

**Proposed Amendments to the WESM and
Retail Rules and Manuals for the
Implementation of Enhancements to
WESM Design and Operations**
Philippine Electricity Market Corporation

December 2016

I. SUMMARY OF THE PROPOSED RULES CHANGE

To facilitate the implementation of enhancements to the WESM design and operations as provided under the Department of Energy (DOE) Circular 2015-10-0015 dated 23 October 2015, this proposal provides amendments on the following:

- A. Dispatch Protocol, Issue 12, as approved by the PEM Board on 29 November 2016
- B. Management Procedure on Excess Generation, Issue 2
- C. Billing and Settlements Manual, Issue 4
- D. WESM Manual on Metering Standards and Procedures, Issue 10
- E. Retail Manual on Metering Standards and Procedures, Issue 2
- F. Load Forecasting Manual, Issue 2
- G. WESM Rules, as amended by DOE DC 2016-10-0014
- H. Retail Rules, as approved by DOE DC 2013-01-0002

II. BACKGROUND

In accordance with the above-mentioned policy, the Philippine Electricity Market Corporation (PEMC) submitted to the Rules Change Committee (RCC) various proposed amendments to the WESM Rules and Market Manuals. The following table provides the status of the proposals:

Amended Rules or Market Manuals	Status
1. WESM Rules (Batch 1)	Approved by the DOE on 14 October 2016 (DC 2016-10-0014)
2. Price Determination Methodology (PDM) Manual	Approved by the PEM Board on 29 November 2016
3. Constraint Violation Coefficients and Pricing Re-run (CVCPR) Manual	
4. WESM Rules (Batch 2)	

The proposed amendments in this proposal are aligned with the following market features:

- As provided under DOE DC 2015-10-0015:
 - 1. Five (5) minute dispatch interval;
 - 2. Ex-ante pricing only for energy and reserves for every 5-minute dispatch interval;
 - 3. One (1) hour settlement interval for settlement purposes;
 - 4. Automatic pricing corrections;
 - 5. Mandatory integration of Distribution Utilities' sub-transmission network, which materially affect dispatch schedules and prices in the WESM, into the market network model (MNM);

6. Nodal-based short-term demand forecasting; and
 7. Hourly day-ahead projection (DAP) with sensitivities and hour-ahead projection (HAP).
- As approved by the PEM Board on 29 November 2016:
 1. 5-minute metering as input to the calculation of trading amounts per settlement interval from the aggregate of 5-minute trading amounts;
 2. Netting out of bilateral contracts for energy from the trading amounts instead of deducting bilateral contract quantities from the ex-ante trading quantities;
 3. Calculation of line rental trading amounts, for informational purposes only;

The amendment of the aforementioned rules and manuals are necessary in the preparation for the deployment of the enhanced market design and operations on 26 June 2017, particularly during the WESM Participant trainings and Trial Operations Program (TOP) within the first half of 2017.

III. THE PROPOSED RULES CHANGE

A. Dispatch Protocol Manual

Proposed amendments to the Dispatch Protocol (DP) include the consolidation of all provisions related to dispatch scheduling and implementation under the DP and, consequently, the abolition of the following WESM Manuals:

1. Management of Excess Generation, Issue 2; and
2. Management of Must-run and Must-stop Units (MRU Manual), Issue 6

To incorporate the changes approved by the RCC¹ and PEM Board on DP-Issue 11, the baseline document of this proposal is the DP-Issue 12.

The summary of proposed changes to the DP are provided below:

Sections	Proposed Changes	Rationale
1 – Introduction 2 – Definitions, References and Interpretation 3 – Responsibilities	<ul style="list-style-type: none"> • Moved defined terms from Glossary to Definition of Terms • Deleted defined terms that are already defined under the WESM Rules (also done with the proposed PDM and CVCPR) 	<ul style="list-style-type: none"> • Conform with the formatting of Market Manuals • To ensure consistency among the WESM Rules and Market Manuals
4 – WESM Timetable	<ul style="list-style-type: none"> • Reflected responsibilities of Trading Participants, Market Operator (MO) and System Operator (SO) in the timetable based on the (new) Market 	<ul style="list-style-type: none"> • For clarity and to provide the required obligations under the Chapter 3 of the WESM Rules

¹ RCC Resolution 2016-11 dated 05 October 2016 on the Proposed WESM Dispatch Protocol Manual Issue 12

Sections	Proposed Changes	Rationale
	<p>Management System (MMS) workflows</p> <ul style="list-style-type: none"> • Hourly DAP (from every four (4) hours) • 5-minute real-time dispatch (RTD) • No ex-post market run (RTX) • Added timetable for HAP, which is executed every 5 minutes and covers results starting from the next dispatch interval until the next hour 	<ul style="list-style-type: none"> • Comply with operational enhancements under DOE DC 2015-10-0015 • Provide additional information to Trading Participants so they could make informed short-term decisions and react appropriately to significant market events
5 – Market Operations Procedures and Infrastructure	<ul style="list-style-type: none"> • Moved the mapping of operational procedures under Section 1.3 (Scope) • Provided overview of MMS functionalities 	<ul style="list-style-type: none"> • For clarity and avoid duplication of provisions • To provide more information on the new MMS' functionalities and interfaces with other systems
6 – Bids, Offers and Data Submission and Processing	<ul style="list-style-type: none"> • Updated the submission and processing of bids/offers/self-scheduled nominations based on market participant interface (MPI) of the MMS • New term: “self-scheduled nomination”, which refers to the 1) nomination of loading levels by Non-Scheduled Generation Companies, and 2) projected outputs of Generation Companies with must dispatch generating units and priority dispatch generating units 	<ul style="list-style-type: none"> • For consistency with the functionalities of the new MMS • For ease of referencing to the nominations by non-scheduled Generation Companies and projected outputs of those with must dispatch and priority dispatch generating units
7 – System Operator Input Data and Reports	<ul style="list-style-type: none"> • Provided more details on security limits • Added provisions on SO submission to MO of reserve requirements • Updated the submission and processing of SO inputs based on the MPI of the MMS 	<ul style="list-style-type: none"> • For consistency with the inputs to the market dispatch optimization model (MDOM) as provided under the PDM • For consistency with the functionalities of the new MMS
8 – Pre-dispatch Market Projections	<ul style="list-style-type: none"> • Renamed to “Market Projections” • Added HAP • Moved all provisions related to the timetable to Section 4 (WESM Timetable) 	<ul style="list-style-type: none"> • For consistency with the definition of market projections under the WESM Rules, as revised by DOE DC 2016-10-0014
9 – Real Time Dispatch Scheduling	<ul style="list-style-type: none"> • Moved all provisions related to the timetable to Section 4 (WESM Timetable) • Indicated that the conduct of real-time dispatch scheduling will be every 5 minutes 	<ul style="list-style-type: none"> • For clarity and delete duplicate provisions • Consistent with the enhanced market design under DOE DC 2015-10-0015
10 – Preparation and Use of the WESM Merit Order	<ul style="list-style-type: none"> • Preparation of MOT every dispatch interval (instead of every hour) 	<ul style="list-style-type: none"> • Consistent with the implementation of 5-minute dispatch interval

Sections	Proposed Changes	Rationale
Table		
11 – Dispatch Implementation	<ul style="list-style-type: none"> • Sub-section on the compliance with dispatch schedules and instructions moved to Section 12 • Trading participants would not need SO clearance to comply with dispatch targets 	<ul style="list-style-type: none"> • For clarity and delete duplicate provisions • Consistent with the implementation of 5-minute dispatch interval
12 – Dispatch Tolerance	<ul style="list-style-type: none"> • Renamed to “Dispatch Compliance” • Provided provisions on dispatch compliance criteria and detection of non-compliance and possible breach 	<ul style="list-style-type: none"> • To cover the determination and monitoring of dispatch compliance based on the dispatch conformance standards • To provide clear guidelines to Trading Participants on the conditions for determining possible breaches of dispatch conformance standards (<i>see below for additional details</i>)
13 – Start Up and Shutdown of Generating Units 14 – Post Dispatch Data and Operation Reports 15 – Scheduling and Dispatch of Reserves 16 – Procedures During Market Intervention or Suspension	<ul style="list-style-type: none"> • Updated provisions to consider the 5-minute dispatch interval 	<ul style="list-style-type: none"> • Consistent with the implementation of 5-minute dispatch interval
NEW: 17 – Management of Must-run Units	<ul style="list-style-type: none"> • Provided the criteria and dispatch procedures for MRUs • MRU manual deemed obsolete (MRUs shall be price-takers and may file for additional compensation – also see proposed PDM and Billing and Settlement Manual) 	<ul style="list-style-type: none"> • To consolidate provisions on re-dispatch and imposition of overriding constraints by the SO
NEW: 18 – Excess Generation	<ul style="list-style-type: none"> • Excess Generation manual deemed obsolete 	<ul style="list-style-type: none"> • To consolidate provisions on re-dispatch and imposition of overriding constraints by the SO
17-19 – Amendment, Publication and Effectivity	<ul style="list-style-type: none"> • Updated to consider DOE’s approval of Market Manuals 	<ul style="list-style-type: none"> • For consistency with the WESM Rules provisions on rules amendments
18 – Glossary of Terms and Abbreviations	<ul style="list-style-type: none"> • Moved to Section 2.1 (Definitions) 	<ul style="list-style-type: none"> • For clarity and ease of reference
19 20 – Attachments	<ul style="list-style-type: none"> • Updated to reflect changes in other sections 	<ul style="list-style-type: none"> • For consistency

Dispatch Conformance Standards

- **Compliance**

Dispatch compliance is assessed for different types of generating units, as follows:

Generating Unit	Compliance
Scheduled and priority dispatch	In accordance with dispatch schedules; and with <i>Dispatch Conformance Standards</i>
Must dispatch	Maximum available output except when output is restricted by the Market Operator or System Operator or there is an emergency
Non-scheduled	In accordance with dispatch schedules

If re-dispatched or given dispatch instructions that differ from dispatch schedules, all units shall use reasonable endeavors to comply with said re-dispatch instructions.

- **Definition and Scope**

Dispatch Conformance Standards set the criteria and procedures for determining whether the scheduled generating units and the priority dispatch generating units comply with their dispatch schedules.

- Criteria refer to the threshold level
- Procedure refer to counting of non-compliances before one can be considered in possible breach, etc.

The determination of dispatch deviation, detection of non-compliance and flagging of possible breach shall be carried out using the MMS. Further assessments shall consider the following:

- Re-dispatch instructions of the System Operator
- Instructions pertaining to provision of ancillary services
- Emergency directions of the System Operator

Standards for compliance by Ancillary Services Providers with their ancillary service or reserve schedules shall be in accordance with the relevant provisions of the WESM Rules and the Ancillary Services Manual, subject to the approval of the Ancillary Service Requirements Specifications (ASRS) by the Energy Regulatory Commission (ERC).

- **Dispatch Deviation and Detection of Non-Compliance**

Dispatch deviation refers to the comparison between the dispatch schedule and actual generation attained at a dispatch interval. For generating units that

are also scheduled to provide Regulating Reserves, the Regulating Reserves (Lower/Raise) Schedules shall also be considered.

Detection of non-compliance is based on a two-error threshold using the maximum energy offer submitted by a Trading Participant (“Offer”) as follows:

- Small Error Threshold (SET)
SET Level, MW = MAX (1, 3% x Offer)
- Large Error Threshold (LET)
LET Level, MW = MAX (1, 5% x Offer)

As an example, the thresholds for a 500 MW generating unit with a 500 MW maximum energy offer are as follows:

SET Level, MW = MAX (1, 15) = 15 MW
LET Level, MW = MAX (1, 25) = 25 MW

If a generating unit incurs a dispatch deviation beyond the error threshold, action or measures must be taken by the Trading Participant to bring the unit within the threshold following the prescribed reaction periods below:

- **6 dispatch intervals** – for deviations beyond the SET
- **3 dispatch intervals** – for deviations beyond the LET

The counting of dispatch deviations shall be according to the following conditions:

Detection	Action
If deviation is beyond the threshold	<ul style="list-style-type: none"> Flagged as “non-compliant” (NC) Separate count for deviations beyond the small error threshold and large error threshold The count increments as deviations beyond the error threshold progresses through succeeding intervals
If the unit becomes compliant	Within the reaction period: <ul style="list-style-type: none"> The count will be stopped and reset to zero.

Detection	Action
	After the reaction period: <ul style="list-style-type: none"> • The counting of NC shall be stalled/not incremented • If the unit sustains the compliance (not flagged as NC) for at least three consecutive dispatch intervals: the count will be stopped and will be reset to zero • If the unit is flagged as NC in the next interval(s), the counting of NC will continue/increment

To illustrate the counting of deviations to determine a possible breach to the dispatch conformance standards, the following table provides an example using the 15 MW SET deviation threshold in the example above:

ABSOLUTE VALUE OF DEVIATION	DEVIATION THRESHOLD	SET COUNTER	PROB COUNTER	NON-COMPLIANCE?	POSSIBLE BREACH?
10.0	15.0	0	0	N	N
17.0	15.0	1	0	Y	N
18.0	15.0	2	0	Y	N
19.0	15.0	3	0	Y	N
20.0	15.0	4	0	Y	N
16.0	15.0	5	0	Y	N
15.5	15.0	6	0	Y	N
20.0	15.0	7	0	Y	Y
14	15.0	7	1	N	N
12	15.0	0	2	N	N
11	15.0	0	3	N	N

Note: The Probation Counter (PROB COUNTER) in the 4th column accounts for the number of **compliance(s)** after the reaction period. As shown, the SET counter is reset to zero after sustaining compliance for 3 consecutive dispatch intervals.

- **Implementation**

Upon the effectivity of the proposed provisions on dispatch conformance standards, it is proposed to have a 1-year moratorium on investigation and imposition of penalties while monitoring data on dispatch conformance standards are being gathered and assessed. However, the required reporting by the Trading Participants shall be implemented immediately (via MPI).

B. Billing and Settlements Manual (BSM)

The summary of proposed changes to the BSM are provided below:

Sections	Proposed Changes	Rationale
General	<ul style="list-style-type: none"> Ex-ante only, no ex-post Updated references on settlement calculations per PEM Board-approved Price Determination Methodology Manual 	<ul style="list-style-type: none"> Consistent with the enhanced market design under DOE DC 2015-10-0015
1 – Introduction 2 – Definitions, References and Interpretation 3 – Responsibilities	<ul style="list-style-type: none"> Deleted defined terms that are already defined under the WESM Rules 	<ul style="list-style-type: none"> For clarity and to ensure consistency among the WESM Rules and Market Manuals
4 – Settlement Statements	<ul style="list-style-type: none"> Deleted calculation of line rental trading amount from the aggregate trading amount 	<ul style="list-style-type: none"> For consistency with the PEM Board approved changes to the WESM Rules and PDM The calculation of line rental trading amounts shall only be for informational purpose only (see Section 9)
5 – Collection and Payment of Settlement Amount 6 – Payment Default 7 – Prudential Requirements 8 – Suspension and Revocation	<ul style="list-style-type: none"> No change 	<ul style="list-style-type: none">
NEW: 9 – Bilateral Contract Declaration	<ul style="list-style-type: none"> Added procedures for the submission, confirmation and nullification of bilateral contracts for energy Added procedures for the submission and confirmation of bilateral contracts for reserves Added provisions on the calculation of line rental for energy transactions SLRTA manual deemed obsolete 	<ul style="list-style-type: none"> Adopted proposed changes to the WESM Manuals in line with the RCC-approved amendments under RCC Resolution No. 2016-14 For consistency with WESM Rules, as revised under DOE DC 2016-10-0014 and PEM Board-approved revised PDM
NEW: 10 – Filing of Claims for Additional Compensation	<ul style="list-style-type: none"> Added provisions on the criteria and procedures for filing of additional compensation 	<ul style="list-style-type: none"> Consistent with the proposed PDM as approved by the PEM Board on 29 November 2016 Adopted RCC-approved Proposed Amendments to the WESM Manuals on Management of Must-Run and Must-Stop Units and Administered Price Determination Methodology (RCC Resolution No. 2016-08)
9 – Amendment, Publication and Effectivity	<ul style="list-style-type: none"> Updated to consider DOE's approval of Market Manuals 	<ul style="list-style-type: none"> For consistency with the WESM Rules provisions on rules amendments
10 – Attachments	<ul style="list-style-type: none"> Updated billing and settlement timetable to provide timelines for the declaration of BCQs and filing of 	<ul style="list-style-type: none"> For consistency and ease of reference

Sections	Proposed Changes	Rationale
	additional compensation	

C. WESM Manual on Metering Standards and Procedures (Metering Manual)

The summary of proposed changes to the WESM Metering Manual are provided below:

Sections	Proposed Changes	Rationale
1 – Introduction	<ul style="list-style-type: none"> Deleted defined terms that are already defined under the WESM Rules 	<ul style="list-style-type: none"> For clarity and to ensure consistency among the WESM Rules and Market Manuals
2 – Metering Installation Standards	<ul style="list-style-type: none"> Revised capability of the mass memory of meters from recording 15-minute demand interval to 5-minute demand interval 	<ul style="list-style-type: none"> Consistent with the PEM Board approved revised PDM, which determines hourly trading amounts from the aggregate of 5-minute trading amounts (using 5-minute meter data)
3 – Site Equipment Identification (SEIN) 4 – Metering Services Provider Registration	No change	
5 – Metering Installation Registration	<ul style="list-style-type: none"> Load profiles to be submitted by Trading Participant, in coordination with its MSP, includes 5-minute data 	<ul style="list-style-type: none"> Consistent with the requirement of using 5-minute meter data for settlements
6 – Metering Data Collection	<ul style="list-style-type: none"> Revised resolution of meter data submission by MSPs to MO, from 15 minutes to 5 minutes 	<ul style="list-style-type: none"> Consistent with the PEM Board approved revised PDM, which determines hourly trading amounts from the aggregate of 5-minute trading amounts (using 5-minute meter data)
7 – Data Validation, Estimation and Editing	<ul style="list-style-type: none"> Revised resolution of meter data used by the MO, from 15 minutes to 5 minutes 	
8 – Meter Trouble Report	<ul style="list-style-type: none"> No change 	
9 – Site-specific Loss Adjustment	<ul style="list-style-type: none"> Revised calculation of SSLA from every trading interval to every dispatch interval Updated equations to consider the 5-minute meter data 	<ul style="list-style-type: none"> Consistent with the PEM Board approved revised PDM, which determines hourly trading amounts from the aggregate of 5-minute trading amounts (using 5-minute meter data)
10 – Performance Measurement-Metering Service Provider	<ul style="list-style-type: none"> No change 	

Sections	Proposed Changes	Rationale
Appendix	<ul style="list-style-type: none"> Updated Metering Installation Form to consider the 5-minute meter data Updated SSLA equations to consider the 5-minute meter data 	<ul style="list-style-type: none"> Consistent with the requirement of using 5-minute meter data for settlements

- Implementation**

Upon the effectivity of the proposed provisions on the metering manual, it is proposed to have a transition period for the re-configuration of metering installations to 5-minute resolution from 15-min resolution. During the transition period, metering services providers are allowed to estimate the 5-min readings of its meters based on the 15-minute readings.

D. Retail Manual on Metering Standards and Procedures

The summary of proposed changes to the Retail Metering Manual are provided below:

Sections	Proposed Changes	Rationale
1 – Introduction	<ul style="list-style-type: none"> Deleted defined terms that are already defined under the WESM Rules 	<ul style="list-style-type: none"> For clarity and to ensure consistency among the WESM Rules and Market Manuals
2 – Metering Installation Standards	<ul style="list-style-type: none"> Revised capability of the mass memory of meters from recording 15-minute demand interval to 5-minute demand interval 	<ul style="list-style-type: none"> Consistent with the PEM Board approved revised PDM, which determines hourly trading amounts from the aggregate of 5-minute trading amounts (using 5-minute meter data)
3 – Site Equipment Identification (SEIN)	<ul style="list-style-type: none"> No change 	<ul style="list-style-type: none">
4 – Metering Installation Registration	<ul style="list-style-type: none"> Load profiles to be submitted by Trading Participant, in coordination with its MSP, includes 5-minute data 	<ul style="list-style-type: none"> Consistent with the PEM Board approved revised PDM, which determines hourly trading amounts from the aggregate of 5-minute trading amounts (using 5-minute meter data)
5 – Metering Data Collection	<ul style="list-style-type: none"> Revised resolution of meter data submission by MSPs to MO, from 15 minutes to 5 minutes 	
6 – Data Validation, Estimation and Editing	<ul style="list-style-type: none"> Revised resolution of meter data used by the MO, from 15 minutes to 5 minutes 	

- Implementation**

Upon the effectivity of the proposed provisions on the metering manual, it is proposed to have a transition period for the re-configuration of metering

installations to 5-minute resolution from 15-min resolution. During the transition period, metering services providers are allowed to estimate the 5-min readings of its meters based on the 15-minute readings.

E. Load Forecasting Manual (LFM)

The summary of proposed changes to the LFM are provided below:

Sections	Proposed Changes	Rationale
General	<ul style="list-style-type: none"> 5-minute dispatch interval HAP 	<ul style="list-style-type: none"> Consistent with market operations enhancements as provided under DOE DC 2015-10-0015
1 – Introduction 2 – Definitions, References and Interpretation 3 – Responsibilities	<ul style="list-style-type: none"> Deleted defined terms that are not applicable using the NMMS 	<ul style="list-style-type: none"> For clarity and to ensure consistency among the WESM Rules and Market Manuals
4 – Demand Forecast for Market Projections	<ul style="list-style-type: none"> Renamed to “Short-term Load Forecast” (STLF) Provided forecasting for WAP and DAP using the new MMS Provided DAP with load scenarios (+/- 5% & +/-3%) 	<ul style="list-style-type: none"> Market projections include the DAP, WAP, and HAP. However, the HAP uses a similar forecasting methodology for the RTD. STLF is also a terminology used in the new MMS. For consistency with the new MMS functionalities Consistent with the enhancements to WESM operations as provided under DOE DC 2015-10-0015
5 – Demand Forecast for the Real Time Dispatch Runs	<ul style="list-style-type: none"> Renamed to “Very Short-term Load Forecast” Provided forecasting for HAP and RTD using the new MMS 	<ul style="list-style-type: none"> Same as above
6 – Net Load Forecasts	<ul style="list-style-type: none"> Updated the provisions on unrestrained and restrained net load forecasts based on the new MMS functionalities 	<ul style="list-style-type: none"> For consistency with the new MMS functionalities
7 – Customer Load Forecasts	<ul style="list-style-type: none"> Added provision on the submission of load forecasts by customers with market trading nodes with a definite MW loading that can materially affect WESM’s pricing and scheduling Deleted provisions on customer forecast validation 	<ul style="list-style-type: none"> Customer forecasts shall be deemed as the final forecast since they have the best information and know-how about their demand level.
8 – Load Forecasting Considerations	<ul style="list-style-type: none"> Updated to reflect new MMS load forecasting parameters 	<ul style="list-style-type: none"> For consistency with the new MMS functionalities
9 – Load Forecast Audit and Performance Measures	<ul style="list-style-type: none"> Minor change in terminologies 	<ul style="list-style-type: none"> For clarity and consistency

Sections	Proposed Changes	Rationale
10 – Review, Revision, and Amendment 11 – Effectivity and Publication	<ul style="list-style-type: none"> Updated to consider DOE’s approval of Market Manuals 	<ul style="list-style-type: none"> For consistency with the WESM Rules provisions on rules amendments
Appendix	<ul style="list-style-type: none"> Updated to provide details on weather adaptive, similar day, and pattern matching algorithms for STLF 	<ul style="list-style-type: none"> To provide more information on the new MMS functionalities

F. WESM Rules (Batch 3)

The summary of proposed changes to the WESM Rules, as amended by DOE DC 2016-10-0014, are provided below:

Clause	Proposed Changes	Rationale
Dispatch Conformance Standards (3.8.4 and 3.8.5)	<ul style="list-style-type: none"> Added items to be considered in the procedures for post-processing the results of dispatch conformance monitoring. Transferred specific details on the implementation of the dispatch conformance standard to the Dispatch Protocol. 	<ul style="list-style-type: none"> For clarity
Displaced Generating Units and Must-stop Units (3.5.13, 3.13.14, and Glossary)	<ul style="list-style-type: none"> Deletion of provisions on displaced generating units and must-stop units (MSU) 	<ul style="list-style-type: none"> Considering the 5-minute dispatch interval Also, the proposed calculation of trading amounts does not consider the imbalance (EPETA) which is the basis for settlements of displaced generator and MSUs.
Pricing Error Notice (3.9.6 and Glossary)	<ul style="list-style-type: none"> Reflected treatment of load shedding in the new MMS through automatic pricing re-runs instead of PENs. 	<ul style="list-style-type: none"> For consistency with the proposed amendments to the CVCPR as approved by the PEM Board on 29 November 2016
Bilateral Contract Declaration for Reserves (3.13.2)	<ul style="list-style-type: none"> Provided that BCQs for reserves will be declared by the SO instead of Trading Participants. 	<ul style="list-style-type: none"> To streamline the reserve BCQ declaration process
Merit Order Table or MOT (3.8.1 and 3.8.2)	<ul style="list-style-type: none"> Provided the submission of MOT every dispatch interval by the MO to the SO 	<ul style="list-style-type: none"> For consistency with the 5-minute dispatch interval
Load Forecasting (3.5.4)	<ul style="list-style-type: none"> Deleted the provision on customer forecast tolerance range 	<ul style="list-style-type: none"> Customer forecasts shall be deemed as the final forecast since they have the best information and know-how about their demand levels.

G. Retail Rules

The summary of proposed changes to the Retail Rules are provided below:

Clause	Proposed Changes	Rationale
Settlement Quantities and Amounts (3.13)	<ul style="list-style-type: none">Ex-ante only, no ex-postReplace “trading interval” with “settlement interval”	<ul style="list-style-type: none">For consistency with the WESM Rules, as amended by DOE DC 2016-10-0014
Provision of Metering Installations (4.3)	<ul style="list-style-type: none">Provided that recording and measurement of metering data should be in accordance with the relevant market manual instead of every trading interval	<ul style="list-style-type: none">For consistency with WESM Rules Clause 4.5.1, as amended by DOE DC 2016-10-0014
Appendix	<ul style="list-style-type: none">Delete provisions on the calculation of ex-ante/ex-post energy trading amounts, and allocation of ex-ante/ex-post settlement quantitiesRevised the determination of metered quantities to reflect MQ for every dispatch interval	<ul style="list-style-type: none">For consistency with the WESM Rules, as amended by DOE DC 2016-10-0014, and the PDM as approved by the PEM Board on 29 November 2016

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The Philippine Electricity Market Corporation (PEMC), constituted by the Department of Energy in November 2003, is a non-stock non-profit private organization, administers and governs the operation of the WESM.

The following are the Officers of PEMC:

Melinda L. Ocampo – President

Criselda S. Martin-Funelas – Chief of Staff, Office of the President / VP, Legal

Rachel Angela P. Anosan – VP, Enforcement and Compliance Office

Carlito C. Claudio – VP, Trading Operations

Robinson P. Descanzo – VP, Corporate Planning and Communications

Chrysanthus S. Heruela – VP, Market Assessment Group

Salvador D. Subaran – VP, Information Systems and Technology

Claudette G. Ubaldo-Dema – VP, Office of the Corporate Secretary

V. CONCLUSIONS AND RECOMMENDATIONS

To implement the design and operational enhancements in the WESM as mandated by the DOE, the aforementioned proposed amendments to the WESM and Retail Rules and Market Manuals are recommended for approval.

VI. REFERENCES

1. [Department of Energy DC 2016-10-0014 on Adopting further Amendments to the WESM Rules \(Enhancements to WESM Design and Operations\)](#)
2. [RCC Resolution No. 2016-013 dated 05 November 2016 on the Proposed Amendments to the WESM Rules and WESM Manuals on Price Determination Methodology and Constraint Violation Coefficient](#)
3. [RCC Resolution 2016-11 dated 05 October 2016 on the Proposed WESM Dispatch Protocol Manual Issue 12](#)
4. [RCC Resolution 2016-08 dated 07 July 2016 on the Proposed Amendments to the WESM Manuals on Management of Must-Run and Must-Stop Units and Administered Price Determination Methodology](#)