

MINUTES OF THE 50th MEETING OF THE RULES CHANGE COMMITTEE

Date : 06 July 2011
Time : 9:00 A.M.
Venue : PEMC Board Room
18th Floor, Robinsons-Equitable Tower
Ortigas Center, Pasig City

MEMBERS PRESENT:

Epictetus E. Patalinghug	-	Acting Chairperson/Independent – UP
Cherry Aquino-Javier	-	Generation Sector – AES
Ralph T. Crisologo	-	Generation Sector – SNAP
Liberty Z. Dumlao	-	Generation Sector – PSALM
Cynthia R. Encarnacion	-	Generation Sector – NPC
Ciprinilo C. Meneses	-	Distribution Sector – MERALCO
Augusto D. Sarmiento	-	Distribution Sector – DECORP
Jose P. Santos	-	Distribution Sector – INEC
Raul Joseph G. Seludo	-	System Operator – NGCP
Conrado D. Pecjo	-	Supply Sector – Angeles Power, Inc.

MEMBERS NOT PRESENT:

Robinson P. Descanzo	-	Market Operator – PEMC
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OBSERVERS PRESENT:

Eduardo B. Fernandez	-	DOE (Alternate)
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OTHERS PRESENT:

Rodel S. Limbaga	-	DOE
Senen D. Fenomeno	-	PEMC – CPC
Phillip C. Adviento	-	PEMC – Legal
Millan H. Libongco	-	PEMC – Billing and Settlement
Roel B. Calano	-	PEMC – Billing and Settlement
Ma. Nerissa A. Cordoba	-	PEMC – IAD
Angelica C. Segarra	-	PEMC – IAD
Hazel M. Gubaton	-	PEMC – IAD
Ambrocio R. Rosales	-	NGCP – SO
Raul V. Galano	-	NGCP – SO Visayas
Abner G. Bardoquillo	-	NGCP – SO Visayas

SECRETARIAT

Chrysanthus S. Heruela	-	PEMC – MAG
Elaine D. Gonzales	-	PEMC – MAG
Geraldine A. Rodriguez	-	PEMC – MAG
Rheinhardt O. Banogon	-	PEMC – MAG

After determining the presence of a quorum, the 50th RCC meeting was called to order by the Acting Chairperson Prof. Epictetus E. Patalinghug, at about 09:25 A.M.

1. Adoption of the Proposed Agenda

The Proposed Agenda for the 50th RCC Meeting was presented and approved, as amended. Upon the approval of Prof. Patalinghug, the Entrance Audit Conference with WESM

not

Committees to be conducted by the PEMC Internal Audit Department was moved ahead of Item 2 (Review, Correction and Approval of the Minutes of the 49th RCC Meeting).

2. Review, Correction and Approval of the Minutes of the 49th RCC Meeting

The Minutes of the 49th RCC Meeting was reviewed and approved, as amended. For purposes of clarity, the RCC made the revisions on the following sections of the Minutes, to read as follows (revisions are underlined and put in bold letters):

a. Paragraphs 5-8 under Item a of Business Arising from the Previous Meeting

"Atty. Dumlao argued, however, that the RCC can only be the proponent if at its own initiative, it wants to propose something.

Admitting her lack of knowledge familiarity with the history of ~~on~~ the ERC-PEMC protocol, Ms. Cherry Javier suggested that the incorporation of its provisions be proposed by someone or a group who is familiar and knowledgeable about the matter. On that note, Mr. Crisologo commented that the MSC is the best area through which this could be done.

Noting the reservations made by some members of the RCC to sponsor the exhaustive list of suggested revisions of the WESM Rules and the MSCEM Manual as drafted by PEMC-Legal regarding the ERC-PEMC protocol, Prof. Patalinghug recapped that due to the inadequacy of the RCC, the RCC resolved to refer to the MSC the PEM Board's directive. He then instructed the Secretariat to draft a memorandum to the MSC for this purpose.

In summary, the RCC reached the following agreements:

- The RCC expressed reservation in sponsoring the Exhaustive List of Suggested Revisions of the WESM Rules regarding the ERC-PEMC Protocol. The RCC deemed that the review and interpretation of the ERC-PEMC protocol for incorporation in the WESM Rules is beyond its area of expertise and should therefore be referred to a more appropriate body with surveillance and investigative functions, i.e. the MSC. In this light, the RCC maintained its previous decision to request the MSC to propose the incorporation of the provisions of the ERC-PEMC Protocol in the WESM Rules and pertinent Manuals the provisions of the ERC-PEMC Protocol.*

b. Item A under New Business, Paragraph 3, Bullet 3, Paragraph 6

"On Mr. Crisologo's query on whether there is an existing rule of pricing transfer "transfer pricing" between generators if generators are found to be deviating from their declared ramping rates, Mr. Cacho and Ms. Javier clarified that as long as they do not go beyond the range of their declared ramp rates, then there is no violation."

c. Item B under New Business, Paragraph 3, Bullet 2

"On Mr. Crisologo's question on whether the HVDC could already withstand having a variable power flow every hour, Mr. Seludo clarified that initially, the limits were set because the equipment was encountering failures, but further tests conducted by NGCP SO show that the HVDC is capable of operating the free-flowing direction."

3. Business Arising from the Previous Meeting

a. Exhaustive List of Suggested Revisions of the WESM Rules regarding the ERC-PEMC Protocol

Prof. Patalinghug informed the body that the RCC's decision to request the MSC to propose the incorporation of the provisions of the ERC-PEMC Protocol in the WESM Rules was coursed through the PEM Board, as a courtesy and protocol. This is bearing in mind that the incorporation of the ERC-PEMC protocol was originally a directive of the PEM Board to the RCC.

b. Proposed Amendments to the WESM Manual on the Management of Must-Run Units

Following the agreement reached by the RCC in its previous meeting, Ms. Cherry Javier presented, for consideration, the AES-MPCPL's proposed revisions to the MRU Manual, as follows:

- Removal of the following as criteria for the selection of must-run units:
 - ✓ System voltage requirement. The AES-MPPCL viewed that this requirement should be met by generating units that are or should have been procured by the System Operator (SO) to provide ancillary services.
 - ✓ Insufficient offers from generators. The AES-MPPCL explained that this criterion runs counter to the "must-offer" rule. Requiring certain generating units to run for this purpose indicates a non-compliance with the "must-offer" rule by some generators.
 - ✓ Inadequate levels of reserve. Reserves should be provided by accredited ancillary service provider and not by a MRU.
- Use of the Best New Entrant Peaking Plant Price as the basis for the Generation Price Index (GPI). This is being proposed in light of the impending expiration of the term of the NPC Transition Supply Contract (TSC).
- Revised charts for MRU designation, including a separate chart for procedures to be followed for cases where the request for generating units to run as MRU is initiated by the market participant.

The AES-MPPCL likewise suggested for an inclusion of an annex in the MRU Manual where SO will provide and regularly update the protocol to be followed for various scenarios in the designation of MRUs.

The following were the comments/issues/points raised by the body:

Mr. Augusto Sarmiento conveyed his misgivings about the proposed removal of the aforementioned criteria when they serve as signals for SO to call MRUs when all the ancillary services and reserves have been exhausted, which should not have been the case. Ms. Javier responded, if SO has procured the total ancillary services requirement of the system (and not only a certain percentage of it).

Mr. Raul Seludo cited the reason for the inclusion of system voltage requirement as part of the criteria in designating MRUs. He explained that certain generating units are called to

run so as to provide reactive power, which is measured in MVars, in order to maintain the system voltage within the range prescribed/required by the Grid Code.

Mr. Ambrocio Rosales wished to clarify that the SO employs a certain process in the selection of generating units to meet the reactive power demand in a particular location. Before the SO certifies certain generating units as reactive power support provider, SO conducts simulations/tests to determine the impact of these generating units to the system. There are cases where certain generating units, despite being certified reactive power support provider, will not be much of help because of their considerable distance from the area with low system voltage. Thus, in this instance, they are not called to run. Likewise, he expressed that while he agrees with the removal of the insufficiency of offers as one of the MRU designation criteria as this is not system security-related, he deemed that this should be replaced by another criterion. He explained that there are cases where SO requires certain generators, which were not scheduled and cleared in the market, to run in order to minimize power interruption. As there is no other means by which to compensate these generators for the amount of energy delivered to prevent the collapse of the system, he reasoned that these generators should be considered and recompensed as MRUs.

He expounded that there are also instances where the SO is compelled to run expensive but fast-start generators, over much cheaper ones, to address the sudden need of the system for additional energy. If that is the case, Ms. Javier opined, then there should be a separate MOT for generators' ramp rates to serve this particular purpose. She recommended that SO propose a rules change in this regard, to which Mr. Crisologo seconded. He commented that the criteria and reasons for MRU designation should be well-defined and clearly delineated.

Mr. Seludo wanted to correct the preconceived notion that the SO has abused the use of MRUs. For this purpose, he proposed that SO present its data on MRU, e.g., statistics, percentage with respect to the daily trading, purpose by which they are being called to run. On Ms. Javier's statement as regards the ancillary services, he acknowledged that there is indeed a deficiency of ancillary services which SO tries to address by conducting roadshows as part of its efforts to lure generators to provide ancillary services.

Mr. Eduardo Fernandez opined that the focus should be primarily on the strict enforcement of the must-offer rule if such could somehow reduce the nomination of MRUs. As it stands now, he believed that nobody is taking the initiative to solve the problem on the non-compliance with the must-offer rule. Citing that the rules on non-compliance are already existent, Mr. Crisologo viewed that one approach to enforce these rules is to penalize generators that are found to be in breach.

Following the discussion, the RCC reached the following agreements:

- SO to propose changes on the criteria for the designation of as well as scheduling and dispatch of MRU; and
- Mr. Ciprinilo Meneses to present in the next meeting his proposal on the use of average monthly WESM price as basis for GPI, for purposes of comparison with the AES-MPPCL's proposal on the use of best new entrant peaking price.

c. Proposed New Manual on the Segregation of Line Rental

Ms. Javier reiterated the comments of AES-MPPCL, which was submitted through email dated 28 June 2011, that the Introduction of the proposed new Manual should not focus its discussion on the MERALCO case before the ERC. In this regard, she suggested

combining Sections 1.6, 1.7 and 1.8 into a single section which will provide a brief background that the new Manual was formulated pursuant to the directive of the ERC.

Following the suggestion made by Ms. Javier, the RCC requested the Secretariat to provide the appropriate language, subject to RCC review in the next meeting.

Mr. Crisologo likewise reiterated the suggestion he made in the last meeting that a simulation be conducted by the PEMC Billing and Settlement to determine the true congestion component of the line rental. Accordingly, the RCC requested that the results of this simulation be presented in the next RCC meeting.

4. New Business

Issues/ Topics Discussed	Remarks	Agreement/ Action Item
A. SO Presentation on the Issue of Ramp Rates	<p>As agreed in the previous meeting, Mr. Raul Galano and Mr. Abner Bardoquillo from NGCP-SO Visayas were invited to present the SO-Visayas' concerns/issues on ramp rates.</p> <p>As a backgrounder, Mr. Bardoquillo explained that the Visayas has a radial system which means that there is only one single or double circuit line connecting the different islands of Visayas. Further, he provided that because of the HVDC interconnection, the system frequency of Visayas differs from that of Luzon.</p> <p>The following were the highlights of his presentation:</p> <ul style="list-style-type: none"> • A table showing the different generators of Visayas with their corresponding capacities and ramp rates was presented. Mr. Bardoquillo drew the attention of the RCC to the technical data of Cebu Private Power Corporation (CPPC) with ramp rate of 0.8 MW/min and capacity of 75.29 MW, and Leyte_A with ramp rate of 8 MW/min and capacity of 541 MW. • A graph showing the ramping behavior of CPPC was likewise presented. The graph shows that on 21 June 2011, from 1300H to 1400H, CPPC was able to increase linearly their capacity up to the system demand of 12 MW. However, when it saw that the RTD for the 1500H trading interval was 0, it was able to shut down its unit in a matter of 6 minutes, which contradicts its declared ramp rate. Mr. Bardoquillo emphasized that CPPC's behavior during this interval disrupted the 	<p>The RCC agreed to endorse to PEMC-TOD, for comments, the following issues/concerns raised by NGCP-SO Visayas:</p> <ul style="list-style-type: none"> • Lump Ramp Rate; • Early RTD schedule; and • Next RTD to be within 15-20 minute ramping.

SO's dispatch as well as the Merit-Order Table (MOT).

- Presented, as well, were the graphs showing the ramping behavior of different types of plants for a particular trading day. The graphs show that some geothermal plants and diesel plants were not compliant with their RTD schedule while most of the thermal plants were. The non-compliance of some units resulted in deviations of the RTD of HVDC.

- The following issues/concerns were raised:

- ✓ Lump Ramp Rates

Mr. Bardoquillo relayed the SO-Visayas' preference for a registration of ramp rates on a per generating unit, instead of aggregate ramp rate of the whole plant. If the ramp rate is per unit, then SO will be able to measure the response of the system based on the availability of each unit.

- ✓ Early RTD schedule

He likewise conveyed the SO-Visayas' request for the MO to provide the SO with early RTD schedule. They deemed that two or five minutes before the trading interval is sufficient time for SO to conduct its contingency planning. Further, he remarked that with the provision of early RTD schedule, the HVDC RTD blocking/de-blocking may be initiated to reduce the incidence of Automatic Load Dropping (ALD) occurring near the 10th minute.

- ✓ Next RTD to be within 15-20 minute ramping so as to adapt to the steep rise and fall of intra-hour demand during peak and off-peak periods. It was likewise explained that a trading interval of 15-20 minutes is more responsive to quick start-up and shutdown of diesel units and results in lesser disruption of the operation of SO.

In the course of the presentation, the following comments were raised by the body:

- In response to Mr. Crisologo's inquiry, Mr. Fenomeno clarified that the MO provides information to the SO with regard to the RTD schedule of the HVDC. It does not identify or specify, however, which plants or the amount of power they have to deliver in order to meet the HVDC schedule.
- Ms. Javier wanted to know during which part of the trading hour are the actual RTD readings delivered by generators taken. She cited that there could be instances where the SO readings are taken at a time when their generating unit's capacity is fluctuating.

Mr. Bardoquillo informed the body that what are being recorded by SO are the on top of the hour readings. He shared that one of the dilemma being faced by SO is how to balance the system demand and generation, especially during instances where the peak demand occurs during the intra-hour.

Corroborating Ms. Javier's concern, Mr. Rosales expounded that the timing of SO's monitoring may produce findings of non-compliance by certain generators with the dispatch schedule, despite being compliant all throughout the trading interval.

- On the issue of lump ramp rates, Mr. Eduardo Fernandez remarked that prior to the launching of the Visayas WESM, all generators, especially the Leyte A, were required to have a separate remote telemetering unit (RTU) for each of their units. He deemed that it is the responsibility of SO to compel these generators to comply with the said requirement.

On the other hand, Mr. Fenomeno clarified that the option for the plants to have aggregated or disaggregated resources is not intended to supersede existing rules and responsibilities of other power industry entities.

On the issues raised by the SO-Visayas, Mr. Fenomeno stressed that the WESM could not make a rule for the Visayas that could be detrimental to Luzon. In response, Mr. Seludo explained that because of certain peculiarities of the Visayas system, not all procedures/rules being followed in Luzon are

	<p>applicable in the Visayas.</p> <p>As the issues involve operational monitoring of SO, he suggested that the technical procedures pertinent to this be discussed and resolved between the Luzon and Visayas System Operations.</p> <ul style="list-style-type: none"> • There being no further comments raised, the RCC agreed to endorse to PEMC-TOD, for comments, the following issues/concerns raised by NGCP-SO Visayas: <ul style="list-style-type: none"> ✓ Lump Ramp Rate; ✓ Early RTD schedule; and ✓ Next RTD to be within 15-20 minute ramping. 	
B. Proposed WESM Rules Change on Settlement Calculations	<p>Before giving out the details of the AES-MPPCL's proposed WESM Rules on Settlement Calculations, Ms. Javier provided a brief background on the current formulation, as per Price Determination Methodology, of the trading amount (TA), which is equal to the sum of the ex-ante trading amount and ex-post energy trading amount. Formulae for determining these two components were likewise presented.</p> <p>The existing formulae, however, pose problems, as follows:</p> <ul style="list-style-type: none"> • The Ex-Ante Quantity Scheduled Withdrawal (EAQSW) is a WESM forecast and thus cannot be controlled by the participant; and • If a customer is fully contracted, then the customer is expected to pay only for the line rentals, however current formula creates an imbalance amount from WESM's forecast error. <p>The AES-MPPCL viewed that the customer should not be penalized by or benefit from the WESM's forecast errors. Thus, to address the abovementioned problems, the AES-MPPCL contemplated to adopt either of the following options to calculate/determine the settlement amount:</p> <ul style="list-style-type: none"> • Make EAQSW equal to Actual Quantity of Energy Withdrawn (AEQW); or • Make Ex-Post price equal to Ex-Ante price. <p>The two proposals were considered in order to remove the imbalances brought about by the</p>	<p>The RCC accepted the decision of the AES-MPPCL to withdraw its proposed WESM Rules on Settlement Calculations, which was originally included in the 2011 RCC Work Plan.</p>

	<p>inaccuracies of the demand forecasts.</p> <p>However, Ms. Javier shared, the results of the simulation conducted by the PEMC Billing and Settlement showed that both options will have a consequence of having a lower total customer trading amount than the total generator amount, which will entail a deficit on the generators' side. In view of this, the AES-MPPCL resolved to withdraw its intention to submit a proposed WESM Rules Change on Customer Settlement Calculations, as contained in the 2011 RCC Work Plan.</p> <p>The following were the comments raised by the body:</p> <ul style="list-style-type: none"> • Mr. Crisologo commented that the results of the simulation indicate that the proposed formulas do not reflect the framework of the WESM, which provides for a two-way settlement process. Mr. Fenomeno likewise remarked that the two-settlement system is one of the features of the market design where the adjustments in the payment are being accounted for in the ex-post. • Mr. Sarmiento related that the review by DECORP of the history/statistics of the ex-ante price against the ex-post price saw that in most cases, the ex-post price is higher than the ex-ante price. Based on the statistics, eliminating the ex-post price from the formula will result in a deficit. <p>There being no further comments raised, the RCC accepted the decision of the AES to withdraw its intention to submit a proposed WESM Rules Change on Customer Settlement Calculations as contained in the 2011 RCC Work Plan.</p>	
<p>C. Presentation on the Current Additional Compensation Mechanism in Excess of GPI</p>	<p>As requested by the RCC during its previous meeting, Mr. Millan Libongco of PEMC Billing and Settlement was invited to give a presentation on the current additional compensation mechanism in excess of GPI being employed by PEMC.</p> <p>The following were the highlights of his presentation:</p>	<ul style="list-style-type: none"> • The RCC made the following recommendations on the current mechanism: <ul style="list-style-type: none"> ✓ Consider removing the input VAT such that only the final MRU amount is subject to VAT; and ✓ Consider

	<p>✦ Legal Basis for MRU</p> <ul style="list-style-type: none"> • Section 2.1.3.3 of the ERC Case No. 2006-07 RC, Resolution/February 6, 2008 page 8 of 23 stating that: <ul style="list-style-type: none"> ✓ Under section 9.2.1 of the Management of MRU's Issue No. 4 entitled: "Additional Compensation", a trading participant which has complied with the dispatch instructions as MRU may be entitled to such additional compensation provided that such participant will submit proof that the GPI is not sufficient to cover the <ul style="list-style-type: none"> – cost of fuel, – variable operating cost, – maintenance costs, and – start-up and shut-down costs. • The Market Operator will determine and approve the validity of such additional compensation by the trading participant and whenever necessary, PEMC may hire an Auditor to check the validity of the information submitted. <p>✦ Settlement and Payment Procedure for Additional Compensation for MRU was presented to and approved by the PEM Board on 05 October 2010.</p> <p>✦ Steps being undertaken by the PEMC Billing and Settlement to determine the validity of the generators' request for additional compensation (for the appreciation of the body, a sample evaluation request form and computation evaluation sheet containing actual submissions by a particular generator were shown):</p> <ul style="list-style-type: none"> • Using the Evaluation Sheet/Form, conduct evaluation of generators' submitted Documents, which include the following: <ul style="list-style-type: none"> ✓ O&M Contracts ✓ Related Memorandums, letters, etc. ✓ Official Receipts of payments of goods and services ✓ Invoices and Delivery receipts ✓ Copy of O & M contracts or Plant Personnel list and monthly salary expense 	<p>establishing/formulating a benchmark MRU price for each type of resource, using the past MRU amount calculations as basis/reference.</p> <ul style="list-style-type: none"> • RCC shall be furnished with a copy of the Evaluation Sheet/Form of Request for Additional Compensation due to MRU Dispatch, for reference.
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- ✓ Official reports on plant operations and maintenance
 - Operations and Maintenance Efficiency and Heat-rate Report
 - Summary of Fuel Oil Deliveries Based on Receiving Tanks
 - Summary Production Report
 - Monthly Fuel Inventory Report
 - Monthly Operational Report
 - Plant Chemical and other Consumables Report
- Using the Computation Evaluation Sheet for Additional Compensation the, conduct evaluation of computation, which include the following:
 - ✓ Comparison between PEMC Computation and Requesting Party's Computation
 - Direct Operations & Maintenance
 - Direct Fuel and Chemical Costs
 - ✓ Determination of Variable Cost Rate, PHP/KWh
 - Divide the Total Costs by the Net Energy Generation for the Period
 - ✓ Determination of the Total Cost of MRU
 - Multiply Variable Cost Rate by total MRU Dispatch (KWh) for the Period
 - ✓ Determination of the Net Additional Compensation
 - Subtract Net Settlement Amount Paid Due to MRU based on Generation Price Index (GPI) from Total Cost of MRU
- Approval of PEMC Vice President on Corporate Services of Net Additional Compensation Value
- Issuance of Market Advisory
- Conduct of Settlement Calculations Run
 - ✓ Allocation of the Net Additional Compensation value to List of Customers using respective Metering Quantities (MQ) on an Hourly Basis

During the course of the presentation, the RCC made the following recommendations to consider the following:

- Upon the suggestion of Ms. Javier, removal of the input VAT such that only the final

	<p>MRU amount is subject to VAT;</p> <ul style="list-style-type: none"> As suggested by Mr. Meneses, establishment/formulation of a benchmark price for each type of resource, using the past MRU amount calculations as basis/reference; Review the appropriateness of using the foreign exchange rate at the time of the settlement (when calculating the O&M Costs) as against using the exchange rate at the time of the settlement; and Upon the suggestion of Atty. Liberty Dumlao, document the current procedures being practiced. <p>The RCC likewise requested that they be furnished with a copy of the Evaluation Sheet/Form of Request for Additional Compensation due to MRU Dispatch, for reference.</p>	
D. Summary of Issues Arising from the Focused Group Discussion during the WESM Participants' meeting	<p>Ms. Rodriguez presented the summary of issues on operations, settlement and governance, which were raised during the Focused Group Discussion in the WESM Participants' meeting held last 21 June 2011.</p> <p>Upon the suggestion of Mr. Crisologo, the RCC agreed to identify the WESM Manuals pertinent/relevant to the issues identified by the trading participants.</p>	The RCC agreed to identify the WESM Manuals pertinent/relevant to the issues identified by the trading participants.

5. Other Matters

a. **Entrance Audit Conference with WESM Committees**

The RCC was informed of the WESM Governance Committee Review, which will be conducted by the PEMC Internal Audit Department (IAD). Ms. Neri Cordoba, Vice-President of the IAD, clarified that the focus and objective of the audit is not to find fault or errors but rather improve the structure and processes that are being practiced by the WESM Committees. She likewise stressed that the audit will not touch on the decisions/resolutions made by the Committees in the past.

As explained by Ms. Hazel Gubaton, the WESM Governance Committee Review will cover the various WESM Committees, but excluding the PEM Audit Committee (PAC). The objective of which is to enhance the internal rules, procedures, and processes employed and/or adopted by the Committees for better governance of WESM. The review/audit will cover the following scope/areas:

- Conduct of meetings
- Execution of duties and responsibilities of Committees and their members

- Internal process and procedures observed by the Committees
- Coordination with, and communication to, the Board, Other Committees, PEMC officers and employees, and External Parties
- Ethics and compliance
- Monitoring activities

b. PEM Board Updates

Ms. Geraldine Rodriguez informed the RCC of the PEM Board's approval of the RCC-approved proposed amendments to the WESM Rules on dispute resolution provisions during its meeting on 30 June 2011. To ensure smooth transition to the new dispute resolution process, the PEM Board resolved that the current process will hold until the following requirements are in place:

- Appointment of DRA under the new structure;
- Establishment of dispute management protocol, which the PEM Board recommended to subject to a consultation with the trading participants; and
- Accreditation of a pool of mediators and arbitrators.

The RCC was likewise informed of the publication of the PEM Board-approved urgent WESM Rules change proposal, in compliance with the Urgent Amendment Process laid out in the Rules Change Manual.

As it was already too late to call for RCC representative, Prof. Patalinghug, who was indisposed on that day, requested the MAG to present on his behalf the RCC-approved urgent amendments.

c. VECO's WESM Rules Change Proposal

The RCC was informed of the Visayan Electric Company's (VECO) submission of its proposed amendments to the WESM Rules on settlement calculations. However, as the rules change proposal did not comply with the prescribed RCC format, the Secretariat had to refer it back to the proponent, for compliance.

6. Next Meeting


The RCC agreed to hold its next meeting on 03 August 2011 with the following agenda:

- a. Consolidated Comments on the Proposed Amendments to the MRU Manual (AES-MPPCL's Proposed Additional Compensation scheme, MERALCO's proposed new GPI formula)
- b. Proposed New WESM Manual on the Segregation of Line Rental (including results of simulation on the determination of line rental congestion component)
- c. SO Presentation on MRU data
- d. VECO's Proposed WESM Rules Change on Settlement Calculations

7. Adjournment

There being no other matter to be discussed, the meeting was adjourned at 4:00 P.M.

Prepared by:


Rheinhart O. Banogon

Reviewed by:

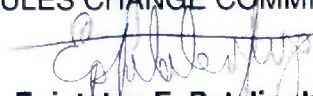

Geraldine A. Rodriguez

Noted by:


Elaine D. Gonzales



Approved by:
RULES CHANGE COMMITTEE



Epictetus E. Patalinghug

Acting Chairperson

Independent

University of the Philippines
(UP)

Members:



Cherry Aquino-Javier

Generation Sector

AES Philippines

(AES)



Ralph T. Crisologo

Generation Sector

SN Aboitiz Power

(SNAP)



Liberty Z. Dumlao

Generation Sector

Power Sector Assets and Liabilities Management

Corporation (PSALM)



Cynthia R. Encarnacion

Generation Sector

National Power Corporation

(NAPOCOR)



Raul Joseph G. Seludo

Transmission Sector

National Grid Corporation of the Philippines

(NGCP)

Robinson P. Descanzo

Market Operator

Philippine Electricity Market Corporation

(PEMC)



Ciprinilo C. Meneses

Distribution Sector (PDU)

Manila Electric Company

(MERALCO)



Augusto D. Sarmiento

Distribution Sector (PDU)

Dagupan Electric Corporation

(DECORP)



Jose P. Santos

Distribution Sector (EC)

Ilocos Norte Electric Cooperative, Inc.

(INEC)



Conrado D. Pecjo

Supply Sector

Angeles Power, Inc.

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