



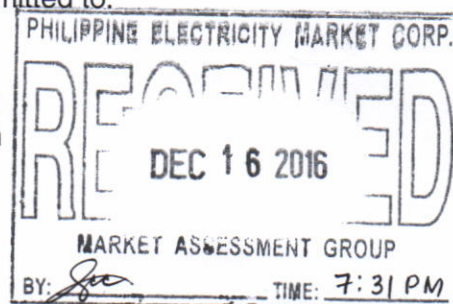
REQUEST FOR AMENDMENTS OR CHANGES TO THE WESM MANUALS

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 address: 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
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Fax. No.	636-0802
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II. WESM Manual Amendments Information

Title of WESM Manual being commented:
Billing and Settlements

Nature of Request (please indicate with x)

☒ Addition ☒ Alteration ☒ Deletion ☒ Clarification ☒ Clerical Correction



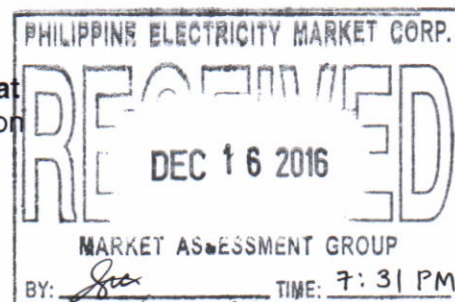
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III. Proposed Amendment

Title	Section	Provision	Proposed Amendment	Rationale
Introduction	1			
Background	1.1	1.1 The WESM Billing and Settlement Manual is one of manuals prepared by the Philippine Electricity Market Corporation (PEMC). This manual focuses on the billing and settlement procedures to be followed by the Market Operator (MO) and Trading Participants (TP) for preparation of settlement statements and settlement of transactions in the Wholesale Electricity Spot Market (WESM).	1.1 This The WESM Billing and Settlement Manual is one of manuals prepared by the Philippine Electricity Market Corporation (PEMC). This manual focuses on the billing and settlement the procedures to be followed by the Market Operator (MO) and Trading Participants (TP) for on the preparation of settlement statements as basis for the and settlement of transactions of Trading Participants in the Wholesale Electricity Spot Market (WESM).	<ul style="list-style-type: none"> • For clarity and consistency to all market manuals • Clerical Correction
Purpose	1.2	1.2 This Manual implements relevant provisions from WESM Rules Sections 3.14 and 3.15. It describes the procedures which the Market Operator and Trading Participants must follow in relation to the settlement process and compliance with the prudential requirements.	1.2 This Market Manual implements relevant provisions from WESM Rules Sections Clauses 3.14 and 3.15. It describes the procedures which the Market Operator and Trading Participants must follow in relation to the settlement process and compliance with the prudential requirements.	For clarity
Scope	1.3	<p>This manual covers the following procedures:</p> <p>1.3.1 Section 3 - Issuance of Settlement Statements in accordance with WESM Rules 3.14.4, 3.14.5, 3.14.8, and 3.14.9;</p> <p>1.3.2 Section 4- Collection and Payment of Settlement Amounts in accordance with WESM Rules 3.14.2, 3.14.3, 3.14.6, 3.14.7, and 3.14.10;</p>	<p>1.3.1 This Market Manual manual covers the following procedures:</p> <p>1.3.1 a. a. Section 3 - Issuance of Settlement Statements in accordance with WESM Rules Clauses 3.14.4, 3.14.5, 3.14.8, and 3.14.9;</p> <p>1.3.2 b. b. Section 4- Collection and Payment of Settlement Amounts in accordance with WESM Rules Clauses</p>	<ul style="list-style-type: none"> • For clarity and consistency to all market manuals • Revised references on the calculation of administered price, net settlement surplus, and compensation for must-run units to Price Determination Methodology Manual.

Title	Section	Provision	Proposed Amendment	Rationale
		<p>1.3.3 Section 5 - Payment Default in accordance with WESM Rules 3.14.11 and 3.14.12;</p> <p>1.3.4 Section 6 - Prudential Requirement in accordance with WESM Rules 3.15; and</p> <p>1.3.5 Section 7 - Suspension and Revocation of Suspension in accordance with WESM Rules 3.14.11.2(b) and 3.15.8.</p> <p>This manual does not cover the following:</p> <p>1.3.6 Calculation of Administered Prices, which is covered in the Administered Price Determination Methodology;</p> <p>1.3.7 Settlement amounts calculation, which is covered in the Price Determination Methodology;</p> <p>1.3.8 Net settlement surplus, which is covered in the Management of Settlement Surplus Manual;</p> <p>1.3.9 Must run unit calculation, which is covered in the Management of Must Run and Must Stop Units Manual;</p>	<p>3.14.2, 3.14.3, 3.14.6, 3.14.7, and 3.14.10;</p> <p>1.3.3 c. Section 5 - Payment Default in accordance with WESM Rules Clauses 3.14.11 and 3.14.12;</p> <p>1.3.4 d. Section 6 - Prudential Requirement in accordance with WESM Rules Clause 3.15; and</p> <p>1.3.5 e. Section 7 - Suspension and Revocation of Suspension in accordance with WESM Rules Clauses 3.14.11.2(b) and 3.15.8.</p> <p>1.3.2 This Market Manual manual does not cover the following processes, which are all provided under the Price Determination Methodology Manual:</p> <p>1.3.6 a. Calculation of administered prices, which is covered in the Administered Price Determination Methodology;</p> <p>1.3.7 b. Settlement amounts calculation, which is covered in the Price Determination Methodology;</p> <p>1.3.8 c. Net settlement surplus, which is covered in the Management of Settlement Surplus Manual; and</p>	

Title	Section	Provision	Proposed Amendment	Rationale
			1.3.9 d. Must run unit calculation, which is covered in the Management of Must Run and Must Stop Units Manual;	
Definitions, References, and Interpretation	2			
Definitions	2.1	NEW	<p><u>2.1.1 Unless otherwise defined or the context implies otherwise, the italicized terms used in this Market Manual shall bear the same meaning as defined in the WESM Rules and other Market Manuals.</u></p> <p><u>2.1.2 The following words and phrases as used in this Market Manual shall have the following meaning –</u></p>	For consistency with the outline/format of other Market Manuals.
Definitions	2.1.1	2.1.1 Actual Exposure. The total amount of obligation that a WESM member is required to pay on due date.	2.1.1 Actual Exposure. The total amount of obligation that a WESM member is required to pay on due date.	Already defined under the WESM Rules
Definitions	2.1.2	2.1.2 Average Actual Market Price. This refers to the ratio of the total spot market payment of a WESM Member, which may include spot market energy and reserve transactions and line rental trading amount for contracted quantities, to the total metered quantities net of bilateral contract quantities for each billing month.	<p>2.1.2 a. Average Actual Market Price. This refers to the ratio of the total spot market payment of a WESM Member, which may include spot market energy and reserve transactions and line rental trading amount for contracted quantities, to the total metered quantities net of bilateral contract quantities for each billing month.</p> <p><u>2.1.2 a. Average Actual Market Price. This refers to the ratio of the total spot market payment of a WESM Member, which may include spot market energy and reserve transactions and line rental trading amount for contracted quantities, to the total metered quantities net of bilateral contract quantities for each billing month.</u></p>	<ul style="list-style-type: none"> • Renumbering • Line Rental is included in the Energy Trading Amount
Definitions	2.1.3	2.1.3 Billing Period. The period of one month commencing at 00:00 hours of the twenty sixth (26th) day of each calendar month to 24:00 hours of the twentyfifth (25th) day of the next calendar month.	2.1.3 Billing Period. The period of one month commencing at 00:00 hours of the twenty sixth (26th) day of each calendar month to 24:00 hours of the twentyfifth (25th) day of the next calendar month.	Already defined under the WESM Rules.

Title	Section	Provision	Proposed Amendment	Rationale
Definitions	2.1.4	2.1.4 Business Day. Any day on which the spot market is open for business.	2.1.4 Business Day. Any day on which the spot market is open for business.	Already defined under the WESM Rules.
Definitions	2.1.5	2.1.5 Credit Support Provider. xxx	2.1.5 b. Credit Support Provider. xxx	Renumbering
Definitions	2.1.6	2.1.6 Default Event. Any one or more of the events listed in WESM Rule 3.14.11.1.	2.1.6 Default Event. Any one or more of the events listed in WESM Rule 3.14.11.1.	Already defined under the WESM Rules.
	2.1.7	2.1.7 Default Interest Rate. An interest rate of three percent (3%) per annum or the approved default interest by the PEM Board, in addition to the Interest Rate, to be applied to the remaining default amount.	2.1.7 Default Interest Rate. An interest rate of three percent (3%) per annum or the approved default interest by the PEM Board, in addition to the Interest Rate, to be applied to the remaining default amount.	
	2.1.8	2.1.8 Default Notice. A notice issued by the Market Operator under WESM Rule 3.14.11.2.	2.1.8 Default Notice. A notice issued by the Market Operator under WESM Rule 3.14.11.2.	
Definitions	2.1.9	2.1.9 EFT Facility. An electronic funds transfer facility.	2.1.9 EFT Facility. An electronic funds transfer facility.	
Definitions	2.1.10	2.1.10 Final Statement. A statement issued by the Market Operator under WESM Rule 3.14.5.	2.1.10 Final Statement. A statement issued by the Market Operator under WESM Rule 3.14.5.	
Definitions	2.1.11	2.1.11 Financial Year. A period referring to calendar year that commences on January 1 and ends on December 31 of the same year.	2.1.11 Financial Year. A period referring to calendar year that commences on January 1 and ends on December 31 of the same year.	
Definitions	2.1.12	2.1.12 Interest Rate. In relation to any period for which an interest rate is to be determined hereunder, a rate per annum equal to the lending rate published by the Bangko Sentral ng Pilipinas (BSP) at the time of payment.	2.1.12 Interest Rate. In relation to any period for which an interest rate is to be determined hereunder, a rate per annum equal to the lending rate published by the Bangko Sentral ng Pilipinas (BSP) at the time of payment.	
Definitions	2.1.13	2.1.13 Intending WESM member. A person who wishes to become a WESM member and who registers with the Market Operator under WESM Rule 2.9.	2.1.13 Intending WESM member. A person who wishes to become a WESM member and who registers with the Market Operator under WESM Rule 2.9.	

Title	Section	Provision	Proposed Amendment	Rationale
Definitions	2.1.14	2.1.14 Margin Call. An amount which the Market Operator calls to be paid by a Trading Participant in accordance with WESM Rule 3.15.10.1 to make up any anticipated shortfall between that Trading Participant's trading limit and the Market Operator's exposure in respect of that Trading Participant.	2.1.14 Margin Call. An amount which the Market Operator calls to be paid by a Trading Participant in accordance with WESM Rule 3.15.10.1 to make up any anticipated shortfall between that Trading Participant's trading limit and the Market Operator's exposure in respect of that Trading Participant.	
Definitions	2.1.15	2.1.15 Market Fees. The charges imposed on all WESM members by the Market Operator to cover the cost of administering and operating the WESM, as approved by the ERC.	2.1.15 Market Fees. The charges imposed on all WESM members by the Market Operator to cover the cost of administering and operating the WESM, as approved by the ERC.	Already defined under the WESM Rules.
Definitions	2.1.16	2.1.16 Market Operator (MO). The entity responsible for the operation of the spot market governed by the PEM Board in accordance with clause 1.4 which, for the avoidance of doubt, is the AGMO for a period of twelve months from the spot market commencement date and thereafter the entity to which the functions, assets and liabilities of the AGMO are transferred in accordance with section 30 of the Act.	2.1.16 Market Operator (MO). The entity responsible for the operation of the spot market governed by the PEM Board in accordance with clause 1.4 which, for the avoidance of doubt, is the AGMO for a period of twelve months from the spot market commencement date and thereafter the entity to which the functions, assets and liabilities of the AGMO are transferred in accordance with section 30 of the Act.	
Definitions	2.1.17	2.1.17 Maximum Exposure (ME). The maximum exposure of a WESM member shall mean the computed average monthly settlement amount of the billing periods covering 26 March through 25 September prior to the end of the Financial Year multiplied by the factor 35/30 and shall set the level of security deposit that a WESM member is required to maintain.	2.1.17 Maximum Exposure (ME). The maximum exposure of a WESM member shall mean the computed average monthly settlement amount of the billing periods covering 26 March through 25 September prior to the end of the Financial Year multiplied by the factor 35/30 and shall set the level of security deposit that a WESM member is required to maintain.	

Title	Section	Provision	Proposed Amendment	Rationale
Definitions	2.1.18	2.1.18 Market Transaction. A sale or purchase of electricity, or other services, made through the spot market.	2.1.18 Market Transaction. A sale or purchase of electricity, or other services, made through the spot market.	
		NEW	<u>c. Marginal cost of congestion. Congestion component of the locational marginal price as defined under Section 4.10.1 of the Price Determination Methodology</u>	Added definition in relation to the segregation of line rental trading amounts under Section 9.
		NEW	<u>d. Marginal cost of losses. Losses component of the locational marginal price as defined under Section 4.10.1 of the Price Determination Methodology</u>	Added definition in relation to the segregation of line rental trading amounts under Section 9.
Definitions	2.1.19	2.1.19 Non-Working Day. A day which is not a Working day (Weekends and holidays).	2.1.19 Non-Working Day. A day which is not a Working day (Weekends and holidays).	Already defined under the WESM Rules.
Definitions	2.1.20	2.1.20 Preliminary Statement. xxx	2.1.20 e. Preliminary Statement. xxx	Renumbering
Definitions	2.1.21	2.1.21 Publish, Publication. To make available information.	2.1.21 Publish, Publication. To make available information.	Already defined under the WESM Rules.
Definitions	2.1.22	2.1.22 Settlement. xxx	2.1.22 f. Settlement. xxx	Renumbering
Definitions	2.1.23	2.1.23 Settlement Amount. The amount payable by or to a Trading Participant, or Network Service Provider, in respect of a billing period as determined by the Market Operator under WESM Rule 3.13.14 or WESM Rule 3.13.15.	2.1.23 Settlement Amount. The amount payable by or to a Trading Participant, or Network Service Provider, in respect of a billing period as determined by the Market Operator under WESM Rule 3.13.14 or WESM Rule 3.13.15.	Already defined under the WESM Rules.
Definitions	2.1.24	2.1.24 Settlement Statements. xxx	2.1.24 g. Settlement Statements. xxx	Renumbering
Definitions	2.1.25	2.1.25 Spot market. Has the same meaning as the WESM.	2.1.25 Spot market. Has the same meaning as the WESM.	Already defined under the WESM Rules.
Definitions	2.1.26	2.1.26 Suspension Notice. A notice issued by the Market Operator under WESM Rule 3.15.8.	2.1.26 Suspension Notice. A notice issued by the Market Operator under WESM Rule 3.15.8.	
Definitions	2.1.27	2.1.27 Trading Limit. In respect of a Trading Participant at any time means the last trading limit set by the Market	2.1.27 Trading Limit. In respect of a Trading Participant at any time means the last trading limit set by the Market	

Title	Section	Provision	Proposed Amendment	Rationale
		Operator for the Trading Participant under WESM Rule 3.15.9.	Operator for the Trading Participant under WESM Rule 3.15.9.	Already defined under the WESM Rules.
Definitions	2.1.28	2.1.28 Trading Participant. A Customer or Generation Company.	2.1.28 Trading Participant. A Customer or Generation Company.	
Definitions	2.1.29	2.1.29 WESM member. A person who is registered with the Market Operator in accordance with WESM Rules 2.3 and 2.4 of the WESM Rules.	2.1.29 WESM member. A person who is registered with the Market Operator in accordance with WESM Rules 2.3 and 2.4 of the WESM Rules.	
Definitions	2.1.30	2.1.30 WESM Rules. The detailed rules that govern the administration and operation of the WESM.	2.1.30 WESM Rules. The detailed rules that govern the administration and operation of the WESM.	
Definitions	2.1.31	2.1.31 Wholesale Electricity Spot Market ("WESM"). The electricity market established by the DOE in accordance with the Act.	2.1.31 Wholesale Electricity Spot Market ("WESM"). The electricity market established by the DOE in accordance with the Act.	
Definitions	2.1.32	2.1.32 Working Day. A day (excluding Saturdays and Sundays) on which banks and financial institutions are open in the city or municipality where the principal offices of the Market Operator are located.	2.1.32 Working Day. A day (excluding Saturdays and Sundays) on which banks and financial institutions are open in the city or municipality where the principal offices of the Market Operator are located.	
		NEW	<u>2.2 References</u> <u>This Market Manual shall be read in association with the WESM Rules and other relevant Market Manuals.</u>	For consistency with the outline/format and interpretation of other Market Manuals.
		NEW	<u>2.3 Interpretation</u> <u>2.3.1 Any reference to a clause in any section of this Market Manual shall refer to the particular clause of the same section in which the reference is made, unless otherwise specified or the context provides otherwise.</u>	

Title	Section	Provision	Proposed Amendment	Rationale
			2.3.2 Standards and policies appended to, or referenced in, this Market Manual shall provide a supporting framework.	
Responsibilities	3			
Market Operator	3.1.1	3.1.1 The Market Operator (MO) shall be responsible for complying with the requirements set forth in this Manual and in the WESM Rules, as follows: xxx	3.1.1-The Market Operator (MO) shall be responsible for complying with the requirements set forth in this Market Manual and in the WESM Rules, as follows: xxx	For clarity
Trading Participants	3.2	Trading Participants (TP)	Trading Participants (TP)	Clerical Correction
Trading Participants	3.2.1	3.2.1 The Trading Participants (TP) shall be responsible for complying with the requirements set forth in this Manual and in the WESM Rules, as follows: a) Retrieve and review settlement statement files and supporting data issued by MO. The Trading Participants shall notify MO if files are not accessible or received within the timetable and if there are discrepancies or errors; xxx	3.2.1 The Trading Participants (TP) shall be responsible for complying with the requirements set forth in this Market Manual and in the WESM Rules, as follows: a) Retrieve and review settlement statement files and supporting data issued by MO the Market Operator . The Trading Participants shall notify MO the Market Operator if files are not accessible or received within the timetable and if there are discrepancies or errors; xxx	For clarity; Clerical Correction
Settlement Statements	4			
Settlement Quantity and Amounts	4.1	a) The settlement quantity billed to each Trading Participant is in accordance to WESM Rules 3.13.5, 3.13.6 and	a) The settlement quantity billed to each Trading Participant is in accordance to WESM Rules Clauses 3.13.5, and	<ul style="list-style-type: none"> • For Clarity • Added provisions on the reserve cost recovery charges and transmission

Title	Section	Provision	Proposed Amendment	Rationale
		<p>3.13.7 (with adjustments on Bilateral Quantities).</p> <p>b) The settlement amounts billed to each Trading Participant is in accordance to WESM Rules 3.13.14 and WESM Rules 3.13.17 (with adjustments on bilateral).</p> <p>c) For Settlement of Trading Participants with Bilateral contracts: For each billing period, the Market Operator shall determine the settlement amount for each trading participant with bilateral contract as the sum of the aggregate trading amounts for the trading intervals in that billing period, determined in accordance with WESM Rules 3.13.17.2 plus:</p> <p>i. Any amount payable by the Market Operator to that Trading Participant in respect of that billing period and not accounted for in WESM Rules 3.13.17.2, including payment for any ancillary services purchased on behalf of the System operator, less the sum of</p> <p>ii. Any market fees which that Trading Participant is required to pay in respect of that billing period as determined in accordance with WESM Rules 2.10; plus</p>	<p>3.13.6 and 3.13.7 (with adjustments on Bilateral Quantities).</p> <p>b) The settlement amounts trading amount billed to each Trading Participant is in accordance to WESM Rules 3.13.14 and WESM Rules Clauses 3.13.17 (with adjustments on bilateral) and 3.13.18.</p> <p>c) The reserve cost recovery charge billed to each Trading Participant is in accordance to WESM Rules Clause 3.13.9. For Settlement of Trading Participants with Bilateral contracts: For each billing period, the Market Operator shall determine the settlement amount for each trading participant with bilateral contract as the sum of the aggregate trading amounts for the trading intervals in that billing period, determined in accordance with WESM Rules 3.13.17.2 plus:</p> <p>i. Any amount payable by the Market Operator to that Trading Participant in respect of that billing period and not accounted for in WESM Rules 3.13.17.2, including payment for any ancillary services purchased on behalf of the System operator, less the sum of</p>	<p>rights trading amount to be billed to Trading Participants, as applicable</p> <ul style="list-style-type: none"> Line rental is included in the energy trading amount and line rental trading amounts are determined for informational purposes only

Title	Section	Provision	Proposed Amendment	Rationale
		<p>iii. Any other amounts payable by that Trading Participant to the Market Operator in respect of that billing period, including any ancillary services recovery charges.</p> <p>d) The aggregate trading amount for a Trading Participant for a trading interval equals the sum of:</p> <p>i. The ex-ante energy trading amounts for each market trading node for which the Trading Participants is responsible calculated in accordance with WESM Rules 3.13.7 and 3.13.8 (which will typically be positive for a Generation Company and negative for a Customer); plus</p> <p>ii. The ex-post energy trading amounts for each market trading node for which the Trading Participant is responsible calculated in</p>	<p>ii. Any market fees which that Trading Participant is required to pay in respect of that billing period as determined in accordance with WESM Rules 2.10; plus</p> <p>iii. Any other amounts payable by that Trading Participant to the Market Operator in respect of that billing period, including any ancillary services recovery charges.</p> <p><u>d) The transmission rights trading amount billed to each Trading Participant is in accordance to WESM Rules Clause 3.13.10.</u></p> <p><u>de)</u> The aggregate trading amount for a Trading Participant for a trading <u>settlement</u> interval equals the sum of:</p> <p>i. The ex-ante energy trading amounts for each market trading node for which the Trading Participants is responsible calculated in accordance with WESM Rules <u>Clause</u> 3.13.7 and 3.13.8 (which will typically be positive for a Generation Company and negative for a Customer); plus</p> <p>ii. The ex-post energy trading amounts for each market trading node for which the Trading Participant is responsible calculated in accordance with WESM Rules</p>	<ul style="list-style-type: none"> • Renaming of “trading interval” to “settlement interval” in accordance with DOE DC 2016-010-0014. • Global change in deleting provisions related to “ex-post” trading amounts in accordance with DOE DC 2015-010-0015, which provides ex-ante only pricing and settlements in the WESM

Title	Section	Provision	Proposed Amendment	Rationale
		<p>accordance with WESM Rules 3.13.7 and 3.13.9 (which will typically be positive or negative for any Trading Participant); plus</p> <p>iii. The line rental trading amount corresponding to the quantity of bilateral contract of that Trading Participant calculated in accordance with WESM Rules 3.13.12; plus</p> <p>iv. The reserve trading amounts for each reserve region into which that Trading Participant contributes reserve calculated in accordance with WESM Rules 3.13.10 (which will always be positive for both Generation Companies and Customers); plus</p> <p>v. The transmission right trading amounts for each transmission right held by the WESM Participant calculated in accordance with WESM Rules 3.13.13 (which will always be positive for both Generation Companies and Customers) plus</p> <p>vi. The reserve cost recovery charge determined for that Trading Participant with respect to any reserve cost recovery zone within which it has any facility connected calculated in accordance with the procedures developed under WESM</p>	<p>3.13.7 and 3.13.9 (which will typically be positive or negative for any Trading Participant); plus</p> <p>iii. The line rental trading amount corresponding to the quantity of bilateral contract of that Trading Participant calculated in accordance with WESM Rules 3.13.12; plus</p> <p>iv ii. The reserve trading amounts for each reserve region into which that Trading Participant contributes reserve calculated in accordance with WESM Rules Clause 3.13.9 3.13.10 (which will always be positive for both Generation Companies and Customers); plus</p> <p>v. The transmission right trading amounts for each transmission right held by the WESM Participant calculated in accordance with WESM Rules Clause 3.13.10 3.13.13 (which will always be positive for both Generation Companies and Customers) plus</p> <p>vi. The reserve cost recovery charge determined for that Trading Participant with respect to any reserve cost recovery zone within which it has any facility connected calculated in accordance with the procedures developed under WESM</p>	<ul style="list-style-type: none"> • Updated references to the WESM Rules, as revised by DOE DC 2016-010-0014.

Title	Section	Provision	Proposed Amendment	Rationale
		<p>Rules 3.3.4 (which will be positive for any Trading Participant); and</p> <p>vii. Any other ancillary service cost recovery charges determined for that Trading Participant in accordance with the procedures developed under WESM Rules 3.3.4.</p>	<p>Rules Clause 3.3.5 3.3.4 (which will be positive for any Trading Participant); and</p> <p>vii. Any other ancillary service cost recovery charges determined for that Trading Participant in accordance with the procedures developed under WESM Rules Clause 3.3.5 3.3.4.</p> <p><u>f.) For each billing period, the Market Operator shall determine the settlement amount for each Trading Participant as the sum of the aggregate trading amounts for the settlement intervals in that billing period, determined in accordance with WESM Rules 3.13.11.2 plus:</u></p> <p><u>i. Any amount payable by the Market Operator to that Trading Participant in respect of that billing period and not accounted for in WESM Rules 3.13.11.2, including payment for any ancillary services purchased on behalf of the System operator, less the sum of</u></p> <p><u>ii. Any market fees which that Trading Participant is required to pay in respect of that billing period as determined in</u></p>	<ul style="list-style-type: none"> • Updated references to the WESM Rules, as revised by DOE DC 2016-010-0014. • Added the provisions on the determination of settlement amounts for each billing period in accordance with WESM Rules 3.13.11.

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>accordance with WESM Rules 2.10; plus</u></p> <p><u>iii. Any other amounts payable by that Trading Participant to the Market Operator in respect of that billing period, including any reserves recovery charges.</u></p>	
	4.1.2	<p>Net Settlement Surplus. If the transactions indicated in this document, clause 4.1.1, in aggregate, results in a surplus or deficit remaining, this will be known as the net settlement surplus. This may be retained by the Market Operator, to fund deficit as a result of transactions required in WESM Rules 3.13.14, or may be flowed back to the Market Participants in accordance with the procedures to be developed under WESM Rules 3.13.16.3, or may be used by the Market Operator to establish and support the market for Financial Transmission Rights subject to the approval of the PEM Board;</p>	<p>Net Settlement Surplus. If the transactions indicated in this document, <u>Section 4.1.1</u>, in aggregate, results in a surplus or deficit remaining, this will be known as the net settlement surplus. This may be retained by the Market Operator, to fund deficit as a result of transactions required in WESM Rules Clause 3.13.11 <u>Clause 3.13.12.3</u>, or may be flowed back to the Market Participants in accordance with the procedures to be developed under WESM Rules 3.13.16.3, or may be used by the Market Operator to establish and support the market for Financial Transmission Rights subject to the approval of the PEM Board;.</p>	<ul style="list-style-type: none"> • For Clarity • Updated references to the WESM Rules as revised by DOE DC 2016-010-0014.
	4.1.3	<p>Price Substitution Adjustments. When network congestion due to Price Substitution Methodology arises for a particular billing period, the trading intervals of the affected billing period shall be settled in reference to Section 5 of the Market Manual of Methodology for Determining Pricing Errors and Price Substitution (WESM-MDPEPS-004).</p>	<p>Price Substitution Adjustments. When network congestion due to Price Substitution Methodology arises for a particular billing period, the trading intervals of the affected billing period shall be settled in reference to Section 5 of the Market Manual of Methodology for Determining Pricing Errors and Price Substitution (WESM-MDPEPS-004).</p>	<p>For deletion in accordance with the revised PDM as approved by the PEM Board on 29 November 2016</p>

Title	Section	Provision	Proposed Amendment	Rationale
	4.1.4	4.1.4 Must Run Adjustment. In a particular billing period where a must run generating unit was implemented for a trading interval, the settlement for the Trading Participant of the generating unit for the affected trading interval shall be in accordance to Section 9 of the Market Manual of Management of Must-Run Units (WESM-MRU-004).	4.1.4 4.1.3 Must Run Adjustment. In a particular billing period where a must-run generating unit was implemented for a trading dispatch interval, the settlement for the Trading Participant of the generating unit for the affected trading interval shall be in accordance to <u>the relevant market price under the Price Determination Methodology Manual and Section 9 10 of this Market Manual</u> the Market Manual of Management of Must-Run Units (WESM-MRU-004).	<ul style="list-style-type: none"> • In accordance with the revised PDM, which was approved by the PEM Board on 29 November 2016, MRUs shall be paid at market price and may file for additional compensation in accordance with Section 10. • Renaming of “trading interval” to “dispatch interval” in accordance with the designation of MRUs every dispatch interval under the proposed Dispatch Protocol. Note that the MRU manual is deemed superseded with provisions on the criteria and implementation of MRUs transferred in the Dispatch Protocol, while compensation is provided under the Price Determination Methodology Manual and this Market Manual.
	4.1.5	4.1.5 The settlement data that are being transmitted to the Trading Participants along with the WESM Energy Bill and Market Fee Bill includes the Ex-Ante energy trading amounts, Ex-Post Energy Trading Amounts, Ex-Ante Quantity and Prices, Ex-Post Prices, Meter Quantity	4.1.5 The settlement data that are being transmitted to the Trading Participants along with the WESM Energy Bill and Market Fee Bill <u>preliminary and final statements including the market fee statements which</u> includes the Ex-Ante	<ul style="list-style-type: none"> • For clarity • Deletion of Ex Post and introduction of new terms based on the revised PDM as approved by the PEM Board on 29 November 2016

Title	Section	Provision	Proposed Amendment	Rationale
		Data, line rental trading amount of participants with bilateral contract quantity and each of the participants bilateral contract quantity. These set of information are being transmitted to the Trading Participants via email and CD copy mailed along with the Participant's Energy Bill.	energy trading amounts, Ex-Post Energy Trading Amounts, Ex-Ante Quantity and Prices, Ex-Post Prices, Meter Quantity Data <u>final nodal energy dispatch prices, energy settlement quantity</u> , line rental trading amount of participants with bilateral contract quantity and each of the participants' bilateral contract quantity, <u>reserve trading amount, reserve recovery amount, net settlement surplus rebated, and line loss and congestion charges</u> . These set of information are being transmitted to the Trading Participants via email and CD copy mailed along with the Participant's Energy Bill <u>Statements</u> .	
		NEW	<u>9 Bilateral Contract Declaration</u>	
		NEW	<u>9.1 Declaration for Energy Transactions</u>	Adopted RCC-approved proposal under RCC Resolution No. 2016-14, approving proposed amendments to the WESM Rules relative to Bilateral Contract Declaration and Line Rental Calculation. Details of which are provided under ORCP-WM-16-24 (Proposed Changes to WESM Registration, and Billing and Settlements Manuals)
		NEW	<u>9.1.1 Trading Participants who will sell electricity pursuant to bilateral contracts during a dispatch interval and wish those bilateral contracts to be accounted for in settlements may</u>	<ul style="list-style-type: none"> Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.

Title	Section	Provision	Proposed Amendment	Rationale
			<u>declare to the Market Operator bilateral contract data up to the end of the following trading day.</u>	<ul style="list-style-type: none"> Replaced “trading interval” with “dispatch interval” in accordance with the revised settlements under the revised PDM as approved by the PEM Board on 29 November 2016
		NEW	<p><u>9.1.2 To be valid, bilateral contract declarations submitted by a Trading Participant shall include:</u></p> <p><u>a. market trading node from the identified market trading nodes during the enrolment of the supply contract designated as the source of the supply from the selling Trading Participant;</u></p> <p><u>b. the Trading Participant who will buy the declared volume pursuant to their bilateral contract;</u></p> <p><u>c. market trading node from the identified market trading nodes during the enrolment of the supply contract and whose final nodal energy dispatch price will be used as reference during settlements; and</u></p> <p><u>d. bilateral contract quantity in MWh for each dispatch interval for that trading day.</u></p>	
		NEW	<u>9.1.3 Bilateral contract declarations may include the market trading node from the identified market trading nodes during the enrolment of the supply contract designated as the</u>	<ul style="list-style-type: none"> Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.

Title	Section	Provision	Proposed Amendment	Rationale
			<u>withdrawal point of the buying Trading Participant.</u>	
		NEW	<u>9.1.4 Bilateral contract declarations submitted by a Trading Participant should be covered by a supply contract enrolled by the Trading Participant to the Market Operator in accordance with the relevant Market Manual.</u>	
		NEW	<u>9.1.5 The Market Operator shall immediately send to each Trading Participant with whom it has received a valid bilateral contract declaration an electronic confirmation of receipt of that bilateral contract declaration.</u>	
		NEW	<u>9.1.6 If the supply contract covering the bilateral contract declaration was enrolled to require confirmation from the buying Trading Participant, the valid bilateral contract declaration shall be accounted for during settlements only upon confirmation by the buying Trading Participant in accordance with Section 9.2.</u>	<ul style="list-style-type: none"> • Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.
		NEW	<u>9.1.7 If the supply contract covering the bilateral contract declaration was enrolled to not require confirmation from the buying Trading Participant, the valid bilateral contract declaration shall be accounted for during settlements unless nullified by the buying Trading Participant in accordance with Section 9.2.</u>	

Title	Section	Provision	Proposed Amendment	Rationale
		NEW	<u>9.1.8 If the bilateral contract declaration is invalid, the Market Operator shall promptly inform the Trading Participant and such bilateral contract declaration shall not be accounted for in settlements.</u>	
		NEW	<u>9.2 Confirmation and Nullification for Energy Transactions</u>	
		NEW	<u>9.2.1 In order to be accounted for during settlements, valid bilateral contract declarations covered by supply contracts enrolled to require confirmation submitted by a Trading Participant should be confirmed by the buying Trading Participant to the Market Operator one day after each trading day.</u>	
		NEW	<u>9.2.2 Valid bilateral contract declarations covered by supply contracts enrolled to not require confirmation submitted by a Trading Participant shall be accounted for during settlements unless the buying Trading Participant submits to the Market Operator a notice of nullification one day after each trading day.</u>	<ul style="list-style-type: none"> Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.
		NEW	<u>9.2.3 The Market Operator shall immediately send to each buying Trading Participant with whom it has received a confirmation or notice of nullification an electronic confirmation of receipt of that confirmation or notice of nullification.</u>	

Title	Section	Provision	Proposed Amendment	Rationale
		NEW	<u>9.2.4 Upon receipt of a confirmation or notice of nullification, the Market Operator shall immediately notify the relevant selling Trading Participant to the supply contract that the valid bilateral contract declaration has been confirmed or nullified.</u>	
		NEW	<u>9.2.5 At the end of each trading day, the Market Operator shall notify all buying and selling Trading Participants, whose supply contract was enrolled to require confirmation and whose valid bilateral contract declarations was not confirmed, that their bilateral contract declarations shall not be accounted for during settlements.</u>	
		NEW	<u>9.2.6 At the end of each trading day, the Market Operator shall notify all buying and selling Trading Participants, whose supply contract was enrolled to not require confirmation and whose valid bilateral contract declarations was not nullified, that their bilateral contract declarations shall be accounted for during settlements.</u>	<ul style="list-style-type: none"> • Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.
		NEW	<u>Line Rental Calculation for Energy Transactions</u>	
		NEW	<u>9.3.1 WESM Rules Clause 3.13.7.2 provides that the Market Operator shall calculate line rental trading amounts for each bilateral contract</u>	

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>quantity declaration, for informational purposes.</u></p> <p><u>9.3.2 For the purpose of calculating line rental trading amounts, bilateral contract quantities declared for buying trading participants shall be:</u></p> <p><u>a. if available, assigned to each of its market trading nodes as identified in Section 9.1.3; or</u></p> <p><u>b. pro-rated to each of its market trading node based on metered quantities.</u></p>	
		NEW	<p><u>9.3.3 For a selling Trading Participant, the line rental trading amount associated with a bilateral contract declaration shall be equal to the bilateral contract quantity multiplied by the difference of the final energy dispatch price at the market trading node identified under Section 9.1.2(a) and the final energy dispatch price at the market trading node identified under Section 9.1.2(c).</u></p>	<ul style="list-style-type: none"> Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.
		NEW	<p><u>9.3.4 For a buying Trading Participant, the line rental trading amount associated with a bilateral contract declaration shall be equal to the sum of the line rental trading amounts calculated for each of its market trading nodes. The line rental trading amount for each market trading node of a buying Trading</u></p>	

Title	Section	Provision	Proposed Amendment	Rationale
			<u>Participant is equal to the bilateral contract quantity or, if applicable, the pro-rated bilateral contract quantity calculated under Section 9.4.3 of the market trading nodes multiplied by the difference of the final energy dispatch price at that market trading node and the final energy dispatch price at the market trading node identified under Section 9.1.2(c).</u>	
		NEW	<p><u>9.3.5 The line rental trading amount associated with each bilateral contract declaration of a Trading Participant may be segregated into:</u></p> <p><u>a. the line rental trading amount attributable to losses calculated by applying the same formula in Sections 10.1.3 and 10.1.4 but only using the marginal cost of losses component of the final energy dispatch prices in place of the final energy dispatch prices; and</u></p> <p><u>b. the line rental trading amount attributable to congestion calculated by applying the same formula in Section 10.1.3 and 10.1.4 but only using the marginal cost of congestion component of the final energy dispatch prices in place of the final energy dispatch prices.</u></p>	<ul style="list-style-type: none"> • Adopted RCC-approved proposal under RCC Resolution No. 2016-14 and ORCP-WM-16-24.

Title	Section	Provision	Proposed Amendment	Rationale
		NEW	<u>9.3.6 Line rental trading amounts segregated into the amounts attributable to the cost of losses and of congestion shall be calculated by the Market Operator and included in the settlement statements of Trading Participants. Additional information to validate segregated line rental trading amounts may be provided by the Market Operator subject to the pertinent provisions of the WESM Rules and the relevant Market Manual.</u>	
		NEW	<u>9.4 Declaration for Reserve Transactions</u>	<ul style="list-style-type: none"> Added provisions for submission of reserve BCQ by the System Operator
		NEW	<u>9.4.1 The System Operator shall submit to the Market Operator the following information on bilateral contracts for reserves up to the end of the following trading day:</u> <u>a. Trading Participant who provides the ancillary service</u> <u>b. Reserve bilateral contract quantity</u> <u>c. Reserve category</u>	
		NEW	<u>9.4.2 The Market Operator shall confirm the receipt of reserve bilateral contract quantity declaration.</u>	
		NEW	<u>10. Filing of Claims for Additional Compensation</u>	
		NEW	<u>10.1. Criteria for Additional Compensation</u>	<ul style="list-style-type: none"> Added provision on the additional compensation for MRUs and during

Title	Section	Provision	Proposed Amendment	Rationale
			<p><u>In accordance with Section 8.3.3 of the Price Determination Methodology Manual, Trading Participants may be entitled to additional compensation when the cost incurred in complying with the dispatch instruction are not sufficiently covered by the trading amounts related to settlement intervals with dispatch intervals under any of the following conditions:</u></p> <p><u>a. Market suspension or Market intervention; or</u></p> <p><u>b. When a trading participant is designated as must-run unit or out of merit dispatch.</u></p>	<p>intervals under MI/MS in accordance with the revised PDM as approved by the PEM Board on 29 November 2016</p> <ul style="list-style-type: none"> • Adopted RCC-approved proposal under RCC Resolution No. 2016-08
		NEW	<u>10.2. Filing of Claims</u>	<ul style="list-style-type: none"> • Added provision on the additional compensation for MRUs and during intervals under MI/MS in accordance with the revised PDM as approved by the PEM Board on 29 November 2016
		NEW	<p><u>10.2.1 Trading participants shall submit the written claim for additional compensation within the allowable timeframe, as follows:</u></p> <p><u>a. Market suspension or market intervention – fourteen (14) working days after the resumption of the market; and</u></p> <p><u>b. Must-run unit or out of merit dispatch – within one (1) year after the trading participant was designated as MRU or out of merit dispatch</u></p> <p><u>Any claims not filed within such period shall be deemed waived.</u></p>	<ul style="list-style-type: none"> • Added provision on the additional compensation for MRUs and during intervals under MI/MS in accordance with the revised PDM as approved by the PEM Board on 29 November 2016 • Adopted RCC-approved proposal under RCC Resolution No. 2016-08

Title	Section	Provision	Proposed Amendment	Rationale
		NEW	<p><u>10.2.2 Trading Participants shall submit sufficient proof regarding the costs incurred, which are limited to fuel cost and variable operating and maintenance costs, which may include start-up and shut down cost. Below is the non-exhaustive list of requirement documents in filing claims for additional compensation:</u></p> <p><u>a. Certified correct Fuel Consumption and Inventory Report;</u> <u>b. Purchase Invoices, Official Receipts and other supporting documents; and</u> <u>c. ERC approved rate or List of Variable Operation and Maintenance Costs supported by photocopies of invoices/receipts.</u></p>	
		NEW	<u>10.2.3 The Market Operator shall determine validity of the costs incurred based on the aforementioned supporting documents.</u>	<ul style="list-style-type: none"> Added provision on the additional compensation for MRUs and during intervals under MI/MS in accordance with the revised PDM as approved by the PEM Board on 29 November 2016 Adopted RCC-approved proposal under RCC Resolution No. 2016-08
		NEW	<u>10.2.4 The Market Operator shall inform the requesting Trading Participant of the approval or disapproval of the claim within fourteen (14) working days from receipt of the complete documents from the Trading Participant. Any claim not decided within fourteen (14) working days shall be deemed approved and shall be allocated and</u>	

Title	Section	Provision	Proposed Amendment		Rationale
			<u>billed immediately in the succeeding billing period.</u>		
Amendments, Publication and Effectivity	9	9 Amendments, Publication and Effectivity	9 11 Amendments, Publication and Effectivity		
Amendments	9.1.1	9.1.1 Amendments Any amendment to this Manual shall be approved by the PEM Board.	9.1.1 11.1 Amendments <u>11.1.1 The Market Operator shall review and update this Market Manual on rules change process.</u> <u>11.1.2 Any amendment or revision to this Market Manual shall be approved by the PEM Board in accordance with Chapter 8 of the WESM Rules and corresponding Market Manual on rules change process.</u>		<ul style="list-style-type: none"> • Revised for consistency with the DOE's approval of changes to Market Manuals • Clerical Correction • Renumbering
Publication and Effectivity	9.1.2	9.1.2 Publication and Effectivity Upon approval by the PEM Board, this Manual shall take effect immediately or on such later date as the PEM Board determines, in accordance with the provisions in the Manual of Procedures for Changes to the WESM Rules.	9.1.2 11.2 Publication and Effectivity Upon approval by the PEM Board, this Manual shall take effect immediately or on such later date as the PEM Board determines, <u>The publication and effectivity of this Market Manual shall take be</u> in accordance with the provisions in the <u>Chapter 8 of the WESM Rules and corresponding Market Manual of Procedures for Changes to the WESM Rules on rules change process.</u>		<ul style="list-style-type: none"> • Revised for consistency with the DOE's approval of changes to Market Manuals • Clerical Correction • Renumbering
Appendix	10				
Billing and Settlement Timetable	Appendix A	NEW	PROCEDURES Declaration of Bilateral Contract	TIMETABLE Within one (1) day following the trading day	Added timelines in accordance with the proposed changes in Sections 9 and 10

Title	Section	Provision	Proposed Amendment		Rationale
			Quantities for Energy and Reserves		
			Filing of Claims for Additional Compensation	a. Market suspension or market intervention – fourteen (14) working days two billing periods after the resumption of the market; and b. Must-run unit or out of merit dispatch – within one (1) year after the trading participant was designated as MRU or out of merit dispatch	

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

IV. Proposed Scheme to Monitor the Effectiveness of the Proposed Changes to the WESM Manual

V. Referral

MAG Date Received: DEC 16 2016 *see* 7:31 PM

Proposed Amendment: ☐ Urgent ☐ Minor ☒ General

A. For Urgent Amendment (For the use of PEMC President only)

Date Referred to PEMC President	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Certifies as urgent	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Convene the RCC within 48 hrs.		
Remarks:		

B. For Minor and General Amendment (For the use of RCC only)

Date Referred to RCC:	
Remarks:	
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"/> MO <input type="checkbox"/> ECO <input type="checkbox"/> RCC <input type="checkbox"/> TC <input type="checkbox"/> Other PEM Board Committees <input type="checkbox"/> Other Interested Parties
For further review of the Technical Sub-Committee:	<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 No.:	
Date of Resolution:	
RCC Meeting No.	
Date of endorsement to the PEM Board:	