

**MINUTES OF THE 93rd MEETING OF THE RULES CHANGE COMMITTEE  
Regular Meeting No. 2014-12**

**Meeting Date & Time:** 01 October 2014

**Meeting Venue:** 9th Floor PEMC Training Rooms 2&3

**Attendance List**

In-Attendance	Not In-Attendance
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<p><b>Committee Members:</b>            Rowena Cristina L. Guevara --Chairperson/            Independent            Maila Lourdes G. De Castro --Independent            Francisco L. R. Castro, Jr. --Independent            Concepcion I. Tanglao --Independent            Joselyn D. Carabuena --Generation -- PSALM            Jose Ferlino P. Raymundo --Generation -- SMC            Global            Theo Cruz Sunico -- Generation -- 1590 EC            Lorreto H. Rivera --Supply --TPEC            Ciprinilo C. Meneses --Distribution, MERALCO            Jose P. Santos --Distribution --INEC            Isidro E. Cacho, Jr. -- Market Operator --PEMC</p> <p><b>Alternate Members:</b></p>	<p>Sulpicio C. Lagarde, Jr. --Distribution --            CENECO            Gilbert A. Pagobo -- Distribution --            MECO            Ambrocio R. Rosales --System            Operator --NGCP</p>
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**PEMC – Market Assessment Group (MAG):**  
 Elaine D. Gonzales  
 Geraldine A. Rodriguez  
 Romellen C. Salazar  
 Hiyasminh Aleia D. Dagum  
 Dece Marwil M. Bongcawel

**Others: (MO/ SO/ DOE/ ERC Representatives):**  
 Nelson Canlas - ERC  
 Lorelie B Moya - DOE  
 Renato B. Afurong - PEMC-BSMD  
 John Paul S. Grayda - PEMC-BSMD  
 Jordan Orillaza - WESM TC  
 Joebet Del Rosario - MERALCO  
 Melchor Luber - MERALCO  
 Edgar Vargas - MERALCO  
 Rommel Yap - MERALCO  
 Albert Cancino - MERALCO  
 Rienzi Zano - SNAP

There being a quorum, Chairperson Dr. Rowena Cristina L. Guevara called the meeting to order at around 9:00 AM.

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1 **I. AGENDA:**  
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3 The Proposed Agenda for the 93rd RCC Meeting was approved as amended.  
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6 **II. REVIEW, CORRECTION AND APPROVAL OF THE MINUTES OF THE 91st and**  
7 **92nd RCC MEETING**  
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9 The RCC reviewed the Minutes of the 91st and 92nd RCC Meetings. The Minutes of the  
10 91st and 92nd RCC Meetings were approved as amended.  
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13 **III. BUSINESS ARISING FROM THE PREVIOUS MEETING**  
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16 **1. Proposed Amendments to the WESM Rules on the Adoption o a Disconnection**  
17 **Policy**  
18

19 The RCC recalled that the proposal was submitted in December 2013. The same  
20 was remanded since there were provisions in the proposal which were deemed not  
21 implementable. A sub-committee was formed to enhance the proposal. The MO and  
22 the SO submitted their comments which were considered as inputs to the proposal.  
23 The proposal was revised and was published for comments sometime in June 2014.  
24 The proposal was approved by the RCC in the meeting held in July. However in the  
25 process of finalizing the proposal, the Secretariat noted some inconsistencies  
26 between the proposal and the DOE Circular pertaining to disconnection, thus, it was  
27 referred back to the RCC for further review.  
28

29 The Secretariat likewise informed the RCC of additional comments submitted by  
30 MERALCO and PEMC relative to the Proposal.  
31

32 In the absence of a representative from the SO, and noting that several concerns on  
33 disconnection can only be addressed by the SO, the RCC agreed to defer the  
34 discussion on the matter for the next RCC meeting.  
35  
36

37 **2. Proposed Amendments to the WESM Manual on Administered Price**  
38 **Determination Methodology**  
39

40 The RCC noted receipt of comments from the DOE, SNAP, and BATELEC. The RCC  
41 discussed each of the comments submitted by the parties.  
42

- 43 ➤ Sec. 1: Purpose - The RCC accepted DOE suggestion to revise the provision,  
44 as follows:  
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46 **The purpose of this document is to specify the procedure for the establishment**  
47 **of the administered price that will be used by the Market Operator for the**  
48 **settlement of energy and reserve transactions during market suspension or**  
49 **intervention. by the System Operator in or suspension of the market.**  
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52 ➤ Sec. 3: Purpose - The RCC accepted DOE suggestion to revise the provision,  
53 as follows:



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Under the WESM Rules, the administered price shall be used for settlement in cases where there is intervention in the market declared by either the Market Operator or the System Operator or where the market is suspended by the ERC (WESM Rule 6.2.3 and 6.89.3.1). ~~The administered price applies when the Market Operator is not able to generate or determine the price for energy or for reserve for any given trading interval that intervention or suspension is in effect.~~

- Section 3.3: The RCC agreed with the DOE on the use of the term "termination." Relative to the DOE's comment that "conditions to cease MI and suspension be incorporated in the WESM Rules as a reference of this Manual" Mr. Cacho was requested to give an overview on when a market intervention is declared. Mr. Cacho explained that a market intervention is declared by the MO if the MDOM cannot come up with a feasible dispatch/schedule. He added that on the part of SO, a problem in the grid can also be a cause for declaring a market intervention, that is, even if a schedule is provided by the MO, because such schedule cannot be implemented by the SO. On Dr. Guevara's question on when the market intervention will cease, Mr. Cacho responded that the market intervention issued by the MO will cease once the MO can come up with a feasible schedule for an interval.

In relation to the above, Dr. Guevara inquired if conditions for the termination of market intervention are still necessary, giving her opinion that the market intervention should be considered as terminated once the condition that produced it already ceased to exist. Mr. Nelson Canlas stated that there are provisions in the Administered Price Determination Methodology Manual which specifies the conditions on when the market intervention should be called. Mr. Cacho added that even the WESM Rules states provisions as to when a market intervention and suspension should be called, but there are no rules as to when the same should be terminated. Ms. Luningning Baltazar expressed that the suggestion of the DOE to define the conditions for the termination of the MI and suspension is for purposes of consistency and clarity.

In the end, the RCC agreed on the suggestion of the DOE as stated in its comments.

- Mr. Canlas stated that only the ERC can lift market suspension. However there are no clear provisions in the Rules on who should advise/recommend the lifting. The current practice is that the ERC closely coordinates with the SO as to the conditions of the system, which becomes its basis for lifting the suspension. Mr. Canlas expressed that given the current practice, they are concerned about the ERC getting false information and thus believed that provisions to cover this procedure should be included in the Rules, particularly that the SO should issue an advice to the ERC.
- Relative to Sec. 3.3.2, Mr. Cacho asked for clarification from the DOE if the intent of the DOE comment is for both the MO and SO to recommend or for each to have its own and independent recommendation. Ms. Baltazar responded that since the provision indicates the use of "and/or" then this means that one or both can recommend. Mr. Cacho on the other hand suggested getting the recommendation from both instead of the MO or SO

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107 only. Based on the comments of the PEMC and DOE, the RCC agreed to  
108 revise the provision, as follows:  
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### 110 **3.3.2 ERC Initiated Market Suspension**

111 **The Market Operator and the System Operator shall monitor the conditions that**  
112 **triggered the Market Suspension. Once the SO and the MO determines that the**  
113 **conditions for which the ERC declared Market Suspension no longer exist and**  
114 **that the market is capable of (i) receiving and processing market offers and/or**  
115 **bid information; (ii) generating a market schedule and determining the price for**  
116 **energy and reserve; and, (iii) dispatching the system in accordance with the**  
117 **WESM Rules, the Market Operator and the System Operator shall recommend**  
118 **to the ERC to lift the suspension of operations of the spot market.**  
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120  
121 The market shall immediately resume operations when the **end termination** of Market  
122 Intervention has been declared or when Market Suspension has been lifted by the  
123 ERC.  
124

- 125 ➤ As an answer to the comment of SNAP on Sec. 3.3.2, on the provision of  
126 timely updates to participants, Mr Cacho stated the MO sends out updates to  
127 participants on an hourly basis through an advisory, which is part of the  
128 protocol of the MO. The RCC agreed to revise the proposal as follows:  
129

### 130 **3.3.2 System Operator Initiated Intervention**

131  
132 **The System Operator shall monitor and provide timely update to the Market**  
133 **Participants through the Market Operator regarding the conditions that**  
134 **triggered the Market Intervention, and the System Operator shall declare the**  
135 **end termination of intervention once it is determined that:**  
136

- 137 **(a) the grid is capable of returning to the Normal State as defined in the**  
138 **Philippine Grid Code ~~the~~;**  
139 **(b) the grid is restored to a safe and reliable state;**  
140 **(c) the situation which has an adverse effect on electricity supply or which**  
141 **poses a significant threat to the power system security no longer exists; and,**  
142 **(d) the threat to system security no longer exists;**  
143

144 On the SNAP's comments relative to the basis of the lifting of market  
145 intervention, the RCC agreed, based on the MO's response, that the same is  
146 already addressed by the proposed provisions under Sec. 3.3.2 a-c.  
147

- 148 ➤ Mr. Cacho stated that the current formula is just similar to the approved  
149 formula for reserve. Dr. Guevara inquired from the generators whether they  
150 agree on the formula. The generators did not show any disagreement on the  
151 formula.  
152  
153 ➤ Mr. Canlas expressed that while the formula for reserve was approved, the  
154 generators still have an issue on the REFs. He stated that the SO, the MO  
155 and the generators have different determination of the REFs, an issue which  
156 causes the delay in the discussions on the REF determination. He stated  
157 further that the MO tries to correct the situation such that the Generators  
158 should be compensated only based on their actual capability. However, the  
159 parameters are still being questioned by the generators. Mr. Canlas shared



- 160 that the issue on REF has been endorsed to the GMC and hopefully a  
161 resolution on the matter can be arrived at.
- 162
- 163 ➤ Dr. Guevara requested the PEMC, through Mr. Cacho, to conduct a  
164 simulation on the formula being proposed by PIPPA, in comparison with the  
165 SNAP's suggested formula and the current formula applied in the market. Mr.  
166 Cacho raised his issue on the availability of nominated price. He expressed  
167 that the data should be coming from the generators. He inquired on what  
168 would be the basis for the nominated price. Mr Sunico, in response to the  
169 concern raised by Mr. Cacho, stated that the nominated price is based on: 1)  
170 ERC-approved ancillary price for those that have ancillary contracts with  
171 NGCP; and 2) application with the ERC, on yearly basis, for those that do not  
172 have ancillary contracts. Mr. Sunico stated that the rationale for PIPPA's  
173 proposal is that the current formula does not address all the costs of the  
174 generators.
- 175
- 176 ➤ Relative to the RCC's request to the MO for a simulation on nominated price  
177 as proposed, Dr. Guevara requested the PIPPA through Mr. Sunico, to  
178 provide the data on nominated price, which Mr. Sunico stated can be possibly  
179 computed based on technology type, Dr. Guevara requested that the data be  
180 lumped for each type of technology. Mr. Sunico responded that he will inquire  
181 from PIPPA if the same can be provided to the RCC/PEMC. Mr. Meneses  
182 expressed that MERALCO can probably provide the NP for coal, natural gas,  
183 and diesel plants based on their contracts with the generators.
- 184
- 185 ➤ Dr. Guevara likewise requested PEMC to perform a similar simulation for the  
186 current offer price (COP) and the administered price of generators based on  
187 the current formula, proposed formula, and the suggested formula by SNAP.  
188 Relative to AZRP, Mr. Cacho expressed that the MO has no data on the  
189 same since the reserve market has not yet been implemented. In which case,  
190 the RCC agreed the AZRP should be equivalent to zero.
- 191
- 192 ➤ Mr. Rienzi Zano clarified that TWAP pertains to the simple average of prices  
193 for a certain period. It was termed time-weighted average to distinguish it from  
194 LWAP. He added that it is just an internal convention of SNAP.
- 195
- 196 ➤ Mr. Zano explained that water value is the shadow price of the system with  
197 regards to the incremental amount of energy coming from hydro power plants.  
198 It is a number based on opportunity. He added that even the WESM PDM  
199 (price determination methodology) works in the concept of shadow pricing or  
200 marginal costing. It is simply the price of the next generator that will suffice  
201 the demand. Relative to the question of Mr. Castro on how the shadow price  
202 relates to water elevation, Mr Zano responded that as the water elevation  
203 decreases, the value of water increases. Thus, the two have inverse  
204 relationship. This means that if you are on a spilling level, it does not matter  
205 what the price will be in the market--you need to release that as energy.  
206 Effectively, you are willing to get any price in the market even if the water  
207 value is negative or zero. But if the water level is diminishing or at least at the  
208 minimum level, then the intention is to operate that water level only during  
209 peak period or when you can be at the optimum price. Mr. Zano explained  
210 that water value is a function of both clearing prices and volume of water.  
211 When asked if the water value is publicly available, Mr. Zano answered that it  
212 is not since it is proprietary information.
- 213

*Meneses*

- 214 ➤ Dr. Guevara requested Mr. Zano to provide to PIPPA the SNAP's nominated  
215 price for purposes of the simulation being asked by the RCC from PEMC. Mr.  
216 Zano requested to be given one week to be able to provide the date being  
217 requested by the RCC. This was noted by the RCC.  
218
- 219 ➤ Relative to the simulation, Dr. Guevara further requested PEMC not to use  
220 negative values for the AOP and AZNP. Mr. Cacho reiterated that the MO has  
221 no data on AZNP since the reserve market has not been implemented and,  
222 as agreed upon by the RCC, this should be equal to zero. Mr. Sunico agreed  
223 to keep the AZNP for purposes of simulation since the proposal is forward  
224 looking. Relative to the last statement of Mr. Sunico, Dr. Guevara inquired on  
225 when the zonal price will be implemented. Mr. Cacho responded that this  
226 should happen once the PCRM is approved by the ERC. Mr. Canlas  
227 reiterated that the issue on REF should first be resolved. Dr. Guevara  
228 suggested to indicate in the submission to PEM Board, once the proposal is  
229 endorsed by the RCC, that AZRP should be zero until such time that the  
230 reserve market is implemented.  
231
- 232 The RCC requested Mr. Cacho to present the simulation in the next RCC  
233 meeting scheduled for November.  
234
- 235 The RCC thanked Mr. Zano for providing clarifications on the SNAP's  
236 comments relative to the PIPPA's proposed amendments on the Manual on  
237 APDM.  
238  
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### 240 **3. Proposed Amendments to the WESM Rules on Generation Company Reserve** 241 **Offers / Battery Energy Storage System** 242

243 The RCC commenced its discussions on the proposal by stating the issues raised  
244 during the time the proposal was presented by AES. Mr. Cacho shared that one of  
245 the characteristics of the BESS is that it can operate only for a maximum of 30  
246 minutes. Thus, technically, it cannot be considered as a generator. He noted  
247 however that it can provide fast response at a limited time, and is able to provide  
248 frequency regulation. Mr. Cacho opined that given the characteristics of the battery  
249 energy storage system, it would be more appropriate if it will just get ancillary  
250 contract with NGCP instead of trading its capacity in the market.  
251

252 Mr. Sunico added that the AES highlighted during its presentation that in order to  
253 participate in the reserve market, the participant has to have the capability to provide  
254 both capacity and energy. As expressed by AES, it will be in violation of the must-  
255 offer rule since the battery energy has very limited capacity that it may not be able  
256 to offer energy in the trading interval. Thus, its proposal is to amend the Rules to  
257 allow it to participate in the market without violating the Rules. The consideration is  
258 that the battery energy storage system is a new technology. The discussion during  
259 the AES presentation was that there are other Rules that will have to be amended,  
260 not just on submission of offers, if the proposal of AES will be accepted. Mr. Cacho  
261 added that under the PGC and the WESM Rules, the battery energy storage system  
262 has no specific guidelines.  
263

264 Dr. Guevara opined that probably, the Proposal is the AES' way of getting the  
265 System Operator if it cannot get an ancillary contract with the NGCP. She expressed  
266 that probably, the DOE can intervene to somehow impose upon the NGCP to get

267 contracts with available technologies such as the battery energy storage system of  
268 the AES.

269  
270 Mr. Meneses shared that the AES has made several presentations to MERALCO as  
271 they have been selling the technology to MERALCO. As he recalled, they have  
272 modules that can discharge for 1 to 4 hours. And even if the battery has one hour  
273 discharge, it has for example, 12 cells that can discharge sequentially so that it can  
274 operate continuously for 12 hours. Thus, it depends on how the battery cells will be  
275 arranged to have a long discharge time with small discharge capacity or large  
276 capacity with shorter time. He thus opined that there is no issue with the 30 minutes  
277 limitation of the battery.

278  
279 Mr. Raymundo stated that BESS technology is similar to UPS. Dr. Guevara agreed  
280 but nonetheless opined that it cannot be classified based on current provisions of the  
281 PGC nor the Rules.

282  
283 Mr. Meneses opined that there is no harm in changing the title from generation to  
284 ancillary because the basic WESM formula provides for penalties if you are given an  
285 RTD that you cannot comply with. So if they are unable to comply with their dispatch,  
286 then they will be penalized just like any ordinary market player. Dr. Guevara  
287 commented that the AES proposal makes sense, however, as commented by PEMC,  
288 it will entail changes to many other Rules.

289  
290 Mr. Meneses suggested that in order not to require changing the Rules, the ERC  
291 may instead define battery as another form of generator. Mr. Cacho opined that the  
292 classification should be addressed by the ERC in the COC.

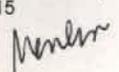
293  
294 Mr. Meneses compared the battery with the solar panel, which has no moving parts,  
295 needs to recharge during the day and rest during night time. In effect the battery is  
296 similar to the solar panel. Mr. Cacho expressed that the difference between the two is  
297 that the solar panel is classified as renewable energy.

298  
299 Ms. Carabuena opined that since this is a new technology that can and is willing to  
300 provide capacity, then it should be given a chance to participate in the market.  
301 Probably it can be given such exemption from the must offer rule similar to what was  
302 given to Malaya. She added that even self-generation facilities are issued a COC by  
303 the ERC.

304  
305 Noting the comment of Ms. Carabuena, Dr. Guevara inquired from Mr. Canlas if the  
306 AES battery Energy Storage System has already been issued a COC. Mr. Canlas,  
307 upon checking with the ERC, stated that it has not yet been issued a COC. The  
308 Secretariat recalled that as mentioned by AES during its presentation, it intends to  
309 apply for a COC. However, at that time, it was still waiting for the System Impact  
310 Study which will be coming from the NGCP.

311  
312 On the suggestion of Mr. Meneses to certify the battery system as a type of  
313 generator, Mr. Canlas responded that it has to qualify based on the classifications  
314 provided for under the rules. He added that the ERC has yet to see the specifications  
315 of the battery once the AES goes to the ERC to apply for a COC. But at the moment,  
316 the ERC may not yet be able to act on the suggestion of Mr. Meneses since no COC  
317 application has been filed yet by the AES. He added to inform the RCC that based on  
318 the provisions of the EPIRA, a generation company is an entity that is authorized by  
319 the Commission to operate a facility used to generate electricity.

320



321 Following the discussions above, the RCC agreed to ask the assistance of the  
322 WESM Technical Committee (TC) and the Grid Management Committee (GMC) in  
323 determining how the battery energy storage can be classified--whether the same can  
324 be classified as a generator. The RCC requested the Secretariat to prepare the  
325 letters to the TC and GMC, which was duly noted.  
326  
327

#### 328 **4. Proposed Amendments to the WESM Rules and WESM Manual on Metering** 329 **Standards and Procedures**

330  
331 The RCC deliberated upon the consolidated proposal of the TC and PEMC, by  
332 Section, with consideration to the comments received from various parties. Below are  
333 the discussion on the comments and concerns raised relative to the Proposal.  
334

##### 335 WESM Rules

- 336  
337 ➤ Clause 4.5.1 - The RCC agreed on the suggestion of MERALCO to revise the  
338 TC proposal, based on MERALCO's comment. MERALCO stated that the  
339 meter should have a data logger capability.  
340
- 341 ➤ The RCC agreed to adopt PEMC's comments to change the definition of  
342 some terms to "as defined in the PGC."  
343
- 344 ➤ On the comment of the DOE to revise the definition of the Metering point, with  
345 DOE specifying that it should be located in the market trading node, Dr.  
346 Guevara inquired if it the suggestion meant having to relocate all the meters.  
347 She commented that if that is the case, then it will incur costs. Mr. Cacho  
348 explained that the MTN is also pegged at the RTU point, and the reason for  
349 having the SSLA is that the RTU point is not located at the metering point.  
350 Thus, if the metering point will be relocated then it would mean relocating the  
351 MTN, which is required to have an RTU point. Mr. Meneses commented that  
352 in terms of costs, this can be filed with the ERC to allow recovery of the costs.  
353 Dr. Guevara likewise commented that if the RCC accepts the DOE  
354 suggestion, they assume that the DOE will ensure that the requirement based  
355 on the Rules changes is feasible and implementable.  
356

357 Mr. Renato Afurong explained that when it comes to MTN, both the customer  
358 and generator nodes should be considered. When it comes to customer node,  
359 the SSLA is applied thus it can be adjusted. But when it comes to generator  
360 node, which is the node located inside the generator, while the meter is  
361 located after the transformer, then if the metering point is located at the  
362 market trading node, the effect would be an increase in the MQ, which will  
363 increase the price of the generator. Mr. Cacho shared at this point that PEMC  
364 has a proposal in the Manual (on Section 2.2) on the location of metering  
365 point. The RCC agreed to adopt the suggestion of the DOE and to review the  
366 PEMC proposal upon discussion of Section 2 of the Manual.  
367

- 368 ➤ On the proposed definition of Transco, the RCC and TC agreed to the  
369 suggestion of the DOE to retain "both buyer and concessionaire."  
370

##### 371 WEM Metering Manual Section 1

- 372  
373 ➤ On the proposed definition on grounding, the PEMC comment stated that  
374 there is another definition of grounding under the PGC, while the TC is

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375 proposing a definition based on PEC. Chairman Orillaza of the Technical  
376 Committee stated that the PEC definition is more basic that is why it is being  
377 suggested by the TC to adopt said definition. On this note, Dr. Guevara  
378 inquired from Chairman Orillaza if they will be proposing a revision to the  
379 PGC since they would want to adopt a different definition for WESM. Noting  
380 that this was not the intention of the TC and with the opinion of the RCC that  
381 the PGC definition would be more appropriate since PEC is more on the  
382 installations of households and end-users, the RCC agreed to adopt the  
383 suggestion of the PEMC to adopt the PGC definition.  
384 ➤ On the comment of DOE on the definition of the metering point, it was noted  
385 that there was already an agreement in the prior discussions in the WESM  
386 Rules to adopt the DOE suggestion.

#### 387 WESM Metering Manual Section 2

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390 ➤ On Section 2.1 the RCC agreed on the PEMC Proposal with revisions to  
391 incorporate the DOE suggestion to exclude Transco.  
392 ➤ On Section 2.2, on the location of metering point, the RCC agreed to adopt  
393 the TC proposal, but with revision to incorporate the PEMC's suggestion to  
394 remove the computation of SSLA for the generators. It was emphasized by  
395 Mr. Afurong that the consumption of the generator should not be included in  
396 the MQ since the customer will shoulder the losses of the generator if that  
397 happens. Mr. Raymundo shared that the transformer losses between the  
398 RTU, MTN and Metering point instead of being shouldered by the  
399 generators, because of the current set up, the losses are being shouldered by  
400 the customers. He stated that ideally the RTU should not be in the generator  
401 side. It should be in the metering point. However during the NPC times, the  
402 RTUs were located in the generator side. He commented that removing these  
403 from the generator side will incur a lot of costs. Dr. Guevara opined, however,  
404 that the RCC should send the message that the metering point should be  
405 located where it should be.  
406 ➤ On Section 2.3.1, the RCC adopted the TC proposal, with incorporation of the  
407 comments of MERALCO for item *d* on data logger, as follows: *d. Data Logger*  
408 *or any other data recording facility (as needed)*;  
409 ➤ On Section 2.1 the RCC agreed on the PEMC Proposal with revisions to  
410 incorporate the DOE suggestion to exclude Transco.  
411 ➤ The RCC likewise agreed to use the term tamper-resistant instead of tamper  
412 proof in the relevant sections of the Manual.

#### 413 WESM Metering Manual Section 3

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416 ➤ The RCC likewise agreed to use the term tamper-resistant instead of tamper  
417 proof in the relevant sections of the Manual.  
418 ➤ On Section 3.1 the RCC agreed to adopt the PEMC Proposal over TC.

#### 419 WESM Metering Manual Section 5

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422 ➤ On Section 5.3.1: In relation to the discussions on the proposal, Chairman  
423 Orillaza commented on the PEMC's proposal on Section 2.4.1 that the TC  
424 has reservations on the requirement for a back up revenue meter, raising his  
425 concern on the tie-breaker. Dr. Guevara responded that the back-up meter is  
426 used only in cases of failure of the main meter. Mr. Cacho added that the  
427 current rules already require a back-up meter. However, a different term,  
428 alternate meter, is being used.

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- On section 5.3.3, Mr. Afurong clarified that the installation of additional metering points is required whenever there is a new customer.

WESM Metering Manual Section 6

- On section 6.3, Mr. the RCC agreed to revise the proposal to include the DOE in the list of entities who are entitled to have access to the mater data. The RCC likewise agreed to reflect said change in the WESM Rules.
- On Section 6.3.3, the RCC agreed to revise the proposal to replace "zip" to "compressed" format.

WESM Metering Manual Section 7

- The RCC agreed to revise the term alternate check meter with back-up meter since it was clarified already by Mr. Afurong that the alternate meter simply refers to the back-up meter.
- On Section 7.4.3, Mr. Afurong stated that the "M" in the formula for Total Power refers to the meter multiplier. The body inquired if it is possible to consider the power factor for each phase. Mr. Afurong responded that the current practice of NGCP is to get the average power factor for each of the phase. Given the comment of the body, the RCC requested PEMC to check with NGCP if the suggestion of the TC and RCC to consider the power factor for each phase is feasible. This was noted by the PEMC. In addition to the discussions, PEMC clarified that the multiplier pertains to the ratio of CT. Mr. Afurong likewise reiterated that the PEMC uses the historical average in the computation of the power factor, further clarifying that PEMC does not compute it on a per phase basis. This was noted by the RCC. Noting the above discussions on the meter multiplier, Dr. Guevara suggested spelling out in the proposal that the multiplier is based on the CT.
- On the comment of Mr. Meneses on the average deviation, and his suggestion to already file a correction factor even if you are talking only of 1 interval, Mr. Afurong clarified that the interval in the PEMC proposal pertains to metering interval and not the trading interval. This means that one hour has four intervals with 15 minutes per interval.
- On the reconciliation of meter malfunction, the RCC agreed on the suggestion of Mr. Meneses that the reconciliation should be made earlier than one year because this can involve a large amount of data. The RCC agreed to shorten this to 3 months. It was clarified by the RCC that reconciliation is based on date of discovery and not the date of occurrence. In terms of settlement, this can happen later as long as the reconciliation is done within 6 months upon discovery.

WESM Metering Manual Section 9

- On Section 9.7.2, Mr. Meneses expressed that MERALCO cannot validate core loss and full load copper loss. Thus, it will not be able to provide valid and accurate data as proposed by TC. Mr. Afurong stated that the data is available with NGCP. The same is provided to PEMC. However, there is an agreement between PEMC and NGCP that such data cannot be disclosed to other parties. It should be requested directly from NGCP.

WESM Metering Manual Section 11

482 ➤ On the flowchart in Chapter 11, the RCC agreed on the proposal of PEMC  
483 with minor revisions based on comments submitted by NGCP through PEMC.  
484

485  
486 Following the discussions above, the RCC approved the proposal and its  
487 endorsement to the PEM Board. The RCC, however, requested the Secretariat to  
488 send to the RCC the finalized proposal based on discussions, for concurrence of the  
489 RCC before the proposal is transmitted to the PEM Board. The RCC agreed to be  
490 given one week to review the finalized proposal which will be sent by Secretariat, for  
491 concurrence of the body. After which, if no further comments are received, the  
492 Secretariat may already proceed with the submission of the proposal to the PEM  
493 Board.  
494

495  
496 **5. Proposed General Amendments to WESM Manuals on Dispatch Protocol and**  
497 **Constraint Violation Coefficients**  
498

499 As part of the revisions to the Agenda, Dr. Guevara informed the RCC that in  
500 relations to the Proposed Amendments on the MRU which was already endorsed and  
501 presented to the PEM Board, comments were received from the Distribution  
502 Management Committee. However, said comments were not considered in the  
503 RCC's deliberations when it approved the proposed amendments. When the matter  
504 was consulted to her by the Secretariat, she made a decision to already push  
505 through with the submission to the PEM Board for the following reasons: 1) its first  
506 comment is already addressed by the other provisions as proposed by the RCC,  
507 wherein the RCC made reference to the latest ASPP duly approved by the ERC, and  
508 2) the second comment seemed incorrect since the suggestion of the DMC to make  
509 changes to the ASPP is not within the authority of the RCC--the comment should  
510 thus be directed to the ERC and not to the RCC.  
511

512 Noting the information above, the rest of the RCC members concurred with the  
513 decision made by Dr. Guevara.  
514

515  
516 **6. Proposed Amendments relative to Plants on Commissioning and Testing of**  
517 **Plants**  
518

519 Mr. Cacho reminded the RCC of the need to make a proposal on the inclusion and  
520 incorporation in the appropriate WESM Manual of the "Other Considerations (e.g.  
521 commissioning and testing of plants)" which were deleted as part of the MRU criteria.  
522 RCC requested PEMC to make a presentation in the next meeting regarding the  
523 issues on the matter to guide the RCC on in drafting the proposal. The request was  
524 noted by Mr. Cacho.  
525

526  
527 **IV. NEW BUSINESS**  
528

529  
530 **1. Proposed Amendments to the Retail Rules on Disconnection Procedure**  
531

532 Mr. Zano presented the RESA's proposal for amendments to retail disconnection  
533 procedure, which is aimed at incorporating the retail customer in the disconnection  
534 procedure, noting that the contestable customers can also be members of the WESM

*Member*

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Ms. Rivera explained that the primary reason why they opted to submit a separate proposal from what was submitted by PIPPA is that based on initial discussions, the retail side might need to come up with its own proposal because most of the time they have different requirements and are governed by different sets of rules.

Based on the presentation made by Mr. Zano, the RCC commented that probably, the ineligibility of the customer should not be voluntarily submitted to the Central Registration Body (PEMC). Rather, a list of the eligible customers should instead be obtained from the ERC to be able to identify which are eligible and which are not when they go to PEMC to register in the WESM. Mr. Meneses similarly commented that there must be a provision for penalty for failure to declare such ineligibility.

Relative to Sec. 2.7.2.5, Mr. Meneses commented that notification by writing may not be feasible since the timeline is only 24 hours. The RCC agreed that the proposal may be revised such that the any other forms of notification such as email based on the registered email will be acceptable.

The comments were duly noted by Mr. Zano.

Following the presentation, the RCC approved the posting of the Proposal, as submitted, to solicit comments of participants. The RCC noted that the comments given above will be considered during the RCC's deliberation on the matter.

The RCC thanked Mr. Zano for the presentation.

## **2. Proposed Amendments to the Retail Manual on Metering Standards and Procedures**

Mr. Joebet Del Rosario presented the MERALCO's Proposal for amendments to the Retail Metering Manual. He stated that the Proposal aims to minimize the financial burden of end-users, and to ensure a smooth implementation of the RCOA.

Following are the RCC's comments based on MERALCO's presentation:

- Since the provision of the metering data is a responsibility of the DU as the MSP, then back-up meter would benefit MERALCO more than the Contestable Customer. Ms. Rivera added that without the meter, no customer can be billed. Thus, if the back up meter would be of benefit to MERALCO, then the costs should be shared by MERALCO instead of just letting the Contestable Customers shoulder the costs of the equipment. In response the comment, MERALCO stated that they are regulated by the ERC thus, all charges to be made by MERALCO should be approved by the ERC. It was added that currently, the charge for back-up meter is not yet included in the charges that they recover. MERALCO added that there are rules which provide for the validation and estimation of consumption, thus, there will be no cases of no data.
- Since the Contestable Customers shoulder the costs of back up meters, then it follows that that Contestable Customer should own the back-up meter that it paid for. In response, MERALCO stated that their constraint is that if the ownership of the equipment is given to the Customer, then MERALCO will not have full access to the meter data.

*Meneses*

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Based on the comments and the response of MERALCO to the RCC's comments, Dr. Guevara expressed that the MERALCO should probably start filing with the ERC for the recovery of the cost of back-up meters to address the concerns raised by the RCC. MERALCO expressed that the difficulty of going to ERC lies on the situation that the installation of a back up meter is on a per request basis. Dr. Guevara however stated that the approval of the ERC can be sought only once for all requests for back-up meter.

Following the presentation and discussion above, the RCC approved the posting of the proposal for comments of participants. The RCC agreed to raise the comments above once the matter is deliberated upon by the RCC.

The RCC thanked Mr. Del Rosario and the other representatives from MERALCO.

## V. OTHER MATTERS

### 1. Status of RCC Work Plan

The RCC agreed to revise the Work Plan based on inputs and updates provided by the respective parties.

### 2. PEM Board Updates

Ms. Rodriguez and the RCC members who presented the proposal before the BRC and the PEM Board informed the RCC of the result of the presentation to the PEM Board of the Proposed Amendments endorsed by the RCC.

- On the proposed amendments on the CVC and Dispatch Protocol Manual

The Secretariat informed the RCC of the PEM Board's approval of the proposal, including the request for extension of the effectivity of the approved urgent amendments until such time that the general amendments have taken effect.

- On the proposed amendments relative to MRU

Mr. Castro informed the body that the proposal was approved by the PEM Board. Mr. Cacho stated that while the proposal was approved, additional comments and instructions were given by the PEM Board, which should be addressed by the RCC.

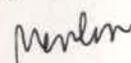
Mr. Castro informed the RCC that one of the comments of the PEM Board is what is what if the SO is the one that caused for a generator to gain or lose. Mr. Sunico recalled that when the matter was discussed and the SO was asked if there are instances that such case happen, Mr. Rosales responded that there are none. Thus, the generators have no basis to contest that, unless an audit of the SO is conducted. Mr. Cacho stated that the SO audit is within the ERC jurisdiction.

The RCC noted the updates provided above.

## VI. NEXT MEETING

The RCC agreed to meet on the following dates for the remaining months of 2014:

Public

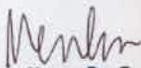
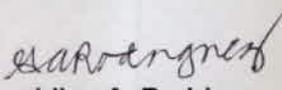
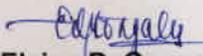


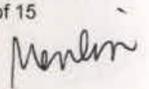
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- November 5
- December 3

**VII. ADJOURNMENT**

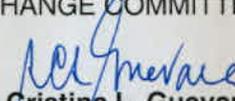
There being no other matters at hand, the meeting was adjourned around 3:30 PM.

Prepared By:	Reviewed By:	Noted By:
 <b>Romellen C. Salazar</b>	 <b>Geraldine A. Rodriguez</b>	 <b>Elaine D. Gonzales</b>
<b>Analyst</b> – Market Governance Administration Unit <b>Market Assessment Group</b>	<b>Assistant Manager</b> – Market Governance Administration Unit <b>Market Assessment Group</b>	<b>Manager</b> – Market Data and Analysis Division <b>Market Assessment Group</b>

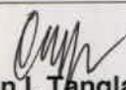


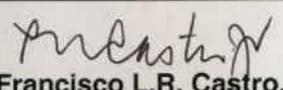


Approved by:  
RULES CHANGE COMMITTEE

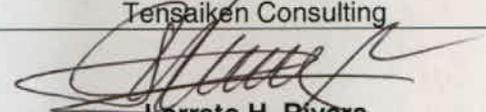
  
**Rowena Cristina L. Guevara**  
Chairperson  
Independent  
University of the Philippines  
(UP)

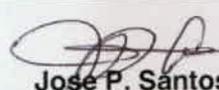
Members:

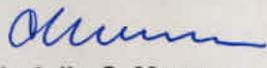
  
**Concepcion I. Tanglao**  
Independent

  
**Francisco L.R. Castro, Jr.**  
Independent  
Tensaiken Consulting

  
**Maila Lourdes G. de Castro**  
Independent

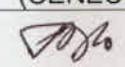
  
**Lorreto H. Rivera**  
Supply Sector  
TeaM (Philippines) Energy Corporation

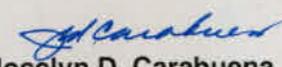
  
**Jose P. Santos**  
Distribution Sector (EC)  
Ilocos Norte Electric Cooperative, Inc.  
(INEC)

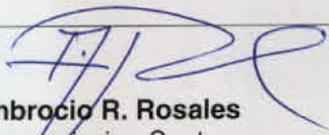
  
**Ciprinilo C. Meneses**  
Distribution Sector (PDU)  
Manila Electric Company  
(MERALCO)

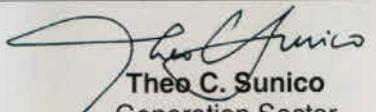
**Sulpicio C. Lagarde Jr.**  
Distribution Sector (EC)  
Central Negros Electric Cooperative, Inc.  
(GENECO)

**Gilbert A. Pagobo**  
Distribution Sector  
Mactan Electric Company  
(MECO)

  
**Jose Ferlino P. Raymundo**  
Generation Sector  
SMC Global

  
**Joselyn D. Carabuena**  
Generation Sector  
Power Sector Assets and Liabilities Management  
Corporation (PSALM)

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

  
**Theo C. Sunico**  
Generation Sector  
1590 Energy Corporation

  
**Isidro E. Cacho, Jr.**  
Market Operator  
Philippine Electricity Market Corporation  
(PEMC)

Public

*Manhi*