used in the Manual. To cover the expanded unit in the assessment of the FAS compliance of the MDGUs.	NGCP: Noted			RCC's Decision: Adopt the original proposal
SECTION 2 DEFINITIONS, REFERENCES, AND INTERPRETATION 2.1 Definitions	2.1.2	<u>b) (new)</u>	<u>b) Forecast Accuracy Standards Report. Reports which are prepared and issued by the Enforcement and Compliance Office, as prescribed in Section 4.4 of this Manual.</u>	For reference to the type/s of report that ECO needs to prepare/issue in compliance with FAS Manual.	NGCP: Proposing to add separate descriptions for the monthly and annual reports to specify the contents and identify the difference between the two.		PEMC to NCGP: Already covered in Section 4.4 of the FAS Manual and WESM Compliance Bulletin 16.1. No major difference as to contents of the monthly and annual reports except on the	Atty. Gubaton-Lopez explained that the only difference of the monthly and annual report is that the annual report already contains the imposition of penalty. RCC's Decision: Adopt the original proposal



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							duration or coverage of the cumulative results. Example - June Monthly Report contains cumulative results from Jan to June; for December Monthly Report contains cumulative results from Jan to Dec. Annual Report – is expected to be similar to the December Monthly Report which contains cumulative results from Jan to Dec. Also, it is the report upon which the penalty is based.	
SECTION 2 DEFINITIONS, REFERENCES, AND INTERPRETATION 2.1 Definitions	2.1.2	a) Forecast percentage error. Error (in %) of the <i>projected output</i> submitted by a <i>must dispatch generating unit</i> with respect to its maximum <i>metered quantity</i> over a <i>billing period</i> as dependable capacity and calculated in accordance with Section 4.2.3.	a) c) Forecast percentage error. Error (in %) of the <i>projected output</i> submitted by a <i>must dispatch generating unit</i> with respect to its maximum <i>metered quantity</i> over a <i>billing period</i> as dependable capacity and calculated in accordance with Section 4.2.3.	Clerical correction. Renumbered to <u>c</u>	NGCP: Noted			RCC's Decision: Adopt the original proposal
	2.1.2	b) Initial loading. Loading (in MW) for the beginning of the <i>dispatch interval</i> assumed in, or estimated by, the dispatch optimization performed prior to	b) d) Initial loading. Loading (in-MW) for the beginning of the <i>dispatch interval</i> assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that <i>dispatch interval</i> . <u>It shall refer to the previous dispatch schedule of the must dispatch</u>	To reflect the nearest reference to the load for the beginning of the dispatch interval – which is more appropriate for MDGUs.	JOBIN: The previous RTD is derived from the previous nomination of the generator which is already subjected the same error calculation. Thus, using the previous RTD results in double accounting of the same error.	JOBIN: b) Initial loading. Actual loading (in MW) for the beginning of the dispatch interval as: i) provided by the System Operator; or ii) estimated by the dispatch optimization performed prior to the	As consulted with IEMOP, the manner by which the initial loading is determined, <i>i.e.</i> , referring to the <u>previous</u> RTD schedule is considered more appropriate for MDGUs in view of the absence of the ramp rates and/or operating limits.	Atty. Gubaton-Lopez explained that the proposed amendment is to redefine the Initial Loading (IL) to reflect the nearest reference. The current definition of IL is not applicable since the manner by which the initial loading is determined, <i>i.e.</i> , referring to the previous RTD schedule is considered more appropriate for MDGUs in view of the

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		the beginning of that <i>dispatch interval</i> .	<u>generating unit. For example, the initial loading for 0105H shall be the dispatch schedule for 0100H.</u>	<p>Note: the IL as originally defined is more appropriate for use by the conventional plants/facilities.</p> <p>Clerical correction. Renumbered to d</p>	<p>It would be more appropriate to use actual loading values to avoid double accounting of errors.</p> <p>NGCP: Noted</p>	beginning of that dispatch interval if the data from the System Operator is not available		<p>absence of the ramp rates and/or operating limits. She added that for MDGUs, no ramp rates were being considered.</p> <p>On Jobin's proposed wordings, the initial loading should be provided by System Operator or the estimated dispatch optimization. Atty. Gubaton-Lopez explained that the sub-section (ii) is the one being computed for the scheduled generating units in which it was being replaced by the proposal. However, for the sub-section (i), this will require another step for ECO since it will require data from SO.</p> <p>Mr. Bugaoisan said that item (i) already being provided by SO to MO. Atty. Gubaton-Lopez asked if the data being given to MO is the initial loading already, Mr. Bugaoisan said that it is the actual loading being reflected in metering.</p> <p>Ms. Gregorio explained that the proposed revised definition of initial loading from the actual initial loading to the RTD, has an effect in the calculation. She explained that the RTD of MDGUs is derived from the forecast, which is inputted in the MPI, so it is just a forecast which eventually turns into RTD. She added that the nominations were being considered 9-minutes prior the rtd run, so when there are abrupt changes in real-time, these changes will not be reflected, and it will be error. The rtd that is not considered will still be used for the projected in the next interval. She said that this will double penalize the GenCos. Thus, Jobin proposed to retain the original definition of "initial loading", because it is more valid to use the actual initial loading or the actual level of generator which is</p>

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								<p>already established and valid for the projected quantity.</p> <p>The Jobin's concern is that their nomination will be subject to error which will affect the RT, which in turn, will affect the initial loading. Atty. Gubaton-Lopez said that the ECO will address this concern through its validation process, wherein the TPs are given the opportunity to check the correctness of data being used.</p> <p>Mr. Carl Dela Cruz (ECO) explained briefly the basis of the proposal.</p> <div></div> <p>The initial loading is used to determine the RTD of generators. The current definition of initial loading is applicable for both scheduled and self- scheduled generating units, but ECO wanted it to be more specific with MDGUs.</p> <p>The initial loading is derived from the snapshot, ramp rates, and previous RTD. For scheduled generators, initial loading will be the estimated ramp rates anchored to snapshots and estimated capability down, and previous RTD. For MDGUs, since other parameters will be eliminated like the ramp rates, based on optimization and derivation of initial loading, it will always be the RTD. This is why ECO</p>

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								<p>proposed specifically to reflect the previous RTD.</p> <p>Ms. Gregorio said that the definition of IL is being changed from current actual to previous RTD, but the formula for the projected quantity is the same.</p> <p>Atty. Gubaton-Lopez explained that there were a lot of TPs asking for the basis of IL, in which ECO responds that the IL is a processed data from MO. In consultation with MO, they clarified that it is the previous RTD schedule. In case there will discrepancies, the TPs may raise the concern on the validation process.</p> <p>Atty. Morillos asked on the application in case the definition of IL will be revised. Atty. Gubaton-Lopez answered that the IL is an element in computation of FPE. She further explained that all plants have IL but for the purposes of computing FAS, this only refers IL of MDGUs.</p> <p>Ms. Gregorio explained the effect of changing the reference to be used in IL. Compared to scheduled generation which has ramp rates, the actual level is being computed. However, for MDGUs, the absence of ramp rate is already considered in the formula.</p> $PQ_{i,t} = \frac{1}{n} \times \frac{IL_{i,t} + PO_{i,t}}{2}$ <p>The original IL is based on the actual level, unlike the proposed, IL is same as RTD. She added that the RTD is based on the TP's forecast, which is not as accurate,</p>

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								<p>which is an arbitrary value. So, if the RTD will be used for initial loading, it will be exposed to error. The same value will also be used in projecting quantity for the next interval. Ms. Gregorio said that it will be double accounting of errors and will be included in computing the MAPE.</p> <p>Mr. Edward Olmedo (IEMOP) explained that the standards were based on the assumptions that projections versus on the actual. The proposed revised wordings are just reflecting the current process. If there's a need to review the standards, if in case the approach for computing the projected output will be changed. Ms. Gregorio agreed that there's a need to further study to reflect more accurate threshold considering that changing reference values will have an impact in calculation.</p> <p>Prof. Orillaza agreed that a study is needed to review the standards and motioned to adopt to retain the original provision.</p> <p>The RCC voted for the provision: 9 votes – retain the original provision</p> <p>RCC's Decision: Retain the original wordings</p>
	2.1.2	c) MAPE. Abbreviation of <i>mean absolute percentage error</i> .	e) e MAPE. x x x	Clerical correction. Renumbered to e	NGCP: Noted			<p>Atty. Gubaton-Lopez suggested to incorporate the abbreviation in its meaning.</p> <p>RCC's Decision: Delete MAPE</p>
	2.1.2	d) Mean absolute percentage error. Mean of the <i>forecast</i>	d) f Mean absolute percentage error. x x x	Clerical correction. Renumbered to f	NGCP: Noted but proposing to clarify that the MAPE referred to in PGC 2016 refers to the MAPE of the VRE generation facilities while		Agree. FAS Manual already states its coverage and applicability, <i>i.e.</i> , for MDGUs	<p>RCC's Decision: Adopt revised.</p>

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		<i>percentage errors of a must dispatch generating unit over a certain period calculated in accordance with Section 4.2.1.</i>			MAPE in this section refers to the MAPE of individual MDGUs.			Mean absolute percentage error (MAPE).
	2.1.2	e) Must dispatch generating unit. A generating unit so designated by the Market Operator under clause 2.3.1.5 of the WESM Rules and is provided Must Dispatch. For brevity and when the context applies, this also refers to a generation company that operates a must dispatch generating unit in this Market Manual.	e) Must dispatch generating unit. A generating unit so designated by the Market Operator under clause 2.3.1.5 of the WESM Rules and is provided Must Dispatch. For brevity and when the context applies, this also refers to a generation company that operates a must dispatch generating unit in this Market Manual.	Deleted since this is already defined in WESM Rules	NGCP: Noted			RCC's Decision: Adopt the original proposal
	2.1.2	f) Perc95. Abbreviation of percentile 95 of the forecasting error.	f) g) Perc95. Abbreviation of percentile 95 of the forecasting error.	Clerical correction. Renumbered to g	NGCP: Noted			RCC's Decision: Adopt the original proposal
	2.1.2	g) Percentile 95 of the forecasting error. The value (in %) not exceeding 95% of the forecast percentage errors of the must dispatch	g) h) Percentile 95 of the forecasting error. x x x	Clerical correction. Renumbered to h	NGCP: For clarity. "Not more than 95%" refers to a frequency that is anything below 95% (e.g., 60%, 85%)	NGCP: The Perc95 of a must dispatch generating unit for a period shall mean that 95% of all the FPEs during the period should not exceed the standard value (<30%).	Agree with the NGCP's comment <i>with modification</i> , to read: g) Percentile 95 of the forecasting error. It shall mean that 95% of all the FPEs during the period should not exceed the standard set forth in	The Proponent agrees with the comments of NGCP. The concept of Perc95 will really define the Percentile 95, but with the proposed definition of NGCP, it refers already to the standard, which is already set in 4.4.1 of the Manual. Mr. Olmedo said that he thinks there's no problem on the current definition of

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		<i>generating unit during a certain period (see Section 6, Appendix A of this Manual).</i>					<u>Section 4.1.1 of this Manual.</u> For further comments of IEMOP.	Percentile 95 which also consistent with the definition of MAPE. RCC's Decision: Adopt revised. Percentile 95 of the forecasting error (Perc95). It shall mean that 95% of all the FPEs during the period should not exceed the standard set forth in Section 4.1.1 of this Manual.
	2.1.2	h) Projected quantity. Estimated <i>generation of a must dispatch generating unit over a dispatch interval</i> based on its submitted <i>projected output</i> assuming linear ramping calculated in accordance with Section 4.2.4.	h) i) Projected quantity. x x x	Clerical correction. Renumbered to i)	NGCP: For clarity	NGCP: Projected quantity. Estimated generation of a must dispatch generating unit over a dispatch interval based on its submitted projected output assuming linear ramping calculated in accordance with Section 4.2.4. For clarity, the forecasted generation used in computing the MAPE of VRE generation facilities under the Grid Code refers to Projected Output.	PEMC to NGCP: Suggest retaining the original proposal. The term “forecasted generation” was not used in the FAS Manual. No need to include in the Glossary. Furthermore, the calculation of Projected Quantity is contained in Sec 4.2.4 of the FAS Manual where Projected Output is used as one of the parameters in getting the PQ.	Atty. Gubaton-Lopez clarified that the forecasted generation is not the one being contemplated. RCC's Decision: Adopt the original proposal
	2.1.2	i) Transition Period. The period specified by the <i>DOE</i> wherein the provisions under Section 4.5 shall apply.	i) j) Transition Period. The period specified by the <i>DOE</i> wherein the provisions under 4.5 shall apply referred to in Section 4.5 of this Manual.	Provide for the specific duration of transition for clarity. Section 4.5 – 6 months from implementation of the EWDO.	NGCP: Noted			RCC's Decision: Adopt the original proposal



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SECTION 3 – RESPONSIBILITIES 3.1 Enforcement and Compliance Office	3.1.1	<i>The Enforcement and Compliance Office shall evaluate annually the compliance of each must dispatch generating unit to the forecast accuracy standards in this Market Manual</i>	<i>The Enforcement and Compliance Office shall <u>assess</u>, evaluate annually and issue the <u>cumulative results of MAPE and PERC95 to</u> compliance of each must dispatch generating unit to the forecast accuracy standards in this Market Manual. <u>on a monthly and annual basis in accordance with the procedures set forth in Section 4.4 hereof.</u></i> <i><u>The Enforcement and Compliance Office shall, for this purpose, establish a detailed process or procedure of compliance monitoring and assessment and prescribe a reply format or template that may be accomplished by the Generation Company as part of the monitoring process.</u></i>	For consistency with Section 4.4.2 (renumbered to 4.4.5) of this Manual -requiring <u>monthly</u> reporting; and Section 4.4.1 (renumbered to 4.4.6) -requiring <u>annual</u> reporting 2 nd paragraph – to integrate current process as would allow ECO to efficiently gather adequate data, information, or evidence from the trading participants.	NGCP: Proposing to describe contents and identify difference between the monthly and annual reports.		PEMC to NCGP: Already covered in Section 4.4 of the FAS Manual and WESM Compliance Bulletin 16.1. No major difference as to contents of the monthly and annual reports except on the duration or coverage of the cumulative results. (Same comment in Sec. 2.1.2)	RCC's Decision: Adopt the original proposal
	3.1.2	<i>The Enforcement and Compliance Office shall report to the PEM Board and the DOE its evaluation on the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to each must dispatch generating unit's projected outputs</i>	<i>The Enforcement and Compliance Office shall report to the PEM Board, <u>the Compliance Committee</u>, and the DOE its evaluation on the annual compliance of each must dispatch generating unit to the forecast accuracy standards <u>as set forth in Section 4.4.6 of this Manual</u>, with respect to each must dispatch generating unit's projected outputs</i>	Included Compliance Committee in view of its oversight functions. Reference to Section 4.4.6, as renumbered (previously Section 4.4.1)	NGCP: Similar to comment above.	NGCP: The Enforcement and Compliance Office shall report to the PEM Board, <u>the Compliance Committee</u> , and the DOE its evaluation on the annual compliance of each must dispatch generating unit to the forecast accuracy standards <u>as set forth in Section 4.4.6 of this Manual</u> . with respect to each must dispatch generating unit's projected outputs	PEMC to NCGP: This section provides for the list of entities which exercise regulatory or oversight functions over ECO consistent with the general reportorial requirements under the EC and Penalty Manual. Request by SO of this report may be provided upon request but may not need to be expressly stated in the rules.	RCC's Decision: Same with WR 3.5.5.11

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
						<u>A copy of the report shall be made available to the System Operator upon request.</u>		
3.4 Generation Companies	<u>3.4.3</u>	[NEW]	<u>Generation companies shall coordinate with the Enforcement and Compliance Office for matters, data, or information necessary to establish, validate, and verify the incidents or circumstances referred to in Sections 4.3, and such other matters, data, or information relative to the calculation of MAPE and PERC95.</u>	To integrate the current process; to ensure that all the data/information used in the calculation of FAS results are verified/validated. This requires active participation of the trading participants. Due process requirement.	NGCP: Noted			RCC's Decision: Adopt the original proposal
3.5 Market Operator	<u>3.5.2</u>	[NEW]	<u>The Market Operator shall provide to the Enforcement and Compliance Office all the market data and information necessary for the calculation of MAPE and PERC95 and for verification or validation of data, when necessary.</u>	To integrate the current practice. All market data used in the calculation of FAS by ECO are obtained from IEMOP.	NGCP: To ensure that the SO-validated individual forecasts returned to the MDGU day-ahead are considered in the latter's projected output submission for RTD. This also ensures that the MDGUs' submission to the MO does not significantly deviate from the aggregated VRE forecast generation unless there are valid circumstances.	NGCP: The Market Operator shall provide to the Enforcement and Compliance Office all the market data and information, <u>including the SO-validated individual and aggregated forecast data</u> , necessary for the calculation of MAPE and PERC95 and for verification or validation of data, when necessary	PEMC to NGCP: This may be helpful in the validation / verification process. For further comments by IEMOP.	Atty. Gubaton-Lopez clarified that the SO-validated individual and aggregated forecast may be helpful in ECO's validation, but these information are not considered in the calculation. Mr. Olmedo confirmed that IEMOP provides all the data necessary for the calculation of MAPE and Perc95. RCC's Decision: Adopt the original proposal
SECTION 4 – FORECAST ACCURACY STANDARDS AND PROCEDURES			SECTION 4 – FORECAST ACCURACY STANDARDS, <u>AND SANCTIONS</u>	To align the title with the additional proposed sub-section on sanctions (Section 4.6)	NGCP: Noted			RCC's Decision: Adopt the original proposal

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
4.1 Standards	4.1.2	The <i>MAPE</i> and <i>Perc95</i> of each <i>must dispatch generating unit</i> shall be calculated over the period starting on the 26 th of December of a year and ending on the 25 th of December of the succeeding year.	The <i>MAPE</i> and <i>Perc95</i> of each <i>must dispatch generating unit</i> shall be calculated <u>every billing period in cumulative results and shall be reported to each Generation Company within the timeline prescribed in Section 4.4 hereof. The annual cumulative results covering</u> over the period starting on the 26 th of December of a year and ending on the 25 th of December of the succeeding year <u>shall be determined with finality by the Enforcement and Compliance Office within the period prescribed in Section 4.4.6 of this Manual</u>	To integrate the current procedure (due process requirement): Issuance of Monthly FASR – to afford the Generation Companies the opportunity to see the results, provide relevant data as basis for recalculation, if any, and be able to catch up by improving its performance in the succeeding months.	NGCP: Table 8.1 of PGC 2016 indicates calculation of forecasting errors “over a complete calendar year”. Per Section 4.4.2, the Generation Company has 15 days to submit data to ECO based on which finality of results for the monthly report will be determined. Meanwhile, Section 4.1.2 seems to allow recalculation and submission of additional data for the annual report. Proposing to include a specific timeline or deadline for submission of additional data for consideration in the final annual report. Proposing to specify that the annual report shall include recalculation/reconsideration of values contained in the monthly reports, while the values contained in the latter may still be subject to verification and validation.		PEMC to NCGP: Sec 4.4.2 refers to the issuance of monthly Prelim FAS Results which is intended to provide MDGU the opportunity to check, validate, and submit data and documents to support claims for exclusions or data variance under Section 4.3 and to serve as basis for the monthly recalculation. ECO generates monthly prelim and final results. Any consideration or recalculation made (on monthly basis) is carried over to the succeeding months until the end of the covered year as the FAS results are cumulative . Thus, there is no need to conduct recalculation for the whole year. The timeline for the monitoring, review and reporting is provided in detail in Section 4.4 of the Manual.	Atty. Gubaton-Lopez clarified that the intention of preliminary results is for the MDGUs to check and validate, and to provide documents to support the claims in case of data exclusions during the 15-day period. Any consideration or recalculation made is carried over to the succeeding months, thus, there is no need to conduct recalculation for the whole year. RCC's Decision: Adopt as revised The <i>MAPE</i> and <i>Perc95</i> of each <i>must dispatch generating unit</i> shall be calculated every billing period in cumulative results and shall be reported to each Generation Company within the timeline prescribed in Section 4.4 hereof. Subject to the provisions of Section 4.6 of this Manual, the annual cumulative results covering over the period starting on the 26 th of December of a year and ending on the 25 th of December of the succeeding year shall be determined with finality by the Enforcement and Compliance Office within the period prescribed in Section 4.4.6 of this Manual

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	4.1.3	Subject to Section 4.5 of this <i>Market Manual</i> , must dispatch generating units who fail to meet the requisite forecast accuracy standards set out in Section 4.1.1 of this <i>Market Manual</i> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> , and in accordance with the <i>WESM Penalty Manual</i> .	Subject to Sections <u>4.5 and 4.6</u> of this <i>Market Manual</i> , <u>the Generation Companies of the must dispatch generating units who which</u> fail to meet the requisite forecast accuracy standards <u>based on the annual Forecast Accuracy Standards Report shall be considered in breach of</u> set-out in Section 4.1.1 of this <i>Market Manual</i> <u>and</u> may be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> , and in accordance with the <i>WESM Penalty Manual</i> .	For clarity – only the breach based on annual (final) FAS results shall be subject to sanctions per WESM Penalty Manual.	NGCP: Since failure to meet the standards is already considered a breach, the MDGU should be liable for sanctions.	NGCP: Subject to Sections <u>4.5 and 4.6</u> of this <i>Market Manual</i> , <u>the Generation Companies</u> of the must dispatch generating units who <u>which</u> fail to meet the requisite forecast accuracy standards <u>based on the annual Forecast Accuracy Standards Report shall be considered in breach of</u> set-out in Section 4.1.1 of this <i>Market Manual</i> <u>and may shall</u> be liable for sanctions imposed under Clause 7.2 of the <i>WESM Rules</i> , and in accordance with the <i>WESM Penalty Manual</i> .	PEMC to NGCP: Concur – change may to shall	RCC's Decision: Adopt as revised. Subject to Sections 4.5 and 4.6 of this Market Manual, the Generation Companies of the must dispatch generating units who which fail to meet the requisite forecast accuracy standards based on the annual Forecast Accuracy Standards Report shall be considered in breach of set-out in Section 4.1.1 of this Market Manual and may shall be liable for sanctions imposed under Clause 7.2 of the WESM Rules, and in accordance with the WESM Penalty Manual.
4.2 Calculations	4.2.6	A one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output.	A one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output. <u>The non-submission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of nomination based on the zero projection or load profile of the must dispatch generating unit.</u>	To distinguish active nomination of zero (0) MW or cancellation of nomination due to unavailability of the plant, from the non-submission at all.	NGCP: 4.2.5 Max MQ (denominator) should not be zero if MQ (numerator) is not zero, one of the values is invalid. Validity of MQ and Max MQ should be checked. If both MQ and Max MQ are 0 but PQ is not 0, then FPE should be 100% 4.2.6 Non-submission of projected output should have a separate/additional penalty under WESM Rules Sections 3.5.5.5 and 3.5.5.6. Non-submission is different from cancellation of offer or zero (0) MW submission, thus, non-submission of projected output is not related to forecast	NGCP: <u>4.2.5 If both MQ and MAX are 0 but PQ is not 0, then FPE should be 100%.</u> <u>4.2.6 Proposal 1: The non-submission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of</u>	PEMC to NGCP: Suggest retaining the original proposal. 4.2.5 – MQ is already part of the MaxMQ; no inconsistency/ no change is necessary. 4.2.6 – the intent is to distinguish active nomination of zero (0) MW or cancellation of nomination due to unavailability of the plant, from the non-submission at all. For clarity only.	On NGCP's comments on 4.2.5, Atty. Gubaton-Lopez said that they don't see any inconsistency. She explained that MQ is part of the maximum MQ. On NGCP's comments in 4.2.6, Atty. Gubaton-Lopez clarified that when a plant did not nominate, 100% FPE will be imposed. She cited example, for solar plants, there is no expected generation during night time. Section 4.2.6 says that even the plant has no generation, it shall nominate a zero (0) MW value instead of inactive or no nomination. The purpose of the additional wordings is to clarify what constitutes non-submission of projected output. Another example is when a run-of-river originally nominated 10MW but during the specific interval, it can not nominate due to



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					<p>accuracy which is subject to WESM Rules Section 3.5.5.8.</p> <p>If non-submission is also deemed to be a forecast error, then the FPE formula should be retained (using PQ = 0) in addition to the penalty for non-submission (automatic 100%); or an additional 100% shall be imposed. Note that having one computation for two non-compliances results in no additional penalty.</p> <p>4.2.7 To further validate data in this scenario. For clarity, Max MQ (denominator) should not be zero if MQ (numerator) is not zero. If MQ is not zero but Max MQ is zero, one of the values is invalid. Specify that if all 3 values are zero, then FPE should be 0%.</p>	<p><u>nomination based on the zero projection or load profile of the must dispatch generating unit and shall be subject to a separate penalty for non-compliance to Section 3.5.5.5 and Section 3.5.5.6 of the WESM Rules.</u></p> <p><u>For non-compliance with Section 3.5.5.8, a one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output.</u></p> <p><u>Proposal 2:</u> <u>The nonsubmission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of nomination based on the zero projection or load profile of the must dispatch generating unit and shall be subject to a separate penalty for non-compliance to Section 3.5.5.5 and Section 3.5.5.6 of the WESM Rules.</u> <u>For non-compliance with Section 3.5.5.8,</u></p>	<p>Non-submission <i>per se</i> falls under Section 3.5.5.5 which is already separately monitored under OCC.</p> <p>4.2.7 – MQ is already part of the MaxMQ; no inconsistency/ no change is necessary.</p>	<p>water elevation, then the plant will cancel its nomination. If it is a cancellation, it means that the plant reflects its OMW generation. For it not to be imposed by 100% FPE, the ECO exempts those type of scenarios. Section 4.2.6 provides clarifications for those instances.</p> <p>RCC's Decision: Adopt the original proposal</p>

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						<p><u>Zero (0) MW may be used for the Projected Output in computing for the Projected Quantity and the corresponding Forecast Percentage Error.</u></p> <p><u>4.2.7</u> <u>A zero (0) percent FPE shall be imposed to a must dispatch generating unit on a particular dispatch interval where its projected quantity, metered quantity and maximum metered quantity are equal to zero (0).</u></p>		
	4.2.8	[NEW]	<p><u>For generating plants with expansion unit that is either on test and commissioning or in actual operation, as may be allowed by the rules, but is awaiting the issuance of the Certificate of Compliance or the Provisional Authority to Operate, the following shall apply:</u></p> <p><u>a) A zero (0) FPE shall be imposed if the projected quantity is less than the combined metered quantity.</u></p> <p><u>b) A one hundred (100) FPE shall be imposed if the projected quantity is greater</u></p>	<p>To address changes and possible constraints in the nominations, meter readings of the existing unit, and additional unit while the latter is on test and commissioning stage or before the commercial operation registration.</p> <p>Note: The IEMOP cannot update the Pmax of the generating facility (original capacity plus expanded capacity) in the WESM</p>	<p>JOBIN: We note that during the issuance of FCATC while awaiting PAO and WESM Registration update, these criteria is applied differently. During this period, the special condition (a) and (b) apply when the nomination provided in the MPI is equal to the current Pmax capacity. For nomination below that MPI Pmax value, normal calculation FAS applies. Suggests to differentiate the provision for (1) during test and commissioning, and (2) upon issuance of FCATC, while awaiting PAO and WESM Registration update in the MPI to clarify the</p>		<p>PEMC to JOBIN:</p> <p>Agree. A detailed application / computation for this is detailed in the Annex C of the WESM Compliance Bulletin 16.1 for clarity which addresses the concern of Jobin. Suggest integrating the guidelines in the Manual itself as “Appendix B” of the Manual and revising the proposed provision by simply making a reference to the Appendix B, to read -</p> <p><u>For generating plants with expansion unit that is either on test and commissioning or in</u></p>	<p>Atty. Gubaton-Lopez said that this is a unique situation being addressed, if a plant has expansion unit and there is only one revenue meter, then there is a combined meter quantity that cannot be segregated. During this case, there is a limitation from the plant to nominate its full capacity.</p> <p>Since the plant cannot be exempted on the basis that it is under test and commissioning, considering that a portion of its combined meter quantity is commercially operating. In addition, the regular formula cannot be applied because a portion is still under test and commissioning.</p> <p>During the consultation with DOE, instead of exempting totally the plant undergoing test and commissioning, ECO formulate</p>

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			<p><u>than the combined metered quantity.</u></p> <p><u>For this purpose, the combined metered quantity shall refer to the sum of the metered quantity of the existing capacity unit and that of the expansion unit.</u></p> <p><u>This provision shall apply until the registered <i>P</i>_{max} of the power plant or facility is updated in the WESM to include both the capacity of the existing and expansion unit.</u></p>	registration unless the same is supported by COC/PAO even if it had been issued with FCATC already. The generation company could not yet nominate its full/combined capacity in the MMS-MPI. Meanwhile, the meter reading already reflects the total capacity. In such a situation, the generation company would be adversely affected by the results of the FPE if it will be based on the normal computation.	differences in the application of the special condition.		<p><u>actual operation, as may be allowed by the rules, but is awaiting the issuance of the <i>Certificate of Compliance</i> or the Provisional Authority to Operate, the following shall apply: the calculation set forth in Appendix B of this Manual shall apply.</u></p> <p><u>a) A zero (0) FPE shall be imposed if the <i>projected quantity</i> is less than the combined metered quantity.</u></p> <p><u>b) A one hundred (100) FPE shall be imposed if the <i>projected quantity</i> is greater than the combined metered quantity.</u></p> <p><u>For this purpose, the combined metered quantity shall refer to the sum of the metered quantity of the existing capacity unit and that of the expansion unit.</u></p> <p><u>This provision shall apply until the registered <i>P</i>_{max} of the power plant or facility is updated in the WESM to include both the capacity of the existing and expansion unit.</u></p>	<p>and assigned a 0% FPE or 100% FPE, depending on the of comparison of projected quantity with the combined metered quantity. Jobin's suggested to distinguish the difference between an expansion unit of the plant is undergoing test and commissioning, or plant with FCATC.</p> <p>Atty. Gubaton-Lopez said that the concern was already addressed in the WESM Bulletin 16.1 Annex C.</p> <p>Ms. Valfia Uy-Gregorio (Jobin) agreed in the proposed revision of the proponent and suggested to discuss line-by-line the Annex C of WESM Bulleting 16.1</p> <p>The agreed with the suggestion of Ms. Gregorio. Discussion is summarized as follows:</p> <p>1. During Test and Commissioning (T&C) of the Expansion Unit.</p> <p>a. For intervals where T&C is conducted on the plant or facility's expansion unit, the following conditions shall apply for purposes of computing the FPE of the whole facility:</p> <ul style="list-style-type: none">If Projected Quantity (PQ)² ≤ Combined MQ³ = 0 FPEIf PQ > Combined MQ = 100 FPE <p>b. For intervals where the plant is operating without the expansion unit under T&C, although during the</p>

² Calculated under Section 4.2.4 of the FAS Manual

³ The combined metered quantity shall refer to the sum of the metered quantity of the existing capacity unit and that of the expansion unit.

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							(Annex C of the WESM Compliance Bulletin 16.1 is submitted by ECO)	<p>T&C period, as indicated in the Provisional Certificate of Authority to Connect (PCATC), the formula for FPE, as referred to in Section 4.2.3 of the FAS Manual, shall be applied.</p> <p>Note: The ECO shall require the MDGU to submit proof of actual T&C schedule or activity of the expansion unit on certain dispatch intervals.</p> <p>2. Upon issuance of the Final Certificate of Approval to Connect (FCATC) but the updated Pmax including the additional MW capacity of the expansion unit is not yet reflected in the WESM Registration and the Market Management System (MMS), thus, resulting in the inability of the MDGU to submit nominations for the said expansion unit, the following FPE shall be imposed –</p> <p>a. If the nomination or the submitted projected output (in MW) is equal to the current registered capacity, the following conditions shall apply for purposes of computing FPE:</p> <ul style="list-style-type: none">If $PQ \leq \text{Combined MQ} = 0$ FPEIf $PQ > \text{Combined MQ} = 100$ FPE <p>b. If the nomination or the submitted projected output (in MW) is less than the current registered capacity, the formula for FPE, as referred to in Section 4.2.3 of the FAS Manual, shall be applied.</p>

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								<p>Note: The ECO shall require the MDGU to submit a copy of the FCATC. It shall also be determined or confirmed with the MDGU if it intends to continue to operate already pursuant to Section 4.4.5 of the DOE DC2022-05-0015⁴ while awaiting the issuance of the Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from the Energy Regulatory Commission.</p> <p>c. Once the plant's Pmax registration is already updated to include the facility's expansion unit, the formula for FPE, as referred to in Section 4.2.3 of the FAS Manual, shall be applied. (This provision will be moot once the approval of amendment allowing the registration based on GUCT issued by NGCP without waiting for the COC to be issued by ERC).</p> <p>Ms. Valfia shared inputs based on their experience that on item 2, the date of issuance of FCATC was not the basis but the effectivity date given by IEMOP, for consideration. Atty. Gubaton-Lopez suggested to incorporate "upon effectivity of FCATC as indicated by IEMOP".</p> <p>Prof. Orillaza asked the proponent on the process of issuance of WESM Bulletin 16.1 if a public consultation was made and there were simulations conducted by ECO. He also clarified if the WSM Bulletin 16.1 provides exemption to the plants undergoing T&C. Atty. Gubaton-Lopez</p>

⁴ "Supplementing Department Circular No. DC2021-06-0013 on the Framework Governing the Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network." Published in DOE Website in June 2022.

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								<p>responded that there's no public consultation conducted, however, the DOE and Jobin was consulted during the crafting. She also added that a simulation was presented there were actual results.</p> <p>Atty. Gubaton-Lopez explained that Annex C is not an exemption at it was consulted with the DOE. Initially, the proposal was to exempt plants undergoing T&C in the computation but DOE did not agreed and suggested to set 0% FPE and 100% FPE to give results to the plants commercially operating. If the projection is less than the combine d MQ, it will be set as 0%.</p> <p>Prof. Orillaza said that if FPE is 0%, effectively the forecast is accurate. He suggested to pro-rate the error based on the capacities involved.</p> <p>On the proposed wordings for Annex C, Item 2, Mr. Olmedo explained that the generators who obtained FCATC can nominate as early as within two (2) business days. For cases that generators cannot operate within two (2) business days, MO will agree on a certain date when the generators are ready to operate.</p> <p>RCC's Decision:</p> <p>Adopt the revised proposed wordings and attach the Annex C of WESM Bulletin 16.1 as Appendix B of this Manual.</p> <p><u>4.2.8 For generating plants with expansion unit that is either on test and commissioning or in actual operation, as may be allowed by the rules, but is</u></p>

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								<p>awaiting the issuance of the <u>Certificate of Compliance</u> or the <u>Provisional Authority to Operate</u>, the calculation set forth in Appendix B of this Manual shall apply.</p> <p>For Annex C, Item 2, MO to proposed revised wordings that will reflect its actual process.</p>
					<p>NGCP: For consistency with Section 4.4.5.2 of the DOE DC2022-05-0015: "All Generation Companies with final CATC but with pending issuance of COC, who submitted day ahead projected output or nomination shall be monitored by the Enforcement and Compliance Office and be subject to imposition of financial penalties."</p> <p>Requesting for clarification on whether the formula under Section 4.2.3 will not be used under this condition based on the note that "In such a situation, the generation company would be adversely affected by the results of the FPE if it will be based on the normal computation."</p>	<p>NGCP: For generating plants with expansion unit that <u>has a Final Certificate of Approval to Connect is either on test and commissioning or in actual operation, as may be allowed by the rules, but is awaiting the issuance of the Certificate of Compliance or the Provisional Authority to Operate, the following shall apply:</u></p>	<p>PEMC to NGCP:</p> <p>Suggest retaining the original proposal.</p> <p>This is a general provision for the monitoring of plants with expansion unit and that is either on test and commissioning or in actual operation with FCATC in relation to DOE DC2022-05-0015.</p>	<p>Atty. Gubaton-Lopez clarified that the formula on 4.2.3 will not be used if it was proven that the plant is under T&C. But it will be applied for intervals that are not on T&C.</p>
4.3 Exclusions			4.3 Exclusions <u>and Other Basis for Recalculation</u>	Align the title with the additional provisions under this Sub-section				<p>RCC's Decision: <u>Adopt the original proposal</u></p>

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Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
	4.3.2	[NEW]	<u>Any variance in the market data used in the calculation of MAPE and/or PERC95 that may be discovered during the monitoring and assessment must be properly addressed, validated, and verified within the prescribed timeline. The Generation Company shall provide adequate supporting documents to substantiate any claim of data variance. Only those data that have been proven and verified to be inaccurate, inconsistent, or erroneous shall be considered in the recalculation of the results.</u>	<p>To address the recurring problem on data inconsistency, non-updating, or variance.</p> <p>Due process requirement.</p>	NGCP: Requesting for clarification on the timeline/deadline for submission of additional data and documents for consideration in the final annual report.		PEMC to NGCP: the detailed timeline for verification / validation of data variance (leading to the generation of the annual FAS results) is already provided in Section 4.4 Note that any recalculation based on exclusions and data variance is carried over to the next billing month until the final annual results as the FAS results are cumulative in nature.	

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						APC: Any variance in the market data used in the calculation of MAPE and/or PERC95 that may be discovered during the monitoring and assessment shall be addressed before the release of the Annual FAS results. The Generation Company shall provide adequate supporting documents to substantiate any claim of data variance. Only those data that have been proven and verified to be inaccurate, inconsistent, or erroneous shall be considered in the recalculation of the results.	PEMC to APC: Suggest retaining the original proposal. This will be addressed already in the detailed timelines set forth in Section 4.4 of the FAS Manual.	Atty. Gubaton-Lopez reiterated that the issuance of preliminary assessment is to give the TPs to comment. Any recalculation will be carried over to the succeeding months. Ms. Javier asked when this process started. Atty. Gubaton-Lopez replied that ECO started its strict implementation January 2022. RCC's Decision: Adopt the original proposal

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
4.4. Monitoring, Reporting, and Review	4.4.1	[NEW]	<u>The Enforcement and Compliance Office shall monitor the compliance of the Generation Company of each must dispatch generating unit, calculate the MAPE and PERC95 and issue the Preliminary Forecast Accuracy Standards Reports including the data used in the calculation within 30 business days from the end of the calendar month of the covered monitoring period. For instance, the Preliminary Forecast Accuracy Standards Report for September billing period shall be issued not later than 30 October.</u>	To provide general provision on monitoring and issuance of preliminary results to the trading participants.	NGCP: Noted			RCC's Decision: Adopt the original proposal
	4.4.2	[NEW]	<u>The Generation Company shall provide a reply or confirmation of the MAPE and PERC95 results, as the case may be, to the Enforcement and Compliance Office within fifteen (15) business days from receipt of the Preliminary Forecast Accuracy Standards Report. If any of the circumstances fall within the exclusions and data variance under Section 4.3 of this Market Manual, the Generation Company shall</u>	To afford the participants the opportunity to check the results and provide adequate basis for recalculation of the results, as may be allowed under Section 4.3 of the Manual Due process requirement	APC: We suggest a reasonable timeline for the participants to file a reply or confirmation of the MAPE and PERC95 results considering the volume of the data to be validated. NGCP: Clarify if this is the only stage/period for reply/confirmation and that all data will be considered valid when no reply is received after the 15-day period.	APC: The Generation Company shall provide a reply or confirmation of the MAPE and PERC95 results, as the case may be, to the Enforcement and Compliance Office within the following periods from receipt of the Preliminary Forecast Accuracy Standards Report: 1. fifteen (15) business days if the subject validation constitutes	PEMC to APC: Suggest retaining the original proposal. The proposal as to the timeline was based on the current practice. Further, there is already flexibility in allowing requests for extension of time to submit per general procedure on compliance monitoring which may be granted on a case-to-case-basis. Revising it further will correspondingly affect the timeline for other processes	Atty. Gubaton-Lopez said that what ECO wants to establish is that the plants to provide inputs/comments based on the latest report received. In addition, ECO also grants request for extension but is given on a case-to-case basis. She also emphasized that the validation of the results should be conducted monthly. RCC's Decision: Adopt the original proposal

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
			<u>likewise provide and submit the documents or proof thereof as basis for recalculation of the results.</u>			one (1) billing month; or 2. thirty (30) business days if the subject validation constitutes two (2) billing months. Additional reasonable period shall be given to the concerned Generation Company if the subject validation constitutes three (3) or more billing periods. If any of the circumstances fall within the exclusions and data variance under Section 4.3 of this Market Manual, the Generation Company shall likewise provide and submit the documents or proof thereof as basis for recalculation of the results.	and the required submission of the annual/final results under Section 4.4 of the FAS Manual	
	4.4.3	[NEW]	<u>The Enforcement and Compliance Office shall assess, validate, and verify the responses and documents submitted by the Generation Company. It may also consult the Market Operator, the System Operator, or the Metering Service Provider, as necessary, to ascertain the truthfulness of the claim or allegations of the Generation Company. The Enforcement and Compliance Office shall perform the recalculation, as may be appropriate.</u>	To ensure that there is adequate basis for recalculation. Due process requirement	NGCP: For the verification of generator data, we would like to clarify on what data will be provided by the SO. We also would like to inquire if the ECO will use the forecasting results of SO, being submitted by SO to MO.		PEMC to NGCP: Any data relevant to exclusions claimed by the MDGU under Section 4.4. such as Outage, Restrictions, etc. For FAS computation, ECO will only use the data / information required in the calculation established under Section 4.2 of the FAS Manual. The forecasting results of SO is not part of the calculation.	Atty. Gubaton-Lopez explained that in ECO's assessment and validation, data from MO, SO and MSPs are being considered. She also cited example that may need verification. When TP said that SO restricted the projected output, ECO will use the data provided by SO to validate the TP's claim. RCC's Decision: Adopt the original proposal

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	4.4.4	[NEW]	<u>The Enforcement and Compliance Office shall issue the Final Forecast Accuracy Standards Report within seventy (70) business days from the end of the calendar month of the covered monitoring period regardless of whether a reply or confirmation is submitted by the concerned Generation Company or whether a recalculation of the results was performed for a particular must dispatch generating unit.</u>	To issue the final monthly results after recalculation. The ECO is mandated to issue the Final monthly reports – with or without change from preliminary results as official reference for the monthly performance or compliance of the MDGU.	<p>APC: We suggest a provision for a periodic request for reconsideration against the monthly publication of the Final FAS which is aligned with the similar remedy provided for by the Penalty Manual 1.0.</p> <p>NGCP: Requesting for confirmation if the final monthly reports are still subject to verification in view of the annual report, or if there will be any possible difference between the two final reports.</p>	<p>APC: The Enforcement and Compliance Office shall issue the Final Forecast Accuracy Standards Report within seventy (70) business days from the end of the calendar month of the covered monitoring period regardless of whether a reply or confirmation is submitted by the concerned Generation Company or whether a recalculation of the results was performed for a particular must dispatch generating unit. In case of the concerned Generation Company may request for reconsideration of the results of the Final FAS, subject to the following conditions:</p> <p>a) The request shall be filed within fifteen (15) Business Days from the receipt of the said notice; b) A request for reconsideration shall be based on the ground that the finding of breach is not supported by substantial evidence; and/or the computation is incorrect or the penalties imposed are not in accordance with the Penalty Manual</p>	<p>PEMC to APC: Suggest retaining the original proposal.</p> <p>This concern is addressed by the set of validation process under Sections 4.3 and 4.4 of the FAS Manual where the grounds for exclusions and data variance are considered.</p> <p>Request for Reconsideration RR) may be availed of upon receipt of the final annual results and Notice of Specified Penalty pursuant to the provisions of Penalty Manual.</p> <p>Filing of RR based on monthly results will be pre-mature considering that there is no final results / penalty yet.</p> <p>The timeline and procedure for filing RR is already provided in Section 4.12 of the WESM Penalty Manual.</p>	<p>Atty. Gubaton-Lopez said that the ECO provides reconsideration on the 15-day period for TPs to check the preliminary results. TPs are also given the chance to provide supporting documents for its claim. She also informed that the Request for Reconsideration RR) may be availed of upon receipt of the final annual results and Notice of Specified Penalty pursuant to the provisions of Penalty Manual. Filing of RR based on monthly results will be pre-mature considering that there is no final results / penalty yet. The timeline and procedure for filing RR is already provided in Section 4.12 of the WESM Penalty Manual. She added that the binding is the final annual results.</p> <p>She also informed the body that the Penalty Manual provides procedures for RR filing, and thinks it is adequate to address the APC's concern.</p> <p>Prof. Orillaza asked the rationale of the timeline. Atty. Gubaton-Lopez explained that ECO monitors all plants and that there is a possibility that they will request for exclusions. During this scenario, ECO will conduct recalculation on its results. She also assured that the proposed timeline will be enough to consider all the claims from TPs.</p> <p>RCC's Decision: Adopt the original proposal</p>

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent’s Response	RCC’s Discussions / Deliberations / Agreements
						and Market Rules; c) The request for reconsideration shall be filed with the Enforcement and Compliance Office.		
						NGCP: The Enforcement and Compliance Office shall issue the Final Forecast Accuracy Standards Report within seventy (70) business days from the end of the calendar month of the covered monitoring period <u>indicating considerations made based on the submitted reply or confirmation by the concerned Generation Company</u> , or whether a recalculation of the results was performed for a particular must dispatch generating unit.	PEMC to NGCP: This is already covered and captured by the validation / verification process under Section 4.4 of the FAS Manual where the submissions and explanations of the MDGUs are considered in the periodic / annual results. It must be noted that for each month, the ECO is required to generate – <ul style="list-style-type: none">• Prelim FASR: using straightforward calculation• Final FASR: as recalculated based on the submissions/ inputs from MDGUs	Atty. Gubaton-Lopez said that the concerns of NGCP are already captured by the validation / verification process under Section 4.4 of the FAS Manual.

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	4.4.1	4.4.1 The Enforcement and Compliance Office shall report to the PEM Board and the DOE the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs within two (2) calendar months after the end of the period specified in Section 4.1.2.	4.4.1 4.4.5 The Enforcement and Compliance Office shall <u>submit a consolidated monthly report to the PEM Board, the Compliance Committee, and the DOE containing</u> the status of the compliance of each <i>must dispatch generating unit</i> to the forecast accuracy standards as of the most recent Billing Period with a final statement on a monthly basis based on the Final Forecast Accuracy Standards Report within the same timeline provided in Section 4.4.4 of this Manual.	<ul style="list-style-type: none">Re-arranged for coherence. Previously Section 4.4.2 with modificationRenumbered to 4.4.5Included Compliance Committee in view of its oversight functions.	NGCP: For verification by the System Operator in line with monitoring frequency and voltage limit violations	NGCP: 4.4.5 The Enforcement and Compliance Office shall submit a consolidated monthly report to the PEM Board, the Compliance Committee, and the DOE containing the status of the compliance of each must dispatch generating unit to the forecast accuracy standards as of the most recent Billing Period with a final statement on a monthly basis based on the Final Forecast Accuracy Standards Report within the same timeline provided in Section 4.4.4 of this Manual. <u>A copy of the report shall be made available to the System Operator upon request.</u>	PEMC to NCGP: This section provides for the list of entities which exercise regulatory or oversight functions over ECO consistent with the general reportorial requirements under the EC and Penalty Manual. Request by SO of this report may be provided upon request but may not need to be expressly stated in the rules.	RCC's Decision: Adopt decision on WR 3.5.5.11.
	4.4.2	4.4.2 The Enforcement and Compliance Office shall report to the PEM Board and the DOE the status of the compliance of each must dispatch generating unit to the forecast accuracy standards as of	4.4.2 4.4.6 The Enforcement and Compliance Office shall <u>likewise submit an annual consolidated report to the PEM Board, the Compliance Committee, and the DOE the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect to its projected outputs within two (2) calendar months after the end of the period specified in Section 4.1.2, on or before 31 March of</u>	<ul style="list-style-type: none">Re-arranged for coherence. Previously Section 4.4.1 with modificationRenumbered to 4.4.6Provide a more definitive period for complianceProposed period based on the calculated period to process one	NGCP: Requesting for confirmation if the final monthly reports are still subject to verification in view of the annual report, or if there will be any possible difference between the two final reports.	NGCP: 4.4.6 The Enforcement and Compliance Office shall <u>likewise submit an annual consolidated report to the PEM Board the Compliance Committee, and the DOE the annual compliance of each must dispatch generating unit to the forecast accuracy standards with respect</u>	PEMC to NCGP: This section provides for the list of entities which exercise regulatory or oversight functions over ECO consistent with the general reportorial requirements under the EC and Penalty Manual. Request by SO of this report may be provided upon request but may not need to	RCC's Decision: Adopt decision on WR 3.5.5.11.



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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
		the most recent <i>Billing Period</i> with a <i>final statement</i> on a monthly basis.	<u>the year following the covered monitoring period.</u>	whole year of data. <ul style="list-style-type: none">Included Compliance Committee in view of its oversight functions.		to its projected outputs within two (2) calendar months after the end of the period specified in Section 4.1.2. on or before 31 March of the year following the covered monitoring period. <u>A copy of the report shall be made available to the System Operator upon request.</u>	be expressly stated in the rules.	
	4.4.3	4.4.3 The <i>Market Operator</i> shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i> .	4.4.3 4.4.7 The <i>Market Operator or the Enforcement and Compliance Office</i> shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i> .	<ul style="list-style-type: none">Renumbered to 4.4.7To include ECO being the office in charge of the monitoring of FAS.	NGCP: For consistency with SD 8.2.5.2 of PGC 2016	NGCP: <u>4.4.7</u> The <i>Market Operator or the Enforcement and Compliance Office, in consultation with the System Operator</i> , shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i>	PEMC to NGCP: Concur.	The proponent agreed with NGCP's proposal since this is connected in SO's monitoring of aggregated forecast. RCC's Decision: Adopt the NGCP's proposed wordings. 4.4.7 The <i>Market Operator or the Enforcement and Compliance Office, in consultation with the System Operator</i> , shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the <i>PEM Board</i> and the <i>DOE</i>
4.5 Transition Period	4.5.1	A <i>transition period</i> covering the period specified by the <i>DOE</i> shall be implemented. The sanction on the non-compliance with the forecast accuracy standards shall be implemented upon the commercial	A <i>transition period</i> <u>shall be six (6) months</u> covering the period specified by the <i>DOE</i> shall be implemented. The sanction on the non-compliance with the forecast accuracy standards shall be implemented upon from the commercial operation of the enhanced <i>WESM</i> design and operations <u>unless extended by the DOE through appropriate issuance.</u>	To reflect the current practice (as consulted with DOE – DOE will no longer issue formal issuance re: lifting of transition period; and the monitoring officially starts in January 2022 billing period).	NGCP: Noted			RCC's Decision: Adopt the original proposal



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		operation of the enhanced <i>WESM</i> design and operations.		<p>Given that the annual FAS rating is reckoned from 26 December of the year until 25 December of the succeeding year, the annual FAS rating could NOT be computed for 2021 as the EWDO commenced only on 26 June 2021 (or short of 6 months for annual rating).</p> <p>The annual FAS rating (Jan to Dec billing period) could be computed beginning January 2022</p>				

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Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
	4.5.3	Before the end of the <i>transition period</i> , the <i>Market Operator</i> shall submit to the <i>DOE</i> and other concerned government agencies a report on the compliance of <i>must dispatch generating units</i> to the forecast accuracy standards, and it shall inform the <i>must dispatch generating units</i> on their performance with respect to the forecast accuracy standards.	Before the end of the <i>transition period</i> , the <i>Market-Operator Enforcement and Compliance Office</i> shall submit to the <i>DOE</i> and other concerned government agencies a report on the compliance of <i>must dispatch generating units</i> to the forecast accuracy standards, and it shall inform the <i>must dispatch generating units</i> on their performance with respect to the forecast accuracy standards.	For consistency with Responsibilities of ECO under Section 3.1 of this Manual. Not included in the PEM Board's approved Urgent amendments (RCC Reso 2022-13)	NGCP: Noted		Observation: Not included in the PEM Board's approved Urgent amendments (RCC Reso 2022-13) Suggest adopting the original proposal.	RCC's Decision: Adopt the original proposal
4.6 PENALTIES AND SANCTIONS		[NEW]	New sub-section	For clarity of the application of the penalty based on possible sets of circumstances.	NGCP: Noted			RCC's Decision: Adopt the original proposal
	4.6.1	[NEW]	<u>One breach is counted for each category of forecast accuracy standard that was not complied with based on the Annual Forecast Accuracy Standards Report. The breach of MAPE and PERC95 shall be counted as separate breach even if they occur on the same period subject to penalty under Clause 7.2 of the WESM Rules and the relevant provisions of WESM Penalty Manual.</u>	For clarity: separate finding for MAPE and PERC95; and separate penalty imposition; consistent with the provisions of the WESM Penalty Manual.	NGCP: Non-submission of projected output should have a separate/additional penalty under WESM Rules Sections 3.5.5.5 and 3.5.5.6. Non-submission is different from cancellation of offer or zero (0) MW submission, thus, non-submission of projected output is not related to forecast accuracy which is subject to WESM Rules Section 3.5.5.8.		PEMC to NGCP: Already covered in the existing rules/manuals.	The proponent noted the concerns of NGCP and were already covered in the existing rules/manuals. RCC's Decision: Adopt the original proposal

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	4.6.2	[NEW]	<p><u>The Generation Company with must dispatch generating unit that is in operation for less than a year and is found in breach of MAPE or PERC95, shall be:</u></p> <p><u>a) imposed a penalty in proportion to the number of months in operation during the covered monitoring year. For instance, the plant commenced operation on 26 March, the financial penalty to be imposed shall be in proportion to the nine (9) billing months over the twelve (12) month-period.</u></p> <p><u>b) exempted from liability, if it commences operation within three (3) months prior to the end of the covered monitoring year.</u></p> <p><u>A must dispatch generating unit shall be considered in operation, for purposes of this Section, upon commencement of its operation or participation in the WESM either by virtue of the Final Certificate of Approval to Connect or the commercial operation registration in the WESM, whichever is applicable.</u></p>	<p>To consider situation where the duration of commercial operation is less than one year.</p> <p>For (a): duration of commercial operation within the year is 9 months and above. Proportionate penalty.</p> <p>For (b): duration is less 3 months or less. MDGUs which commenced operation in October, November, and December billing period – exempted. This is in consideration of the adjustments during the initial period of operation.</p> <p>Reckoning of operation: Issuance of FCATC (if plant opts to operate already); or commercial operation registration, as the case may be.</p>		<p>NGCP: <u>b) exempted from liability, if it commences operation within three (3) months prior to the end of the covered monitoring year. The resulting frequency limit and/or voltage limit violation shall warrant the same exemption.</u></p>	<p>PEMC to NGCP: This is already part of the exclusion under Section 4.3 (a) and (b) which reads –</p> <p>“4.3. <i>Forecast percentage errors</i> occurring on the following conditions shall be excluded from the calculation of the <i>MAPE</i> and <i>Perc95 of must dispatch generating units</i>:</p> <p>a) the <i>dispatch target</i> of the <i>must dispatch generating unit</i> was restricted below its projected output;</p> <p>b) the output of the <i>must dispatch generating unit</i> was restricted by the System Operator as indicated in the <i>System Operator's</i> report submitted to the <i>Market Operator</i> in accordance with the <i>WESM Rules</i>.</p>	<p>Prof. Orillaza asked if this is necessary to provide a three (3) month exemption. Atty. Gubaton-Lopez said that the one (1) month general rule will not be applied to the FAS monitoring. Unlike in other obligations of TPs set in rules and manuals, the periods set mostly are 5-minute dispatch interval, billing period, and or shorter duration. However, in FAS Manual, the determination of penalty is based on annual.</p> <p>For (a): duration of commercial operation within the year is 9 months and above. Proportionate penalty.</p> <p>For (b): duration is less 3 months or less. MDGUs which commenced operation in October, November, and December billing period – exempted. This is in consideration of the adjustments during the initial period of operation.</p> <p>Atty. Gubaton-Lopez further explained for item b), it will be challenging for TP to catch-up or validate the results of the report.</p> <p>Prof. Orillaza expressed his sentiments that the plants may opt to operate during the last quarter of the year. This may affect the grid. He also asked SO if the system can accommodate in case bulk of plants will operate during last quarter of the year.</p> <p>Ms. Luningning Baltazar (DOE) said that the DOE has an ongoing consultation with their Legal Team. The imposition of FAS was determined by ERC. She suggested</p>



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								<p>to (1) seek consultation with ERC if partial sanction is possible, and (2) ECO to conduct simulation on impact of 3-month period 'pass' (e.g., worst case scenario). She also thanked Prof. Orillaza on his comments which will be considered on the finalization of the proposal.</p> <p>Atty. Gubaton-Lopez said that ECO will prepare a simulation to be submitted to the Secretariat.</p> <p>Prof. Orillaza said that maybe DOE is more capable to provide projection on when the new plants will be online. He also said that if this provision will be approved, there is a possibility that the new plants will schedule their online during the last quarter of the year.</p> <p>Ms. Baltazar said that the simulation would give an idea on the impact in case of bulk plants will be online during last quarter of the year. She added that DOE has a project monitoring wherein the target commercial operation of the plants are being monitored since the availability of the capacity is very critical. DOE validates if the commercial operation is on time and if not, the also check the reasons. But if there will be an anticipated behavior, there might be some measures that can be identified or to impose penalties to the plants, subject to ERC's consultation.</p> <p>Prof. Orillaza motioned to approve the provision except for item b, while waiting for the results of the study that the network can accommodate bulk connection from new plants.</p> <p>Ms. Javier said that one of the industry's goals is to encourage more RE plants, and</p>

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
								<p>the exemptions is one way of doing so. Prof. Orillaza agreed with Ms. Javier's opinion and stated that the industry also encourages responsible participation.</p> <p>Prof. Orillaza clarified on the possible penalties of the TP's. Atty. Gubaton-Lopez said that the penalty is pro-rated, however, it may escalate depending on the frequency of occurrence.</p> <p>Ms. Baltazar seek clarification if the reprimand is still applicable. Atty Gubaton-Lopez responded that it would depend on the error of MAPE and Pec95 exceeds 30%, financial penalty will be applied. Ms. Baltazar asked if there is sufficient basis for providing sanctions that does not cover the whole year. Atty. Gubaton-Lopez responded that the proposed amendments would address the peculiarity of FAS. Ms. Baltazar said that item b) will serve as reference for the exemption of power plants who registered late in the market, thus, removing the item will have an implication on the application of penalty.</p> <p>Atty. Anosan explained that the basis of penalizing is annual, so if item b) will be removed, there will be no basis for ECO to penalize TPs who registered late. She said that if she will interpret item b) TPs are still subject to penalty but it's just proportionated. She suggested to revisit the penalty.</p> <p>Atty. Gubaton-Lopez also noted that current urgent amendment, including item b) still in effect.</p> <p>Ms. Baltazar suggested to also consider the fairness on the imposition specifically</p>

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions



Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
								for those plants who registered late in the market. Atty. Gubaton-Lopez suggested to rephrase Section 4.1.2 to reflect the exemptions stated in Section 4.6 as the basis of imposition of penalty. RCC's Decision: Defer approval of item (b) and approve the rest
SECTION 5 – AMENDMENT, PUBLICATION, AND EFFECTIVITY 5.3 Effectivity	5.3.2	[NEW]	<u>The amendments made herein and approved pursuant to the Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals shall have a retroactive effect from the beginning of the year that the said amendments are approved, unless the application thereof becomes inequitable and impracticable under the circumstances. For avoidance of doubt, the amended provisions that are given retroactive effect shall be indicated in the PEM Board resolution and/or DOE issuance approving or promulgating them.</u>	<p>The final FAS results are <u>cumulative</u> in nature and are determined on <u>annual basis</u>. It would be impractical to have different sets of the governing rule in different months in one year. Thus, to always ensure uniformity and practicality in the application of the rules/provisions, the same should be applied for the whole year.</p> <p>For instance, the amendment is approved in July 2023, it shall be applied from January to December 2023 billing period.</p> <p><i>“unless the application thereof becomes inequitable and impracticable</i></p>	NGCP: Noted			RCC's Decision: Adopt the original proposal

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Annex B : Matrix of Comments on the Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions




Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)								
Title	Section	Provision	Proposed Amendment	Rationale	Comment	Proposed Wording based on Comment	Original Proponent's Response	RCC's Discussions / Deliberations / Agreements
				<i>under the circumstances” –to consider the prospective application of the amendment in the event that it would become unjust or affect the vested rights of the generation company (e.g. stricter rule).</i>				



MEETING MINUTES


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Annex C : Presentation Material on the Proposed Amendments on
 Requiring Certification of no Outstanding Balance as Switching
 Requirement for Retail Customers by IEMOP



PRESENTATION TITLE

5.2 Proposed Amendments on Requiring Certification of no Outstanding Balance as Switching Requirement for Retail Customers by IEMOP


**Philippine Electricity
Market Corporation**

BACKGROUND

- **Rules Change Proposal:** Proposed Amendments to Retail Rules and Various Retail Manuals on Requiring for Certification of No Outstanding Balance as Switching Requirement for Retail Customers by IEMOP
 - Pre-switching procedures
 - Alternatives to the certification of no outstanding balance (i.e., settlement agreement and undertaking)
- **Rationale** – To address feedback received by the Central Registration Body (CRB) regarding the difficulty of some Contestable Customers in complying with the requirement for obtaining certification of no outstanding balance, which affects their timely switching to another RES

PRESENTATION TITLE

BACKGROUND

MEETING MINUTES

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Annex C : Presentation Material on the Proposed Amendments on
Requiring Certification of no Outstanding Balance as Switching
Requirement for Retail Customers by IEMOP



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MEETING MINUTES

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Annex D : NPC's Letter and Presentation Material on Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints



NATIONAL POWER CORPORATION

06 February 2023

ATTY. JESUSITO G. MORALLOS
 Chairperson
 WESM Rules Change Committee
 18F Robinsons Equitable Tower
 ADB Avenue, Ortigas Center
 Pasig City 1600, Philippines

SUBJECT : NPC'S POSITION ON THE PROPOSED AMENDMENTS ON THE WESM DISPATCH MANUAL

Dear **Atty. Morallos**:

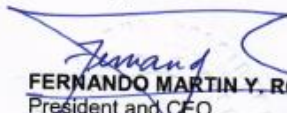
Greetings!

During the 206th WESM Rules Change Committee (RCC) Regular Meeting held last 16 December 2022, the National Power Corporation (NPC) has been informed on the approval of the Department of Energy (DOE) Circular No. DC2022-10-0031 "Declaring All Renewable Energy (RE) Resources as Preferential Dispatch Generating Units in the Wholesale Electricity Spot Market". One of the provisions in the said Circular is the grant of Priority Dispatch status to impounding hydro plants currently categorized as scheduled plants in the WESM, but shall be at the option of the RE developer. In the same meeting, the WESM RCC asked NPC regarding its position on whether to pursue or withdraw its proposed amendments to the WESM Dispatch Manual following the approval of the said DOE Circular.



Kindly be informed that NPC still maintains its position on its proposed amendments to the WESM Dispatch Protocol to include Dam Operations during Local Calamities among the criteria for Non-Security Overriding Constraints as stated in the RCC Resolution No. 2022-09. This is pending the necessary amendments in the WESM Rules and Manuals in the implementation of the DOE Circular, as well as the formulation of procedures for the qualification and registration of Preferential Dispatch generating units in the WESM.

Thank you for your support throughout this endeavor.

Very truly yours,


FERNANDO MARTIN Y. ROXAS
 President and CEO

BIR Road cor. Quezon Avenue, Diliman
 Quezon City 1100, Philippines
 Tel. Nos. (632) 8921-3541 to 80 • Fax No. (632) 8921-2468
 Website: www.napocor.gov.ph



MEETING MINUTES

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Annex D : NPC's Letter and Presentation Material on Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints

BACKGROUND

29 Jun 2022	• Presented RCC Resolution No. 2022-09 to PEM Board; remanded to RCC
15 Jul	• RCC re-discussion during 198 th RCC meeting
18 Aug	• RCC letter responding to PEM Board's remanding of proposal
31 Aug	• Above letter presented to PEM Board; PEM Board remanded to RCC again
16 Sep	• RCC re-discussion of proposal with simulation on possible effect to scheduling/dispatch (201 st RCC meeting); RCC agreed to defer
21 Oct	• RCC brief re-discussion; instructed Secretariat to look into DOE DC No. 2022-10-0031 (All RE as Preferential Dispatch)
16 Dec	• Secretariat presentation to RCC on implications of DOE DC No. 2022-10-0031 on proposal
06 Feb 2023	• NPC Letter to RCC on position to pursue proposal

ACTION REQUESTED

- For RCC discussion of ways forward on proposal

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Annex D : NPC's Letter and Presentation Material on Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints



Philippine Electricity
Market Corporation

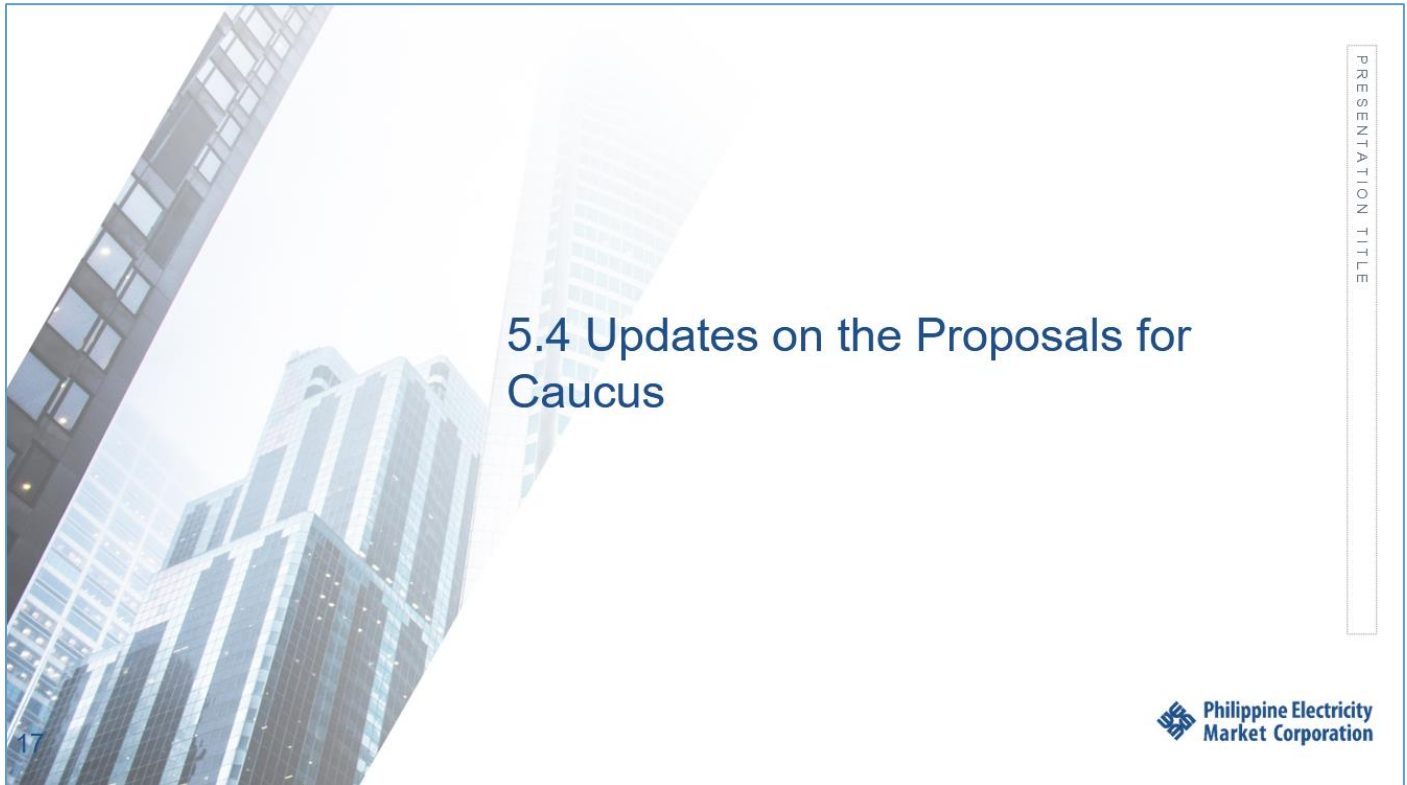
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Annex E : Updates on the Rules Change Proposals



PRESENTATION TITLE

5.4 Updates on the Proposals for
Caucus



UPDATES ON THE PROPOSALS FOR CAUCUS

Proposed Amendments to the WESM Rules and the Dispatch Protocol Manual regarding the Maximum Available Capacity

- Conducted coordination meeting of MSC and CC to discuss the comments received
- Proponents (MSC & CC) are finalizing the responses to comments received
- Tentative schedule of submission of Proponent's responses to the RCC and proposed schedule of caucus will be next week

Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program

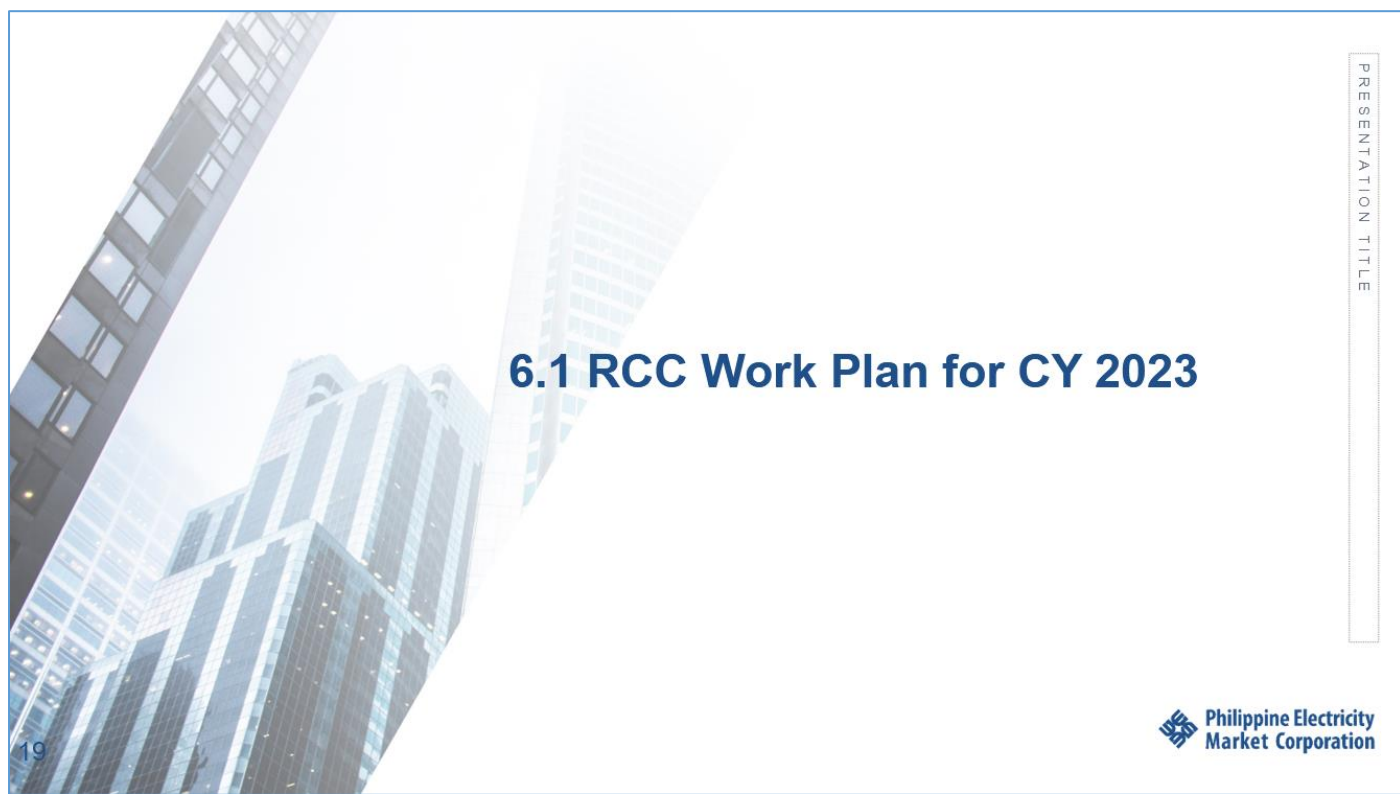
- Proponent (IEMOP) already submitted complete response to comments on 09 February 2023
- DOE DC2023-01-0004 on approved amendments related to GEOP was published on 10 Feb 2023
- Need to update the provisions based on DOE DC
- Proposed caucus schedule on 1st week of March

PRESENTATION TITLE



MEETING MINUTES

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Annex F : Draft RCC Work Plan



BACKGROUND

21 October 2022 – Planning Workshop during the regular RCC meeting

- Draft 2023-2025 Corporate Strategic Plan (CSP), Status of 2022 Work Plan, and Current Rules Change Proposals were presented
- RCC provided inputs to CSP

25 January 2023 – PEM Board approval of 2023-2025 Corporate Strategic Plan (CSP)

17 March 2023 – RCC approval of RCC Work Plan for CY 2023

31 March 2023 – Submission of WGC Work Plans to PEM Board



MEETING MINUTES

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 Annex G : Draft RCC Work Plan



Philippine Electricity
Market Corporation

2023 RULES CHANGE COMMITTEE WORK PLAN

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 are aligned with PEMC's 2023-2025 Corporate Strategic Plan and shall be updated as necessary as more contributions are received from industry sectors and stakeholders or as directed by the DOE or ERC.

Legend:

	Submission/Completion of Report/Inputs/Comments
	Regular Activity

ACTIVITIES		OUTPUTS	2023				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance							
Objective 4: Availability of Adequate Support to the PEM Board and its Committees							
1	Conduct of monthly and urgent meetings	Minutes of meetings					
Objective 5: Availability of Accurate and Updated Market Reports, Rules, Manuals, and Other Relevant Public Information About the WESM and REM							
2	Approve Annual Committee Work Plan aligned with PEMC Corporate Strategic Plan	2023 RCC Work Plan submitted to the PEM Board by March 2023					

MEETING MINUTES

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Annex G : Draft RCC Work Plan



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ACTIVITIES		OUTPUTS	2023				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
3	Approve Semestral Reports	RCC Semestral Reports submitted to the PEM Board in January and July 2023					
4	Facilitate submission of Sectoral Certifications	Sectoral Certifications submitted to the RCC/PEM Board					
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness							
5	Participate in WESM events, as requested or scheduled	Attendance to the WESM events					
Objective 8: Responsive market rules and manuals							
6	Assess market rules and manuals and propose amendments ⁵	RCC Resolutions on rules change proposals submitted to the PEM Board					
7		Presentation during the Board Review Committee (BRC) and PEM Board meetings					
8	Participate in DOE/ERC public consultations on market rules and manuals and propose amendments ¹	Attendance to the DOE/ERC public consultations					

⁵ See Annexes for the lists of rules change proposals

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Annex G : Draft RCC Work Plan



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ACTIVITIES		OUTPUTS	2023				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
9	Enhance rules change process	Updated RCC Internal Rules and proposed amendments to the Rules Change Manual					
10	Provide comments on PEMC rules change effectiveness study	Comments on rules change effectiveness study					
GOAL 3: Achieve Organizational Excellence and Operational Efficiency							
Objective 5: Clear Corporate Targets and Performance Measures							
11	Timely approval of Corporate and Departmental Strategic Plan by the PEM Board and PEMC Management, respectively	Inputs to Corporate and Departmental Strategic Plan					
Objective 6: Continuing Improvement in the Delivery of Service to Internal and External Clients							
12	Respond to survey on the provision of technical and administrative support to the RCC	Response to survey on WGC Support by PEMC					
13	Participate in activities related to ISO 37000:2021 - Governance of Organizations Training / Certification	Attendance to trainings/discussions and provide inputs, as requested by PEMC					

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 Annex G : Draft RCC Work Plan



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Annex A: Current Rules Change Proposals

Status	Proposal	Proponent
For Comments	1. Enhancements to SO Procedures – Until 08 March 2023	NGCP
	2. Preferential Dispatch per DOE DC2022-10-0031 – Until 16 March 2023	IEMOP
For RCC Deliberation	1. Dispatch Protocol regarding Non-security Over-riding Constraints	NPC
	2. Dispute Resolution (portion on impleadable parties was remanded to PEMC)	DRA
	3. Certification of No Outstanding Balance as Switching Requirement for Retail Customers	IEMOP
	4. Maximum Available Capacity	PEMC
	5. Implementation of Electric Retail Aggregation Program	IEMOP
	6. Forecast Accuracy Standards	PEMC
For PEM Board Approval	none	
For DOE Approval	1. Pricing Error Notice as Criteria for Additional Compensation	MEI/PEI
	2. Additional Compensation	IEMOP
	3. Penalty Framework on Test and Commissioning	PEMC
For ERC Approval	Reserve Market Implementation	IEMOP

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Annex G : Draft RCC Work Plan



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Annex B: PEMC/WGC Committed Rules Change Proposals

PEM Board-Approved Goals / Objectives (2023-2025 PEMC Corporate Strategic Plan)	Topic	Proponent	2023	2024	2025
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance					
Objective 1: Promotion of a culture of compliance and enhanced compliance monitoring	Forecast Accuracy Standards	PEMC	✓		
	Enforcement Manual	PEMC		✓	
	Guidelines on the Implementation of the WCO Certification and Registration Procedures	PEMC			✓
	Penalty Manual	PEMC			✓
Objective 3: Implementation of effective and appropriate market design and mechanisms for the WESM	Market Intervention and Suspension	Market Surveillance Committee (MSC)	✓		
	Proposed PTF for: Luzon and Visayas; Interim PTF for Mindanao; and Regional PTF Combinations in Compliance with ERC Order on PDM	Technical Committee (TC)	✓		
	Overhaul of WESM Manual on Market Network Model Development and Maintenance – Criteria and Procedures	TC		✓	
	EWDO-related changes based on Study	PEMC			✓

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Annex G : Draft RCC Work Plan



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PEM Board-Approved Goals / Objectives (2023-2025 PEMC Corporate Strategic Plan)	Topic	Proponent	2023	2024	2025
Objective 6: Provision of continuing stakeholder support and engagement and enhanced market awareness	Voting Rights of Participants	PEMC	✓		
Objective 8: Responsive market rules and manuals	Improvements to rules change process, e.g.: <ul style="list-style-type: none"> Establish criteria on mechanism of rules change proposals that are for approval of ERC Inclusion of rate impact/s as one of the standard process that will involve changes in the formula 	PEMC	✓		
G2: Support initiatives and programs for the energy sector through compliance with policy and regulatory directives					
Objective 1: Efficient operation of the Renewable Energy Market	Transfer of RE Registrar Functions to the Market Operator	PEMC	✓	✓	
Objective 2: Continuing Market Development Initiatives	Battery Energy Storage	PEMC	✓		
Objective 3: Operationalization of Reserve Market pursuant to policy and regulatory directives	Implementing governance policies provided in DOE DC2021-03-0009 for Reserve Market Implementation Phase 1	PEMC	✓	✓	✓

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Annex C: Electric Power Industry Committed Rules Change Proposals

Topic	Sub-topic	Proponent	2023	2024	2025
System Operations	Net Operating Margin - Harmonize basis of grid alerts based on SO practice and under the PGC and WESM Rules.	NGCP			
Scheduling and Dispatch	MRU Report & Dispatch Instruction Report - Proposed deletion of Section 17.5 (MRU Report) was not included in the DOE DC2022-06-0023	IEMOP			
	Reserve Categories - Harmonize reserve categories in the PDM, subject to ERC directives on the proposed PDM for the reserve market	IEMOP			
	Use and monitoring of VRE Aggregated Generation Forecasts	NGCP			
Billing and Settlements	Improvements on billing (i.e. application of interest, MQ validation)	IEMOP/Distribution			
	Extension of BCQ Declaration	Distribution			
Additional Compensation	Recovery of adjustments	MERALCO/RES	✓		
	Process of motion for reconsideration or appeal to consider other additional documents to support the claim in filing for additional compensation.	Generator/Distribution/ Customer			
	Allowable recoverable costs for MRUs on top of fuel and variable operating and maintenance costs	Generator/Distribution/ Customer			
	Possible compensation of Must Stop Units	Generator/Distribution/ Customer			

MEETING MINUTES

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Topic	Sub-topic	Proponent	2023	2024	2025
Mindanao	Recommendations of the WESM Mindanao Readiness TWG	IEMOP			
Battery Energy Storage	Enhancements to participation in the WESM	IEMOP	✓		



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MEETING MINUTES

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Annex H : DOE's Letter re: DOE Observers



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

02 February 2023

ATTY. ELVIN HAYES E. NIDEA
President
Philippine Electricity Market Corporation (PEMC)
18/F Robinsons Equitable Tower, ADB Avenue
Ortigas Center, Pasig City

Subject : **DOE Observers on Wholesale Electricity Spot Market (WESM) Governance Committees**

Dear Atty. Nidea:

This refers to the DOE's representation to the WGCs as provided under Section 2.5 of the WESM Market Manual on the Guidelines Governing the Constitution of the WESM Governance Committees. In line with this, we would like to inform you on the changes of DOE Observers effective 06 February 2023 as follows:

Governance Committee	DOE Observers
Rules Change Committee	Luningning G. Baltazar Noriel Christopher R. Reyes Melanie C. Papa Jhannelyn D. Marasigan Marvin Jay A. Masanda
Market Surveillance Committee	Melanie C. Papa Francis Oliver P. Bandong Joy Lauren M. Corpuz John Paulo O. Castro
Compliance Committee	Antonio S. Barcelona Jhannelyn D. Marasigan Sherwin Brian S. Estanislao
PEM Audit Committee	Noriel Christopher R. Reyes Ernesto F. Tolin, Jr. Marc Andrei D. Molina Jane May M. Mea
Technical Committee	Noriel Christopher R. Reyes Marvin Jay A. Masanda Mary Anne L. Fernando

Further, we request that the above DOE Personnel be furnished with the Minutes of Meetings, presentation materials and reports of each of the above WGCs for them to better carry out their functions.



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Annex I : Presentation Material on the Conduct of Meetings



PRESENTATION TITLE

7.2 Conduct of RCC Meetings

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Market Corporation

CONDUCT OF RCC MEETINGS

What is/are the modes of RCC Meetings this year?

Considerations

- Location of members
- Health risks

RGC & other WGC meetings:

- RGC - F2F 1x per quarter
- CC - online (1 member is based in Davao City)
- DRA - online
- MSC - F2F 1x per quarter
- PAC - F2F 1x per quarter, subject to agenda i.e. online if agenda is mostly updates/for info (1 member is based in Davao City)
- TC - alternate, i.e. Jan-online, Feb-F2F, Mar-online, etc

