

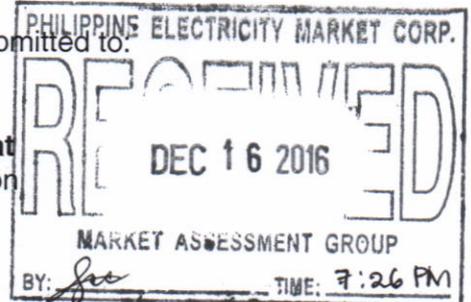


REQUEST FOR WESM RULES AMENDMENTS

Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments to the WESM Rules can be submitted to:

PEM Board
Attention: **PEM Committee Secretariat**
Philippine Electricity Market Corporation
18/F Robinsons Equitable Tower
ADB Avenue, Ortigas Center
Pasig City, 1605 Philippines
Email addresses: rcc@wesm.ph
Fax Number: (+632) 395-2704



I. Proposer's Information

Name	Melinda L. Ocampo
Designation	President
Company	Philippine Electricity Market Corporation
Company Address	18/F Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City 1600
Telephone No.	631-8734
Fax. No.	636-0802
Email Address	mlocampo@wesm.ph

II. WESM Rules Amendment Information

Topic	: Implementation of Enhancement to the WESM Design and Operations (Batch 3)
Nature of Request (please indicate with x)	
<input type="checkbox"/> Addition <input checked="" type="checkbox"/> Alteration <input checked="" type="checkbox"/> Deletion <input checked="" type="checkbox"/> Clarification <input checked="" type="checkbox"/> Clerical Correction	

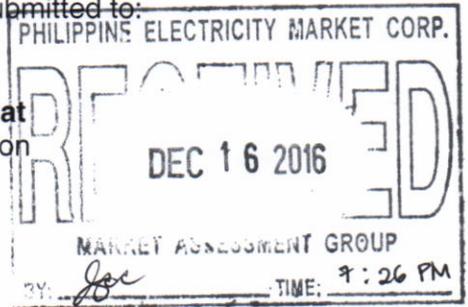


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III. Proposed Amendment

A. Dispatch Conformance Standards

Title	Section	Original Provision (As amended by DC 2016-010-0014)	Proposed Amendment	Rationale
Dispatched Trading Participants	3.8.4.1	Scheduled generating units and priority dispatch generating units who are dispatched shall use reasonable endeavors to reach the target loading level by the end of that dispatch interval and within the dispatch conformance standards specified in clause 3.8.5 and those Trading Participants should not be required to operate in any different way unless required to respond to a direction in accordance with Clauses 6.3 and 6.5.	Scheduled generating units and priority dispatch generating units who that are dispatched shall use reasonable endeavors to reach the target loading level by the end of that dispatch interval and within the generate in accordance with the dispatch schedules communicated pursuant to clause 3.8.1 (g) and in accordance with the dispatch conformance standards specified in clause 3.8.5 and those Trading Participants should not be required to operate in any different way unless required to respond to a direction in accordance with Clauses 6.3 and 6.5	<ul style="list-style-type: none"> • “Reasonable endeavors” is proposed to be used as a standard only for compliance with SO instructions or directives (and not to compliance with dispatch schedules). • Clerical revisions
Dispatch Conformance Standards	3.8.5.1 3.8.5.2 3.8.5.3	<p>3.8.5.1 The Market Operator, in consultation with the System Operator and Trading Participants, shall develop dispatch conformance standards to be set forth in the relevant Market Manual.</p> <p>3.8.5.2 The dispatch conformance standards shall be consistent with the Grid Code and Distribution Code and shall be set for each type of plant.</p> <p>3.8.5.3 The Market Operator, in consultation with the System Operator and</p>	<p>3.8.5.1 The Market Operator, in consultation with the System Operator and Trading Participants, shall develop dispatch conformance standards to be set forth in the relevant Market Manual which shall be consistent with the Grid Code and Distribution Code.</p> <p>3.8.5.2 The dispatch conformance standards shall be consistent with the Grid Code and Distribution Code and shall be set for each type of plant.</p>	<ul style="list-style-type: none"> • Consolidated similar provisions • Deletion of dispatch conformance standards for intending WESM members in Clause 3.8.5.3.b since the use of dispatch standards has not been applied on a per-participant basis. • Added items to be considered in the procedures for

Title	Section	Original Provision (As amended by DC 2016-010-0014)	Proposed Amendment	Rationale
		<p>Trading Participants, shall establish the procedures for the:</p> <p>(a) application of the dispatch conformance standards for registered generating units or scheduled load facilities;</p> <p>(b) development and application of dispatch conformance standards for Intending WESM Members;</p> <p>(c) monitoring and reporting of non-compliances; and</p> <p>(d) events that a facility has been identified to be non-conforming.</p>	<p>3.8.5.33.8.5.2. The Market Operator, in consultation with the System Operator and Trading Participants, shall establish the procedures for the <u>Market Manual in Clause 3.8.5.1 shall set out the following:</u></p> <p>(a) application of the dispatch conformance standards for <u>that will apply to</u> registered generating units or <u>and to</u> scheduled load facilities;</p> <p>(b) development and application of dispatch conformance standards for Intending WESM Members;</p> <p>(eb) <u>Procedures for</u> monitoring and reporting <u>notifying Trading Participants of the</u> non-compliances <u>by their generating units with their dispatch schedules;</u> and</p> <p>(d) events that a facility has been identified to be non-conforming.</p> <p>(c) <u>Procedures for identifying and checking non-conformance with the dispatch conformance standards taking into consideration any ancillary service schedule, ancillary service responses, or emergency directions issued to dispatched Trading Participants.</u></p>	<p>identifying and checking non-conformance with the dispatch conformance standards (Clause 3.8.5.2.c, as revised). Checking for these items are part of the post-processing of the results of dispatch conformance monitoring.</p> <ul style="list-style-type: none"> • Renumbering
Dispatch Conformance Standards	3.8.5.4 3.8.5.5	3.8.5.4 Checking for non-conformance shall take into account any ancillary service schedule, ancillary service	3.8.5.4 Checking for non-conformance shall take into account any ancillary service schedule, ancillary service	<ul style="list-style-type: none"> • Section 3.8.5.4 moved to Section 3.8.5.2.c, as revised

Title	Section	Original Provision (As amended by DC 2016-010-0014)	Proposed Amendment	Rationale
		<p>responses, or emergency directions issued to dispatched <i>Trading Participants</i>, or the operation of a generation unit at its minimum stable level.</p> <p>3.8.5.5 The <i>Market Operator</i> shall implement the procedures in Clauses 3.8.5.1 and 3.8.5.3 through a system to automatically check for non-conformance.</p>	<p>responses, or emergency directions issued to dispatched <i>Trading Participants</i>, or the operation of a generation unit at its minimum stable level.</p> <p>3.8.5.5 The <i>Market Operator</i> shall implement the procedures in Clauses 3.8.5.1 and 3.8.5.3 through a system to automatically check for non-conformance.</p>	<ul style="list-style-type: none"> Section 3.8.5.5 will be provided in the Dispatch Protocol, with additional details on the implementation of the system for automatic checking.
Dispatch Conformance Standards	3.8.5.6 3.8.5.7	<p>3.8.5.6 The Market Operator, in consultation with the System Operator and Trading Participants, shall periodically review the application and the appropriateness of the procedures in clauses 3.8.5.1 and 3.8.5.3.</p> <p>3.8.5.7 The Market Operator shall maintain and publish the dispatch conformance standards in clause 3.8.5.1 and 3.8.5.3.</p>	<p>3.8.5.6 3.8.5.3. The Market Operator, in consultation with the System Operator and the Trading Participants, shall periodically review the application and the appropriateness of dispatch conformance standards and the procedures set out in clauses 3.8.5.1 and 3.8.5.3.</p> <p>3.8.5.7 3.8.5.4. The Market Operator shall maintain and publish the Market Manual setting out the dispatch conformance standards in clause 3.8.5.1 and 3.8.5.3.</p>	<ul style="list-style-type: none"> Clerical revisions Renumbering
Sanctions of Trading Participants	3.8.6	<p>3.8.6.1 Any Trading Participant who consistently fails to use its reasonable endeavors to act in accordance with dispatch schedules issued under Clause 3.8.1(g), dispatch instructions issued by the System Operator, or who breaches the dispatch conformance standards published under clause 3.8.5.7, may be liable of a sanction imposed under Clause 7.2.</p>	<p>3.8.6.1 3.8.6 Any Trading Participant who that (a) does not comply with the dispatch conformance standards or (b) consistently fails to use its reasonable endeavors to act in accordance with dispatch schedules issued under Clause 3.8.1(g), dispatch instructions issued by the System Operator, or who breaches the dispatch conformance standards published under clause 3.8.5.7 comply</p>	<ul style="list-style-type: none"> Clause 3.8.6.2 is already covered by Clause 3.8.6.1 Clerical revision

Title	Section	Original Provision (As amended by DC 2016-010-0014)	Proposed Amendment	Rationale
		<p>3.8.6.2. A <i>Trading Participant</i> that fails to comply with a directive from the <i>System Operator</i> issued under Chapter 6 of these <i>WESM Rules</i>, the relevant <i>Market Manuals</i>, and the <i>Philippine Grid Code</i> in respect to its must dispatch <i>generating unit</i> may be liable for sanctions imposed under Clause 7.2</p>	<p><u>with the dispatch instructions issued by the System Operator under clauses 3.8.3, 6.3 and 6.5</u>, may be liable of a sanction imposed under Clause 7.2.</p> <p>3.8.6.2. A <i>Trading Participant</i> that fails to comply with a directive from the <i>System Operator</i> issued under Chapter 6 of these <i>WESM Rules</i>, the relevant <i>Market Manuals</i>, and the <i>Philippine Grid Code</i> in respect to its must dispatch <i>generating unit</i> may be liable for sanctions imposed under Clause 7.2</p>	
Glossary	Dispatch Conformance Standards	Standards that define whether or not dispatched Trading Participants comply with dispatch schedules and dispatch instructions for energy and reserves in accordance with clause 3.8.5.	Standards that <u>set the criteria and procedures for determining</u> define whether or not dispatched Trading Participants <u>the scheduled generating units and the priority dispatch generating units</u> comply with <u>their</u> dispatch schedules, and dispatch instructions for energy and reserves <u>and which are required to be set out in a <i>Market Manual</i></u> in accordance with clause 3.8.5.	For clarity.

B. Displaced Generating Units

Title	Section	Original Provision (As amended by DC 2016-010-0014 and further amended by RCC Resolution 2016-13)	Proposed Amendment	Rationale
Over-riding Constraints	3.5.13.1	<p style="text-align: center;">xxx</p> <p>The System Operator shall advise the Market Operator of the actions it has taken in relation to the foregoing, including but not limited to information necessary for the proper settlement of affected generating units, and the Market Operator shall publish the said information no later than one (1) week from the relevant trading day. For proper settlement of must-run units and must-stop units, Trading Participants shall review the information and notify the Market Operator of any discrepancies no later than two (2) weeks from the date of publication, otherwise the information contained in the report shall be deemed final for use in the settlement of must-run units and must-stop units.</p>	<p style="text-align: center;">xxx</p> <p>The System Operator shall advise the Market Operator of the actions it has taken in relation to the foregoing, including but not limited to information necessary for the proper settlement of affected generating units, and the Market Operator shall publish the said information no later than one (1) week from the relevant trading day. For proper settlement of must-run units and must-stop units, Trading Participants shall review the information and notify the Market Operator of any discrepancies no later than two (2) weeks from the date of publication, otherwise the information contained in the report shall be deemed final for use in the settlement of must-run units and must-stop units.</p>	<p>Considering the current definition of the Displaced Generators and Must Stop Units and the enhancement to the WESM Design particularly the shorter dispatch interval and the implementation of the reserve market, it will be impractical to implement the mechanism specified in the manual such as identifying Must-Stop Units and Displaced Generators every dispatch interval (5min) Furthermore, the proposed calculation of trading amounts does not consider the imbalance</p>
Settlement Amounts for Trading Participants	3.13.14	<p>3.13.11.3_ The Market Operator shall develop and implement, subject to approval by the ERC, the appropriate pricing and settlement methodology for compensation of trading participants whose generating units are designated as Must-Run Units or identified as Displaced</p>	<p>3.13.11.3 The Market Operator shall develop and implement, subject to approval by the ERC, the appropriate pricing and settlement methodology for compensation of trading participants whose generating units are designated as Must-Run Units or identified as Displaced</p>	<p>(EPETA) which is the basis for the settlement of the Displaced Generator and MSUs.</p>

Title	Section	Original Provision (As amended by DC 2016-010-0014 and further amended by RCC Resolution 2016-13)	Proposed Amendment	Rationale
		Generators, and the corresponding recovery mechanism for the same.	Generators, and the corresponding recovery mechanism for the same.	
Glossary	Displaced Generator	Displaced Generator. A generating unit identified and instructed by the System Operator in an Out of Merit Dispatch to reduce the provision of energy specified in its Real Time Dispatch instruction exclusively caused by excess generation due to non-compliance of generators to dispatch instructions and use of reactive support reserve.	Displaced Generator. A generating unit identified and instructed by the System Operator in an Out of Merit Dispatch to reduce the provision of energy specified in its Real Time Dispatch instruction exclusively caused by excess generation due to non-compliance of generators to dispatch instructions and use of reactive support reserve.	
Glossary	Must-Stop Unit (MSU)	Must- Stop Unit (MSU). A generating unit identified and instructed by the System Operator to reduce the provision of energy due to its non compliance of the Dispatch Schedule to address or prevent possible threat to the System Security requirements of the Grid.	Must- Stop Unit (MSU). A generating unit identified and instructed by the System Operator to reduce the provision of energy due to its non compliance of the Dispatch Schedule to address or prevent possible threat to the System Security requirements of the Grid.	

C. Pricing Error Notice

Title	Section	Original Provision	Proposed Amendment	Rationale
Pricing Error Notice	3.9.6	If, as a result of load shedding, no ex-ante prices can be determined or communicated within the timeframe specified in the timetable, or the calculated prices are believed to be in error, the Market Operator shall, as soon as possible, issue a pricing error notice in accordance with clause 3.10.5.	<p>3.9.6 Pricing Error Notice Prices during Load Shedding</p> <p>If, as As a result of load shedding, automatic pricing re-run shall be done in accordance with Clause 3.6.7 no ex-ante prices can be determined or communicated within the timeframe specified in the timetable, or the calculated prices are believed to be in error, the Market Operator shall, as soon as possible, issue a pricing error notice in accordance with clause 3.10.5.</p>	Consistent with the enhancement that CVCs will be addressed by automatic pricing re-run.
Glossary	Pricing Error Notice	A notice issued in accordance with Clause 3.9.6 advising the market that prices for a particular dispatch interval are unavailable, or invalid.	A notice issued in accordance with Clause 3.9.6 3.10.5 advising the market that prices for a particular dispatch interval are unavailable, or invalid.	Provide the corrected reference clause for PEN.

D. Bilateral Contract Declaration for Reserves

Title	Section	Original Provision	Proposed Amendment	Rationale
Submission of Bilateral Contract Data for Reserves	3.13.2	<p>3.13.2.1 When applicable, Trading Participants who sell reserve capacities pursuant to bilateral contracts with the System Operator, shall submit these bilateral contracts after each trading day, in accordance with the billing and settlements timetable to be accounted for in settlements.</p> <p>3.13.2.2 The System Operator shall also provide information on their contracted reserve capacities to the Market Operator for purposes of validating the capacities identified in Clause 3.13.2.1.</p>	<p>3.13.2.1 When applicable, Trading Participants who sell reserve capacities pursuant to bilateral contracts with the System Operator, shall submit these information on bilateral contracts for reserves after each trading day, in accordance with the billing and settlements timetable to be accounted for in settlements.</p> <p>3.13.2.2 The System Operator shall also provide information on their contracted reserve capacities to the Market Operator for purposes of validating the capacities identified in Clause 3.13.2.1.</p>	Reflect the arrangements to be implemented in the declaration of BCQs for reserves.

E. Merit Order Table

Title	Section	Original Provision	Proposed Amendment	Rationale
Responsibilities of the Market Operator	3.8.1	<p>Prior to commencement of each dispatch interval, the Market Operator shall, in consultation with the System Operator, and in accordance with the timetable prescribed in the relevant Market Manuals:</p> <p>(a) xxx xxx</p> <p>(i) Submit to the System Operator the hour ahead Merit-Order Table ranked from lowest to highest which shall be based on the offers prior the start of a one (1) hour settlement interval.</p> <p>xxx</p>	<p>Prior to commencement of each dispatch interval, the Market Operator shall, in consultation with the System Operator, and in accordance with the timetable prescribed in the relevant Market Manuals:</p> <p>(a) xxx xxx</p> <p>(i) Submit to the System Operator the hour ahead Merit Order Table ranked from lowest to highest which shall be based on the offers prior the start of a one (1) hour settlement dispatch interval.</p> <p>xxx</p>	Reflect the submission of MOT every dispatch interval by the MO to the SO.
Responsibilities of the System Operator	3.8.2	<p>During each five (5) minutes dispatch interval, the System Operator shall use its reasonable endeavors to:</p> <p>(a) xxx</p> <p>(b) Implement the hour ahead Merit-Order Table provided by the Market Operator;</p> <p>xxx</p>	<p>During each five (5) minutes dispatch interval, the System Operator shall use its reasonable endeavors to:</p> <p>(a) xxx</p> <p>(b) Implement the hour ahead Merit-Order Table provided by the Market Operator;</p> <p>xxx</p>	Same above.

F. Forecast Tolerance Range

Title	Section	Original Provision	Proposed Amendment	Rationale
Load Forecasting	3.5.4	<p>Each Customer may submit a forecast in respect of each dispatch interval for each of its registered load facilities for each trading day of the week in accordance with the timetable. The forecast submitted by the Customer shall be used by the Market Operator in the preparation of Net Load Forecast if it is within the forecast tolerance range published by the Market Operator.</p> <p>If the Customer fails to submit a forecast of his load facilities in accordance with the timetable or if the Customer forecast submitted is not within the published forecast tolerance range, the forecast prepared by the Market Operator at the node where the Customer is located shall be used.</p> <p>Prior to the commencement of the spot market, the Market Operator, in consultation with WESM Participants, shall determine and publish the forecast tolerance range. The forecast tolerance range may be varied from time to time by the Market Operator.</p>	<p>Each qualified Customer may submit a forecast in respect of each dispatch interval for each of its registered load facilities for each trading day of the week in accordance with the timetable. The forecast submitted by the Customer shall be used by the Market Operator in the preparation of Net Load Forecast if it is within the forecast tolerance range published by the Market Operator.</p> <p>If the Customer fails to submit a forecast of his load facilities in accordance with the timetable or if the Customer forecast submitted is not within the published forecast tolerance range, the forecast prepared by the Market Operator at the node where the Customer is located shall be used.</p> <p>Prior to the commencement of the spot market, the Market Operator, in consultation with WESM Participants, shall determine and publish the forecast tolerance range. The forecast tolerance range may be varied from time to time by the Market Operator.</p>	<p>Customer forecasts shall be considered as final.</p> <p>Qualified customers are those who are registered to submit customer forecasts.</p>

G. Generation Offers

Title	Section	Original Provision	Proposed Amendment	Rationale
Generation Offer	A.1.1	Generation offers: xxx e. Shall include minimum and maximum up/down ramp rates.	Generation offers: xxx e. Shall include <u>up to five (5) segments of ramp rate profiles for different quantity break-points. The ramp up/down rates shall range from the minimum and to the</u> maximum up/down <u>registered</u> ramp rates.	For clarity based on current practice on the submission of generation offers.

Note: For convenience, please underline and put in bold letters the proposed changes to the WESM Rules.

Action taken:	
Request for comments:	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Request written comments from: <input type="checkbox"/> DRG <input type="checkbox"/> MSC <input type="checkbox"/> PA <input type="checkbox"/> TC <input type="checkbox"/> MO <input type="checkbox"/> ECO <input type="checkbox"/> MAG <input type="checkbox"/> Other PEM Board Committees <input type="checkbox"/> Other Interested Parties
For further review of the Technical Sub-Committee/s:	<input type="checkbox"/> Yes
	Assigned to: <input type="checkbox"/> SO Sub-Committee <input type="checkbox"/> MO Sub-Committee <input type="checkbox"/> Metering Sub-Committee <input type="checkbox"/> Billing and Settlement Sub-Committee <input type="checkbox"/> Legal and Regulatory Sub-Committee
	<input type="checkbox"/> No
For public consultation:	<input type="checkbox"/> Yes <input type="checkbox"/> No
RCC Resolution:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved
RCC Resolution Number:	
Date of Resolution:	
RCC Meeting No.:	
Date of endorsement to the PEM Board:	