

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 1 of 162

ATTENDEES

No.	Name	Designation/Position	Department/ Company
1	Jesusito G. Morillos	Chairman, Independent	RCC
2	Jose Roderick F. Fernando	Member, Independent	RCC
3	Rachel Angela P. Anosan	Member, Independent	RCC
4	Jordan Rel C. Orillaza	Member, Independent	RCC
5	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
6	Cherry A. Javier	Member (Principal), Generation Sector	RCC
7	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
8	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
9	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
10	Virgilio C. Fortich, Jr.	Member (Principal), Distribution Sector	RCC
11	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
12	Alfredo C. Sanaga	Member (Alternate), Distribution Sector	RCC
13	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
14	Isidro E. Cacho, Jr.	Member (Principal), Market Operator	RCC
15	Kristoffer S. Ng	Member (Alternate), Market Operator	RCC
16	Darryl Lon A. Ortiz	Member (Principal), System Operator	RCC
17	Fortunato C. Leynes	Chief Governance Officer	PEMC
18	Leo John A. Juguilon	Office of the CGO	PEMC
19	Bienvenido C. Mendoza, Jr.	MAG Head	PEMC
20	Karen A. Varquez	RCC Secretariat	PEMC
21	Divine Gayle C. Cruz	RCC Secretariat	PEMC
22	Mari Josephine C. Enriquez	RCC Secretariat	PEMC
23	Mary Rose L. Bisnar	RCC Secretariat	PEMC
24	Ma. Hazel M. Gubaton-Lopez	ECO Head	PEMC
25	Hilary Romeli C. Florendo	ECO	PEMC
26	Mark Anthony C. Andrada	ECO	PEMC
27	Paolo C. Alegre	ECO	PEMC
28	Josephine C. Corpuz	ECO	PEMC
29	Darlene C. Dublar	ECO	PEMC
30	Marie Liezelle E. Macabenta	ECO	PEMC
31	Alyssa Isabella R. Punzalan	ECO	PEMC
32	Kassandra Fleur Elaine D. Domingo	ECO	PEMC
33	Carl Angelo B. Dela Cruz	ECO	PEMC
34	Anthony Jose P. Asprer	ECO	PEMC
35	Rayan J. Genabe	ECO	PEMC

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 2 of 162

ATTENDEES

No.	Name	Designation/Position	Department/ Company
36	Gabbor M. Dichoso	ECO	PEMC
37	Dianne Kate C. Langit	ECO	PEMC
38	Christian Francis O. Belen	ECO	PEMC
39	Vince Luigi B. Maliwanag	ECO	PEMC
40	Aldjon Kenneth M. Yap	MSC Secretariat	PEMC
41	Andrea J. Mendiola	Legal Head	PEMC
42	Ervin John Mikel D. Hilado	Legal	PEMC
43	Marcelo L. Gemalan	Corporate Communications Specialist	PEMC
44	Lex J. Magtalas	Observer	APC
45	Antonette M. Badillo	Observer	ERC
46	Leny L. Pla	Observer	ERC
47	Sherrie Mae C. Lago	Observer	ERC
48	Mc Rhondolf Louie V. Mabalot	Observer	ERC
49	Marie Dominique G. Yglesias	Observer	ERC
50	Teresa Serra	Proponent	NPC
51	Ken Trinidad	Proponent	NPC
52	Maricris Waldo	Proponent	NPC
53	Sheryll M. Dy	Proponent	IEMOP
54	Arthur P. Pintado	Proponent	IEMOP
55	Edward I. Olmedo	Proponent	IEMOP
56	Mary Anne T. Santiago	Proponent	IEMOP
57	Lilibeth Grace L. Vetus	Proponent	IEMOP
58	Vincent Harvey C. Bernabe	Commenter	NGCP
59	Homernico Mari B. Palma	Commenter	NGCP
60	Ma. Bernadette R. Gan	Commenter	NGCP
61	Julius Ryan D. Datingaling	Commenter	NGCP
62	Mikaela Victoria Perez	Commenter	NGCP
63	Christian J. Del Rosario	Commenter	NGCP
64	Glenn T. Peña	Commenter	NGCP
65	Genny Rose S. Abrenica	Commenter	SMCGP
66	Jose Ferlino Raymundo	Commenter	SMCGP
67	Vida Joan Toque	Commenter	SNAP
68	Harold Navarrete	Commenter	SNAP
69	Ryan Lester De Castro	Commenter	SNAP
70	Augusto Rodero	Commenter	SNAP

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 3 of 162

Agenda	Discussion/Agreements
I. Call to Order	The meeting was called to order at 9:01 AM.
II. Determination of Quorum	A quorum was reached with fourteen (14) principal members and two (2) alternate members present.
III. Adoption of Agenda	<ul style="list-style-type: none"> The agenda was adopted, as revised, with the addition of item 5.4 regarding the continuation of deliberation on the Proposed New WESM Manual on Ancillary Services Monitoring (urgent proposal). The RCC also agreed with the change in the sequence of discussions for some agenda items. The RCC agreed to officially approve via email the draft Resolution regarding the changes to the RCC Internal Rules.
IV. Draft Minutes of Previous Meetings: <ul style="list-style-type: none"> 220th RCC (Regular) Meeting, 15 September 2023 	There were no edits or comments received from the RCC for the draft minutes. The RCC agreed to officially approve the draft via email.
V. Matters Arising from Previous Meeting	
V.1. Proposed General Amendments to the WESM Manual on Dispatch Protocol regarding Non-security Over-riding Constraints <ul style="list-style-type: none"> <i>Continuation of Deliberation</i> 	<p><u>Presenter:</u> Mr. Ken Trinidad (Proponent/ National Power Corporation (NPC-DMD))</p> <p><u>Action Requested:</u> For deliberation/approval</p> <p><u>Material:</u> Annex A – Presentation material on NPC-DMD’s Requests for Maximized Turbine Discharge (2020-2022)</p>

1 Proceedings:

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- 3 • The Secretariat informed the body that among NPC-DMD's partner Trading Participants¹ who
 4 were invited to join 223rd RCC Meeting for this matter, only PSALM did not confirm its attendance.

¹ PSALM trades in the WESM for Caliraya HEPP, Botocan HEPP and Kalayaan HEPP; SNAP Benguet trades for Magat, Ambuklao and Binga HEPP; and San Miguel/San Roque Hydropower trades for San Roque HEPP.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 4 of 162

5 Representatives from SNAP Benguet and San Miguel/San Roque Hydropower, Inc. were present
6 in the meeting.

- 7
- 8 ● Mr. Ken Trinidad (proponent, NPC-DMD) presented additional information regarding NPC's
9 previous requests to CBK-PCL, plant operator for CBK HEPP, for maximized turbine discharge
10 (or high-capacity loading of the Caliraya Dam) during weather disturbances. These requests were
11 made during Typhoons Ulysses (November 2020), Jolina (September 2021) and Paeng (October
12 2022). On average, NPC-DMD made such requests once per year from 2020 to 2022, spanning
13 2 to 3 days. The requests were made in consideration of high reservoir elevation and high
14 forecasted inflow during those times. Specifically for Caliraya Dam, NPC also requested CBK-
15 PCL to suspend pumping operations to the said dam as a precautionary measure to limit the
16 inflow coming to the reservoir. On all three occasions, NPC-DMD's requested CBK-PCL to
17 drawdown Caliraya Dam, and with PSALM on the side of WESM trading, were all granted which
18 prevented spilling operations. Mr. Trinidad further explained that NPC provides forecast data
19 (e.g., elevation, rainfall) to the plant operator as the basis of its request for drawdown. The plant
20 operator then coordinated with the WESM trader regarding said request to strategize market
21 offers. However, there were instances when NPC had to delay implementing maximum turbine
22 discharge for the Caliraya Dam since there were other plants already scheduled to be dispatched.

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24 In relation to the DOE's policy allowing hydropower plants to be classified in the WESM as priority
25 dispatch generating units, Mr. Trinidad reiterated that it would not be applicable to Caliraya and
26 Kalayaan plants since they provide ancillary services and are thus mandated to retain their
27 classification as scheduled generating units. Preferential dispatch through the imposition of non-
28 security overriding constraints should be able to address the situations of Caliraya and Kalayaan.
29 In addition, the proposal would also provide a way for NPC to discharge water or conduct spilling
30 operations during emergency situations when dam infrastructure is compromised (e.g.,
31 malfunction in spillway gates).

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33 Atty. Jesusito G. Morallos (RCC-Independent) then commented that if the problem is the delay
34 in turbine discharge, perhaps the solution is merely via operational procedures rather than being
35 treated as priority dispatch in the WESM Rules.

- 36
- 37 ● Ms. Cherry A. Javier (RCC-Generation, APC) commented that the revision of the rules may not
38 be necessary at all if the problem is only specific to Caliraya Dam and said requests from NPC
39 have been executed by PSALM/CBK.

40

41 Atty. Morallos recommended awaiting inputs from PSALM/CBK to understand the reasons and
42 conditions why priority dispatch for Caliraya cannot be implemented.

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- 44 ● Ms. Vida Joan Toque (SNAP) raised SNAP's position and clarifications on the proposal:
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MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 5 of 162

- 46 ○ The control of plant operations should remain with the Generation Company/Trading
 47 Participants and should not be given to NPC on behalf of the Generation Company, such that
 48 the request to be put on over-riding constraint (by the System Operator) should be with the
 49 Generation Company/Trading Participants, as currently practiced.
 50 ○ If the proposal envisions that NPC is the one to determine the megawatt loading of the plant,
 51 SNAP would object to this since this would greatly affect plant operations (e.g., may incur
 52 losses) should there be instances when water is released through the turbines although the
 53 effect of weather disturbance did not materialize. It should be noted that the hydropower
 54 plants are not allowed to recoup losses due to Php 0 or negative prices in the WESM.
 55 ○ The Generation Company should be given the flexibility to maximize its operations for the
 56 provision of either energy (in the WESM) or ancillary service in consideration of their ancillary
 57 service contracts. Maximum utilization does not necessarily translate to maximum megawatt
 58 loading.
 59 ○ NPC is not privy to the Generation Company's ancillary service contracts, therefore it should
 60 not take over the determination of megawatt loading.
 61 ○ SNAP also have internal protocols such as annual spillway tests and forecasting since it also
 62 wants to prevent spilling.
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 65 ● Mr. Jose Ferlino Raymundo (San Roque Hydro Power/SMGP) said that San Roque does not
 66 have any problems coordinating with NPC when they request turbine discharge for San Roque.
 67 They recognize that such requests are a form of precaution during weather disturbances and
 68 follow it. If the turbine discharge is not enough, NPC supplements this by conducting spilling
 69 operations. The issues being addressed by the proposal may only be isolated to Caliraya as it
 70 has different technical requirements as far as spilling is concerned, thus the proposal may not be
 71 applicable to all hydroelectric power plants.
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Agreement:

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 76 The RCC recommended further discussing operational and dam security issues with NPC,
 77 PSALM/CBK, SNAP and other concerned Trading Participants in a separate meeting.
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Agenda	Discussion/Agreements
V.2. Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program Implementation	<p><u>Presenter:</u> Karen A. Varquez (RCC Secretariat)</p> <p><u>Action Requested:</u> For approval</p> <p><u>Material:</u> Annex B – IEMOP's Revised Proposal on Timeline for BCQ Re-declaration</p>



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 6 of 162

Agenda	Discussion/Agreements
<ul style="list-style-type: none"> ● <i>Updates/Agreements from 221st RCC (Caucus) Meeting, 26 September 2023</i> ● <i>Draft RCC Resolution No. 2023-xx</i> 	

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Proceedings:

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- Atty. Lilibeth Grace L. Vetus (IEMOP) presented the revised proposal regarding the allowable timeline of correction of re-declaration of BCQ. On the revised proposal, the Trading Participant shall be given ten (10) days from the ILP event (D) within which to submit BCQ re-declaration (up to D+7) and correction on the re-declaration (up to D+10), and the Market Operator shall have two (2) days to evaluate the requests. This is already a concession on the part of the MO so the correction can already be reflected in the final settlement statement for the billing month. This would avoid further adjustments in the settlement statements for the following billing month. Atty. Vetus emphasized that the Generator should have submitted its BCQ re-declaration within the D+7 timeline as already established in the DOE policy. As for the submission of correction, it should contain the trading interval and bilateral contract quantities corresponding to the ILP event.

It was noted that the foregoing timeline is different from what was concluded during the caucus meeting on September 26, which was that corrections to BCQ re-declarations for ILP shall be allowed within five (5) days from the issuance of the preliminary settlement statement.

- Mr. Ryan S. Morales (RCC-Distribution, MERALCO) inquired if it is not possible to correct erroneous BCQ re-declaration, even erroneous non-declaration of BCQ, during the D+7 timeline. Erroneous declaration or non-declaration of BCQ is possible when there was miscommunication between the Contestable Customer and the RES, or between the RES and the Generator. Mr. Morales and Ms. Javier emphasized the importance of the accuracy of the BCQ re-declaration due to ILP in order to properly compensate the Contestable Customer ILP participants. Mr. Morales added that this would encourage participation in the ILP which is the objective of the DOE policy.

Atty. Rachel P. Anosan (RCC-Independent) highlighted that it was clarified during the caucus that a BCQ re-declaration must be made during the D+7 timeline to allow correction. With IEMOP's new proposal, the point of contention now is the reckoning of the timeline for submission of correction: from the ILP event or from the preliminary statement issuance.

- Mr. Morales explained that MERALCO cannot say for certain that all necessary BCQs were declared correctly without seeing the preliminary statement issued by the MO since this contains all certified BCQ declarations. MERALCO only considers the certified BCQ declarations from the MO as correct. Only after the DU receives the preliminary statement is it able to validate the BCQ



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 7 of 162

117 re-declaration and correct any errors which may be difficult to do given the shorter period for
 118 submission of corrections as proposed by IEMOP.

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 120 Atty. Vetus responded that the Gen CO and the DU could already coordinate after the occurrence
 121 of the ILP event. Further, the IEMOP is of the understanding that the DU needs time to provide
 122 correction on the BCQ re-declaration, which is not anchored on the issuance of the preliminary
 123 statement but instead on the submission of BCQ re-declaration by the Generator.

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126 Agreement:

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128 ✓ The RCC recommended IEMOP and MERALCO to submit position papers regarding the BCQ re-
 129 declaration timeline prior to a possible second Caucus on the matter.

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Agenda	Discussion/Agreements
V.3. Proposed General Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Market Intervention and Suspension <ul style="list-style-type: none"> ● <i>Draft RCC Resolution No. 2023-11</i> 	<u>Presenter:</u> Divine Gayle C. Cruz (RCC Secretariat) <u>Action Requested:</u> For endorsement to PEM Board

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133 Proceedings:

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135 The MSC Secretariat requested to defer final approval and endorsement to the PEM Board due to
 136 the need for clearance from MSC on the revised wordings of the proposal.

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139 Agreement:

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141 ✓ The RCC noted the request.

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MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 8 of 162

Agenda	Discussion/Agreements
V.4. Proposed New WESM Manual on Ancillary Services Monitoring (Urgent Proposal) <ul style="list-style-type: none"> • <i>Continuation of deliberation</i> • <i>Draft RCC Resolution No. 2023-12</i> 	<p><u>Presenters:</u> Atty. Ma. Hazel Gubaton-Lopez</p> <p><u>Action Requested:</u> For endorsement to the PEM Board</p> <p><u>Material:</u> Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring</p>

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Proceedings:

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- Following the RCC Special Meeting on 13 October 2023, the deliberation resumed starting on Section 6 of the proposed new Ancillary Services Monitoring Manual. The RCC was assisted in its deliberation by Atty. Ma. Hazel Gubaton-Lopez of PEMC's Enforcement and Compliance Office. Line-by-line agreements and clarifications is in Annex C of this minutes.

The following points were raised during the deliberation:

- Section 6 – Monitoring of Reserve Offer Capacity Compliance
 - Atty. Lopez clarified that the ECO may need further confirmation or consultation with the System Operator should there be variance in the data obtained from the Market Management System. The ECO may have to validate some data from the System Operator.
 - Ms. Javier recommended, to which PEMC-ECO agreed, allowing Ancillary Services Providers (ASP) who received Non-Compliance Notice (NCN) to still submit documentary evidences up to the end of the month in addition to the response and supporting documents that are required to be submitted by the ASP within 5 business days after receipt of the NCN. This is similar to the enforcement process of the ECO for the energy market.
- Section 7 - Monitoring of Compliance with Reserve Conformance Standards
 - Consider developing a User's Guide, to provide examples (e.g., differentiation of "billing" and "calendar" days) instead of including in the body of the proposed new manual. PEMC-ECO may also add further clarifications and examples in the WESM Compliance Bulletin that is issued from time to time.
 - Atty. Lopez clarified that the penalty provisions in the proposed new Ancillary Services Manual will only be applicable to the portion of reserve capacity delivered by an ASP to

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : **9 of 162**

177 the Reserve Market. If an ASP with ASPA is found to be in breach, there would be a
178 difference in the imposition of sanctions because the SO independently monitors
179 compliance for a 1-hour interval, while the MO monitors every 5-minutes. She explained
180 that the BCQ declared would help distinguish which portion of reserves delivered is for
181 servicing the ASPA and which is for the reserve schedule. However, PEMC-ECO
182 recognizes that there may be situations when the portion for servicing reserve schedule
183 and ASPA is indistinguishable. In such a case, the proposed Manual provides that the MO
184 and SO shall coordinate to determine the extent of the breach and determine which portion
185 of the reserve amount adjustment and penalty corresponds to the ASPA and to the reserve
186 schedule. She also clarified that the penalty is computed based on the scheduled reserve
187 capacity and not on the actual reserve capacity delivered.

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189 Mr. Darryl Lon A. Ortiz (RCC-System Operator) further explained that the MO is
190 adequately informed of the contracted portion of the reserves through the Day-Ahead
191 Ancillary Service Schedule (DAASS) provided by the SO on a daily basis. He also clarified
192 that should penalties need to be imposed, the ASPA has a separate penalty mechanism
193 from the Reserve Market. Therefore, any penalty computed by the MO should not be
194 applied to the contracted reserves.

195
196 Based on previous discussions, Mr. Carlito C. Claudio (RCC-Generation, MEI/PEI) stated
197 that System Operator prefers that ASPA obligations should be serviced and prioritized
198 over the Reserve Market.

199
200 Atty. Morallos recommended PEMC, MO and SO to come up with a simulation on the
201 computation or determination of penalties based on the foregoing discussions, which may
202 be included in a user's guide. This would be beneficial to the participants to minimize
203 confusion.

204
205 ○ Atty. Lopez explained that a finding of probable breach may have 2 impacts, first is the
206 reduction in the reserve trading amounts for intervals with probable breach to be reflected
207 in the preliminary statement (i.e., non-payment of reserve trading amount for the relevant
208 interval), and second is the imposition of penalty. Should the ASP file a protest related to
209 a finding of breach based on the preliminary statement and it was found that it did not
210 commit any breach as determined by ECO, there will be a corresponding adjustment in
211 the reserve trading amount to be reflected in the ASP's preliminary settlement statement
212 in the billing month. The readjustment cannot be immediately reflected in the final
213 settlement statement in the same billing month of the reference preliminary statement
214 because the re-evaluation would still not be completed by then.

215
216 Atty. Lopez informed the RCC that this proposed mechanism was raised with the ERC, to
217 which the latter recommended PEMC to file the proposal to the Commission so it could
218 look into the possible rate implication.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **10 of 162**

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○ In the proposed process relative to the consequence for finding of probable breach, Atty. Anosan observed that the determination of breach would only take place if the ASP filed a request for reassessment based on the preliminary statement. She opined that the final determination should proceed regardless if an ASP submits a request for reassessment. Atty. Lopez concurred with the observation since for now, there is an assumption of correctness with the MO's findings. Ideally, ECO should have an independent validation without the request for reassessment but per the SO, this would require massive amounts of data and system infrastructure. For now, the ECO could only process independent review per dispatch interval as triggered by the request.

○ Mr. Virgilio C. Fortich, Jr. (RCC-Distribution, CEBECO 3) inquired whether an ASP flagged with possible breach would still be allowed to deliver reserves based on its AS contract. Atty. Lopez responded that it would still be allowed to do so. It would not be immediately disqualified since there is an established criteria in the proposed Manual when an ASP should be suspended.

- Section 8 – Penalties and Sanctions

A concern was raised stating that if an ASP is suspended in the Reserve Market, shall it still be allowed to nominate reserve capacity to service its contractual obligations with the SO per the DAASS. If so, the ASP shall not be allowed to submit offers in the Reserve Market. Additional proposed provision was recommended by PEMC-ECO reflecting the foregoing, for review of the RCC.

Mr. Ortiz clarified that the SO has internal measures and monitoring on the quality of ancillary service provided by ASP's and they are penalized if they fail to meet the standards. The SO also has a performance evaluation and certification process that ASPs need to pass.

Atty. Morallos recommended synchronizing the measures for imposition of suspension between the Reserve Market and the one implemented by the SO in their ASPA.

- Section 4 – Reserve Offer Capacity Compliance

Ms. Javier inquired if it is acceptable for a plant not to submit a reserve offer if it is determined ahead of time that it will be in breach due to some technical limitation. Atty. Lopez responded that the plant should still offer its derated capacity (for both energy and reserve) and justify during the ECO's assessment the reason for the flagging of probable breach.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 11 of 162

- 261 ● Other matters addressed during the meeting, as follows:
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 263 ○ On Abolition of the ASM Manual 0.0 – The said manual was approved by the PEM Board
 264 in April 2005 and has never been used by the Market Operator and System Operator.
 265 ○ On system enhancements required to implement the proposal, Mr. Edward I. Olmedo
 266 (IEMOP) provided that initial estimated duration for system development would be three
 267 (3) months. As to the amount, the IEMOP has yet to determine an estimate as this would
 268 hinge on the results of the rules change proposal.
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Agreements:

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 272 ✓ The RCC provisionally approved the proposed new Ancillary Services Monitoring Manual,
 273 subject to clerical modifications and enhancements for clarity on some provisions.
 274 ✓ The Secretariat to circulate the draft resolution via email for the approval and endorsement of
 275 the proposal to the PEM Board.
 276 ✓ The RCC approved the recommendation of the Secretariat regarding the abolition of the ASM
 277 Manual Issue 0.0.

Agenda	Discussion/Agreements
VI. Other Matters	
VI.1. Updates on Other Proposed Amendments	The Secretariat shall provide the updates on the other proposed amendments as part of the highlights of the 223 rd RCC (Regular) Meeting (see Annex D).
VI.2. DOE Updates	There are no updates on the five (5) proposed amendments for the DOE's final approval.
VI.3. Schedule of Activities: a) RCC Meetings <ul style="list-style-type: none"> ● 17 November 2023 ● 14 December 2023 (Face-to-face, PEMC Board Room) ● 19 January 2024 b) BRC Meeting <ul style="list-style-type: none"> ● 16 October 2023 ● 13 November 2023 c) PEM Board Meeting <ul style="list-style-type: none"> ● 25 October 2023 	<p>The Secretariat informed the body that the RCC item to be presented in the PEM Board Meeting on 16 October 2023 is only the Proposed New Ancillary Services Monitoring Manual (Urgent Proposal).</p> <p>The RCC noted the schedule of the next meetings and activities.</p>



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 12 of 162

Agenda	Discussion/Agreements
<ul style="list-style-type: none"> ● 22 November 2023 ● 06 December 2023 d) [For RCC Chairperson] WCO Conferment and Annual Compliance Awards (WCACA) 2023 on 14 November 2023, 1:30PM at WackWack Golf and Country Club <ul style="list-style-type: none"> ● WGC Dinner and PEMC Christmas Party on 14 December 2023, 6:00PM at WackWack Golf and Country Club 	
VII. Adjournment	The meeting was adjourned at 4:48 PM.

Prepared by:

(signed)

DIVINE GAYLE C. CRUZ
 Manager, Rules Review Division
 Market Assessment Group

Reviewed by:

(signed)

KAREN A. VARQUEZ
 Senior Manager, Rules Review Division
 Market Assessment Group

Noted by:

(signed)

BIENVENIDO C. MENDOZA, JR.
 Chief Market Assessment Officer

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : **13 of 162**



Approved by:

(signed)

JESUSITO G. MORALLOS
Chairman, Independent

(signed)

JOSE RODERICK F. FERNANDO
Member, Independent

(signed)

RACHEL ANGELA P. ANOSAN
Member, Independent

(signed)

JORDAN REL C. ORILLAZA
Member, Independent

(signed)

DIXIE ANTHONY R. BANZON
Member, Generation Sector
Masinloc Power Partners Co. Ltd. (MPPCL)

(signed)

CHERRY A. JAVIER
Member, Generation Sector
Aboitiz Power Corp. (APC)

(signed)

CARLITO C. CLAUDIO
Member, Generation Sector
Millennium Energy, Inc. / Panasia Energy, Inc.
(MEI/PEI)

(signed)

MARK D. HABANA
Member, Generation Sector
Vivant Corporation – Philippines (Vivant)

(signed)

RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)

(signed)

VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO III)

(signed)

RUSSEL S. ALABADO
Member, Distribution Sector
Angeles Electric Corporation (AEC)

(signed)

NELSON M. DELA CRUZ
Member, Distribution Sector
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area I)

(signed)

GIAN KARLA C. GUTIERREZ
Member, Supply Sector
First Gen Corporation (FGEN)

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : **14 of 162**



(signed)

DARRYL LON A. ORTIZ
Member, System Operator
National Grid Corporation of the Philippines
(NGCP)

(signed)

ISIDRO E. CACHO, JR.
Member, Market Operator
Independent Electricity Market Operator of the
Philippines (IEMOP)



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 15 of 162

Annex A – Presentation material on NPC-DMD’s Requests for Maximized Turbine Discharge (2020-2022)

Request for Maximized Turbine Discharge (Caliraya Dam)

Based on records since 2020, NPC has made three requests for the maximized turbine discharge (high capacity loading) on the following occasions:

- Typhoon Ulysses (Nov. 11-12, 2020);
- Typhoon Jolina (Sept. 7-8, 2021); and
- Typhoon Paeng (Oct. 28-30, 2022)

These requests were made in consideration of the high reservoir elevation as well as the high anticipated inflow.

In addition, should there be an upcoming typhoon, and is forecasted to traverse the Caliraya Dam basin, NPC is instructing the CBK-PCL (plant operator) to suspend pumping operations toward the Caliraya Dam in order to limit the inflow coming to the reservoir. This is done as an initial precautionary measure to manage the reservoir elevation of the dam.

National Power Corporation
 Date: 09/25/2022 10:01H
 Ref. No. CAL-22-KARDING-001

For: **NELSON B. HUMARANG**
 Chief Officer for Operations and Maintenance,
 CBK - PCL

ELVIN S. RONDILLA
 Plant Manager, KPSPP

NOTICE ON FLOOD PERIOD

Please be advised that the Caliraya Dam is currently under:

- **Flood Precaution Period**
 due to any of the following conditions:
 - A warning on intensive rainfall is issued by PAGASA (see attached)
 - The tropical cyclone is within Typhoon Marking I per PAGASA SWB No. 15.
 - Accumulated rainfall within the latest 24 hours exceeded 100mm:
- **Flood Caution Period**
 due to any of the following conditions:
 - The tropical cyclone enter into or originate in the Typhoon Marking Area II per PAGASA SWB No. 15.
 - The tropical cyclone would pass across Typhoon Marking Area III
 - Accumulated rainfall within the latest 24 hours exceeded 100mm:
 - The inflow exceeded the minimum flood inflow of 300 cms: _____ cms
- **Flood Period**
 due to both of the following conditions:
 - The reservoir water level is higher than the Normal High Water Level: _____ cms
 - The inflow exceeded the minimum flood inflow of 300 cms: _____ cms
- **Post Flood Period**
 due to both of the following conditions:
 - The reservoir water level is higher than the Normal High Water Level: _____ cms
 - The inflow is less than the minimum flood inflow of 300 cms: _____ cms

In this regard, kindly take the following appropriate measures in reference to the Caliraya Flood Operation Rule and Dam Discharge Warning Manual:

Additionally, kindly suspend the pumping of Kalayaan P5PP towards Caliraya Dam to ensure that the reservoir water elevation is maintained at a safe level (286.90 MSL).

Signed: **KEN C. TRINIDAD**
 Flood Operation Manager
 NPC Caliraya Dam Office

Noted by: **M.T. L. SERRA**
 Manager, FWD
 NPC Caliraya Dam Office

TC Ulysses

At 1244H, Nov. 11, 2020, NPC requested CBK PCL to drawdown the elevation of Caliraya Dam through its turbines in consideration of the rainfall forecast of PAGASA as well as forecast reservoir elevation.

Request to Draw Down Elevation of Caliraya Dam
 4 messages

Marie Teresa L. Serra <mteserra@nppower.gov.ph>
 To: 'terondilla@cbkpower.com' <terondilla@cbkpower.com>
 Cc: alex.palacio <alexpalacio@yahoo.com>, 'Conrado G. Sison' <cgisison@nppower.gov.ph>, 'JanisLentina311@gmail.com', FRANCIS RABE <francisarabe11@gmail.com>

Wed, Nov 11, 2020 at 12:44 PM

Dear Mr. Rondilla,

Based on the Numerical Prediction Model of PAGASA, varying rainfall intensity from 5-25 mm/hr, could be experienced within the Caliraya Watershed and the expected cumulative rainfall for TS Ulysses (up to the end of this event) is 190 mm.

Given this forecast rainfall and the scheduled generation of CBK of 2 units for Kalayaan and 2 units for Caliraya (total outflow 122 cm) until 1200H tomorrow, the forecasted elevation of Caliraya Dam might reach 288.80 masl since the elevation as of 1200H is already at 287.62 masl.

With this, it is my recommendation that CBK draw down the elevation of Caliraya Dam to at least 287.00 masl by 1700H today so as to ensure the safe level of the dam and prevent spilling operation.

Best regards,

Marie Teresa L. Serra
 Principal Hydrologist A
 Flood Forecasting and Warning System Division
 National Power Corporation

The content of this email is confidential and intended for the recipient specified in the message only. It is strictly forbidden to share any part of this message with any third party, without a written consent of the sender. If you received this message by mistake, please reply to the message, followed by its deletion, so that we can ensure such a mistake does not occur in the future.

Marie Teresa L. Serra <mteserra@nppower.gov.ph>
 To: 'terondilla@cbkpower.com' <terondilla@cbkpower.com>
 Cc: alex.palacio <alexpalacio@yahoo.com>, 'Conrado G. Sison' <cgisison@nppower.gov.ph>, Adlan Tolentino <lan_raven11@yahoo.com>, FRANCIS RABE <francisarabe11@gmail.com>

Wed, Nov 11, 2020 at 12:55 PM

If I may add po sk: the forecast rainfall was issued by the Hydro-Meteorological Division of PAGASA.

For your information and reference po.

Thank you
 [Quoted text hidden]
 [Quoted text hidden]

Elvin S. Rondilla <ERondilla@cbkpower.com>
 To: 'Marie Teresa L. Serra' <mteserra@nppower.gov.ph>
 Cc: alex.palacio <alexpalacio@yahoo.com>, 'Conrado G. Sison' <cgisison@nppower.gov.ph>, FRANCIS RABE <francisarabe11@gmail.com>, 'JanisLentina311@gmail.com', Eddie S Reyes <EReyses@cbkpower.com>, Nelson B Humarang <nblumarang@cbkpower.com>, KPSPP SOM <KPSPPSOM@cbkpower.com>, psalmnet <psalmnet@psalm.gov.ph>

Wed, Nov 11, 2020 at 1:12 PM

Dear Ms. Teresa,

Acknowledged receipt of your email.

For your information, since yesterday the units are running as turbine. We will coordinate with our trader for this purpose. Realistically, the @OPM target is not feasible due to some constraints such as WESM protocols and coordination. Again we will exert on all our efforts to lower the elevation.

Sincerely,
Elvin S. Rondilla
 Plant Manager
 CBK Power Company Limited
 02-884-1231 loc.1220/1202
 049-557-1008 loc.1220/1202
 0917-507-3403

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 16 of 162



Annex A – Presentation material on NPC-DMD’s Requests for Maximized Turbine Discharge (2020-2022)

TC Ulysses

During the onslaught of TC Ulysses, Caliraya Dam issued a Notice on Preparatory Phase to DRRMOs in preparation for possible conduct of spilling operations .

NATIONAL POWER CORPORATION
 NPC Caliraya Dam Office
 Cavinti, Laguna

FFWS Form A

NOTICE ON PREPARATORY PHASE OF DAM DISCHARGE WARNING OPERATION

Ref. No. CAL-D2001
 Date: 12 Nov. 2020 02:00

For: **PROVINCIAL & MUNICIPAL DISASTER ACTION OFFICERS**

Please be informed that the reservoir water level has reached **287.72** meters (AMSL). You are hereby advised to be on alert due to the possibility of the spilling level to be reached if a considerable rain producing meteorological phenomenon affects Caliraya Dam. You are enjoined to disseminate this information to your constituents especially to those who reside along the riverbank. Information and corresponding warnings in the event of spilling will be disseminated to you at the proper time.

CONRADO G. SISON, JR.
 Manager-Dams Management Department

DCC	Name/Signature of Recipient	Date/Time
Cavinti	_____	_____
Pagsanjan	_____	_____
Lumban	_____	_____

NOTICE ON PREPARATORY PHASE OF DAM DISCHARGE WARNING OPERATION
 15 messages

DAMS MANAGEMENT <damsngt.npc@gmail.com> Thu, Nov 12, 2020 at 2:32 AM
 To: lsgpdm@yahoo.com
 Cc: FFWS HMD <hmd.ffws@gmail.com>, Conrado G. Sison <csison@nppcor.gov.ph>, alex palada <alexpalada@yahoo.com>, Maria Teresa L. Serra <mtserra@nppcor.gov.ph>, nppcor@yahoo.com

Dear Sir/Mam,
 Good am.
 Please see the attached file regarding the above subject.
 Please acknowledge upon receipt of this email.
 Thank you.

FORM A Final.pdf
 5KB

DAMS MANAGEMENT <damsngt.npc@gmail.com> Thu, Nov 12, 2020 at 2:38 AM
 To: MARIA ELLNORE L. DAVGANAY <meldanganan@nppcor.gov.ph>

(Excluded text hidden)
GLAIZA G. UMALI
 Community Affairs Officer II
 Dams Management Department
 National Power Corporation

FORM A Final.pdf
 5KB

Laguna Province <lsgpdm@yahoo.com> Thu, Nov 12, 2020 at 2:37 AM
 To: DAMS MANAGEMENT <damsngt.npc@gmail.com>

Acknowledging receipt. Ask lang din po sana namin ung contact number po sana may query lang po. thanks po-jonah

TC Jolina

At 1153H Sept. 7, 2023, NPC requested CBKPCL to drawdown Caliraya Dam due to TC Jolina due to the forecast of reservoir elevation going beyond its Normal High Water Level.

Request to Draw Down Caliraya Dam Reservoir Water Level
 2 messages

Maria Teresa L. Serra <mtserra@nppcor.gov.ph> Tue, Sep 7, 2021 at 11:53 AM
 To: 'terondilla@cbkpower.com' <terondilla@cbkpower.com>
 Cc: 'Sergio P. Villafuerte' <spvillafuerte@nppcor.gov.ph>, Ken@trinidad <ken@trinidad@gmail.com>, caliraya@wtd@gmail.com, FRANCIS RABE <francise11@gmail.com>, Eddie S. Reyes <EReyes@cbkpower.com>

Dear Sir Elvin,
 Good day po!

Based on the forecast rainfall from PAGASA (copy attached) we are expecting 180-200mm of rainfall po for Caliraya Dam. As of 11am today, elevation is at 287.46 masl, and although it is now decreasing, estimated forecast elevation by tomorrow morning might reach 288.83 with the passage of Typhoon Jolina.

With this po, may we request to further draw down the elevation of Caliraya Dam to safer levels by increasing turbine generation and cancel any scheduled pumping activities until the typhoon has passed.

Thank you po.

Sincere regards,
Maria Teresa L. Serra
 Flood Forecasting and Warning System Division
 National Power Corporation

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Adobe Scan Sep 07, 2021 (1) (1).pdf
 224K

Elvin S. Rondilla <E.Rondilla@cbkpower.com> Tue, Sep 7, 2021 at 11:56 AM
 To: 'Maria Teresa L. Serra' <mtserra@nppcor.gov.ph>
 Cc: caliraya@wtd@gmail.com, Eddie S. Reyes <EReyes@cbkpower.com>, FRANCIS RABE <francise11@gmail.com>, Ken@trinidad <ken@trinidad@gmail.com>, 'Sergio P. Villafuerte' <spvillafuerte@nppcor.gov.ph>

Dear Ms. Teresa,
 Noted on this.
 We will re-nominate our units for continuous turbine operation until the typhoon has passed.
 Thank you for the advice.

Sincerely,
Elvin S. Rondilla
 Plant Manager
 CBK Power Company Limited
 02-884-1351 loc.1220/1202
 049-537-1088 loc.1220/1202

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 17 of 162



Annex A – Presentation material on NPC-DMD’s Requests for Maximized Turbine Discharge (2020-2022)

TC Paeng

At 0913H Oct. 28, 2023, NPC requested CBKPCL to drawdown Caliraya Dam due to TC Paeng by issuing Notice on Flood Period as presented below:

In this regard, kindly take the following appropriate measures in reference to the Caliraya Flood Operation Rule and Dam Discharge Warning Manual:
 Based on simulations using the current loadings (outflow: 165.58 cms), the forecasted elevation by 0000H/30 Oct. 2022 is 288.4 MSL, while using 4 units with average hourly outflow of 223.73 cms, the forecasted elevation by 0000H/30 Oct. 2022 is 288.17 MSL. On the other hand, with full load (290.64 cms), the expected elevation by 0000H/30 Oct. 2022 is 287.89 MSL. In this regard, it is highly recommended to **maximize** the turbine discharges (outflow) and loading of Caliraya Dam to keep elevation within 288 MSL. Thank you.

Signed: **KEN G. TRINIDAD**
 Flood Operation Manager
 NPC Caliraya Dam Office

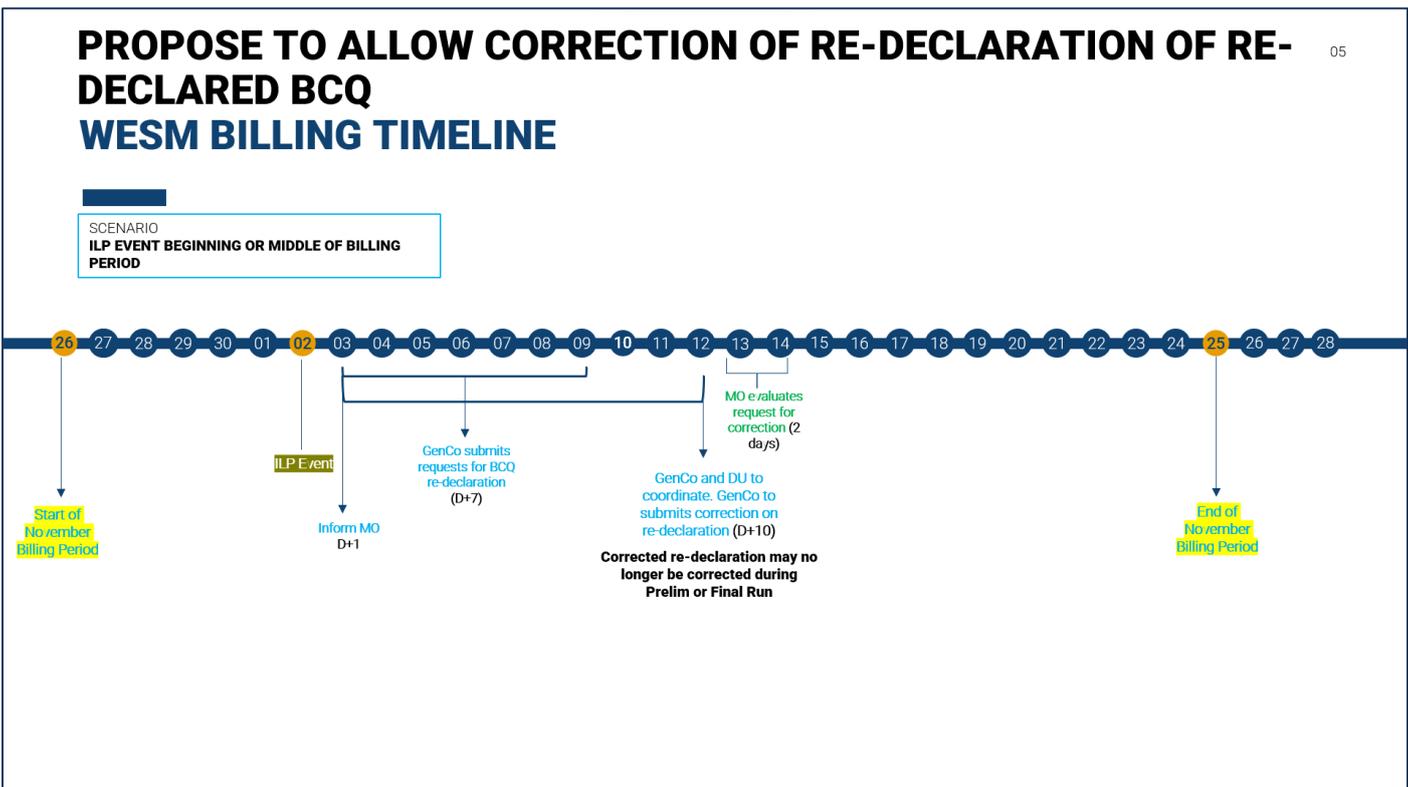
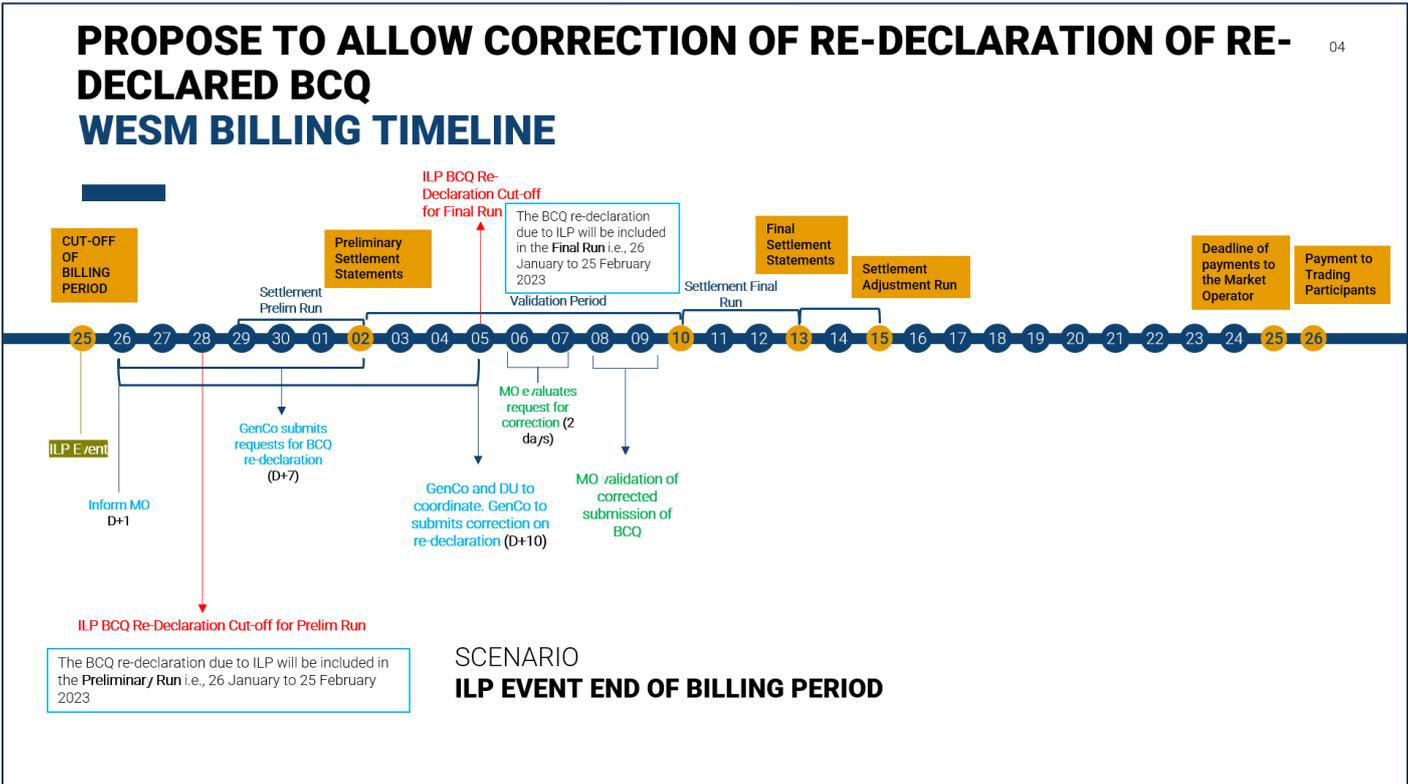
Noted by: **MARIA TERESA L. SERRA**
 Manager, FFWD
 NPC Caliraya Dam Office



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 18 of 162

Annex B – IEMOP’s Revised Proposal on Timeline for BCQ Re-declaration



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 19 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Rules							
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
3.3.	3.3.7.4	The <i>System Operator</i> shall continuously update the <i>Reserve Effectiveness Factors</i> for each reserve facility category, and the quantum of the <i>reserve</i> to be scheduled to meet each locationally specific <i>reserve requirement</i> by the <i>Market Dispatch Optimization Model</i> , to accurately reflect the <i>power system</i> under existing or future conditions, within the relevant <i>market</i> time frames, as advised by the <i>System Operator</i> under Clause 3.5.3.1.	3.3.7.4 The <i>System Operator</i> shall continuously update the <i>Reserve Effectiveness Factors</i> for each reserve facility category, and the quantum of the <i>reserve</i> to be scheduled to meet each locationally specific <i>reserve requirement</i> by the <i>Market Dispatch Optimization Model</i>, to accurately reflect the <i>power system</i> under existing or future conditions, within the relevant <i>market</i> time frames, as advised by the <i>System Operator</i> under Clause 3.5.3.1.	Deletion of the provision due to intent of the proposal			Provisionally approved.
3.3	3.3.7.5	Any proposed changes in the procedures reviewed under this clause 3.3.7 shall be approved by the <i>PEM Board</i> in accordance	3.3.7.5 3.3.7.4 Any proposed changes in the procedures reviewed under this clause 3.3.7 shall be approved by the <i>PEM Board</i> in accordance with the rule change process set out in chapter 8.	Renumbering			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 20 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Rules							
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		with the rule change process set out in chapter 8.					
3.8.7 – Reserve Conformance Standards	3.8.7	Reserve Conformance Standards	Reserve Conformance Standards Conformance Standards Market Compliance	Changed to a more generic section title to cover both the Reserve Offer Capacity Compliance (ROCC) and Reserve Conformance Standards (RCS)	Provisionally approved.		
3.8.7 – Reserve Conformance Standards	3.8.7.1	3.8.7.1 The <i>Market Operator</i> , in consultation with the <i>System Operator</i> and the <i>Enforcement and Compliance Office (ECO)</i> , shall develop <i>reserve conformance standards</i> to be set forth in the relevant <i>Market Manual</i> which shall be consistent with the <i>Grid Code</i> and <i>Distribution Code</i> .	3.8.7.1 The <i>Market Operator</i> , in consultation with the <i>System Operator</i> and the <i>Enforcement and Compliance Office (ECO)</i> , shall develop reserve conformance reserve market compliance standards to be set forth in the relevant <i>Market Manual</i> which shall be consistent with the <i>Grid Code</i> and <i>Distribution Code</i> .	Changed to a more generic term	Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 21 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Rules							
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
3.8.7 – Reserve Conformance Standards	3.8.7.2	3.8.7.2 The <i>Market Manual</i> under Clause 3.8.7.1 shall set out the following: (a) <i>reserve conformance standards</i> that will apply to <i>Ancillary Service Providers</i> ; (b) procedures for monitoring and notifying <i>Ancillary Service Providers</i> of the non-compliance by their generating units or interruptible load facilities with their <i>reserve schedules</i> ; and (c) Procedures for identifying and checking non-conformance with the <i>reserve conformance standards</i> taking into consideration any emergency directions issued to dispatched <i>Ancillary Service Providers</i> .	3.8.7.2 The <i>Market Manual</i> under Clause 3.8.7.1 shall set out the following: (a) <i>reserve conformance standards and reserve offer capacity compliance</i> that will apply to <i>Ancillary Service Providers</i> ; (b) procedures for monitoring and notifying <i>Ancillary Service Providers</i> of the non-compliance <u>with the reserve conformance standards and reserve offer capacity compliance</u> by their generating units or interruptible load facilities; with their <i>reserve schedules</i>; and (c) Procedures for identifying and checking non-conformance with the <i>reserve conformance standards and reserve offer capacity compliance</i> taking into	To provide basis for incorporating under one market manual the following: <ul style="list-style-type: none"> Rule for monitoring the reserve offer capacity compliance, in addition to the reserve conformance standards; and Adjustments in settlement amounts, and the penalty or sanctions relating to the violation or breach of the reserve market 	JRCO: Raised the treatment for BESS and storage devices. Provisionally approved.	IEMOP : The current model of BESS is a single resource in the market and being treated like a generator. Hence, the treatment for generators will be used as well for BESS.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 22 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Rules							
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
			consideration any emergency directions issued to dispatched <i>Ancillary Service Providers</i> and <u>(d) Procedures for the adjustment in settlement amounts, and imposition of penalty, and sanctions as a consequence of breach of the rule or standards relating to reserve market compliance.</u>	compliance standards			
3.8.7 – Reserve Conformance Standards	3.8.7.4	3.8.7.4 The <i>Market Operator</i> , in consultation with the <i>System Operator</i> , the <i>ECO</i> , and the <i>Trading Participants</i> , shall periodically review the <i>reserve conformance standards</i> and the procedures set out in Clauses 3.8.7.1 and 3.8.7.2.	3.8.7.1 The <i>Market Operator</i> , in consultation with the <i>System Operator</i> , the <i>ECO</i> , and the <i>Trading Participants</i> , shall periodically review the <i>reserve conformance</i> standards <u>for reserve market compliance</u> and the procedures set out in Clauses 3.8.7.1 and 3.8.7.2.	Changed to a more generic term	Rectify numbering. Provisionally approved.	PEMC: should be Section 3.8.7.4	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 23 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Rules							
Title	Clause	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
3.8.7 – Reserve Conformance Standards	3.8.7.5	3.8.7.5 The <i>Market Operator</i> shall <i>publish</i> the <i>Market Manual</i> setting out the <i>reserve conformance standards</i> .	3.8.7.6 The <i>Market Operator</i> shall <i>publish</i> the <i>Market Manual</i> setting out the <i>reserve conformance</i> standards for reserve market compliance .	Changed to a more generic term	Rectify numbering. Provisionally approved.	PEMC: should be Section 3.8.7.5 with additional proposed revision as follows: 3.8.7.6 The <i>Market Operator and WESM Governance Arm</i> shall <i>publish</i> the <i>Market Manual</i> setting out the <i>reserve conformance</i> standards for reserve market compliance .	Provisionally approved.
Chapter 11 Glossary		Reserve Effectiveness Factor. A performance indicator that measures the <i>reserve facility's</i> adequacy, accuracy, and timeliness in its actual reserve response with respect to the expected operating parameters set for a specific type of reserve.	Reserve Effectiveness Factor. A performance indicator that measures the <i>reserve facility's</i> adequacy, accuracy, and timeliness in its actual reserve response with respect to the expected operating parameters set for a specific type of reserve.	In line with the proposal's intent		PEMC: Term is no longer used in the new ASM Manual	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 24 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 1 – Introduction 1.1 Background	1.1.1	1.1.1 The <i>Department of Energy</i> mandated the <i>Market Operator</i> and the <i>WESM Governance Arm</i> to submit rules changes necessary for the co-optimized Energy and Reserve Market. It further required the <i>Market Operator</i> , in consultation with the <i>System Operator</i> and the <i>Enforcement and Compliance Office</i> , to develop <i>Reserve Conformance Standards</i> to be set forth in the relevant <i>Market Manual</i> , and to periodically review the same.	Basis for rule development relating to reserve market compliance. Reference: Section 10.1 and Section 11.2 of the DOE Department Circular DC2021-03-009 “ <i>Adopting a General Framework Governing the Operationalization of the Reserve Market in the Wholesale Electricity Spot Market and Providing Further Policies to Supplement Dc2019-12-0018</i> ”; WESM Rules Clause 3.8.7.1 and 3.8.7.4	Provisionally approved.		
SECTION 1 – Introduction 1.1 Background	1.1.2	1.1.2 The <i>WESM Governance Arm</i> through its <i>Enforcement and Compliance Office</i> is mandated to monitor compliance and conformance of the <i>Ancillary Services Providers</i> with the schedule and dispatch instructions for energy and reserves issued by the <i>Market Operator</i> and <i>System Operator</i> .	Basis for ECO’s responsibility monitor the reserve market compliance. Reference: Section 11.3 of the DOE Department Circular DC2021-03-009;	Provisionally approved. RAPA: My understanding is that the governance arm does not only monitor, but it also enforces the rules and this manual, as its powers includes determination of breach	PEMC: Agree, monitor and enforce. Proposed rewording of Section 1.1.2 for clarity:	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 25 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
			and DOE DC2023-09-0026 “ <i>Declaring the Commercial Operations of the Reserve Market and Providing Further Policies.</i> ” “11.3 Monitor compliance and conformance of ASPs with the schedule and dispatch instructions for energy and reserves issued by the MO and SO, respectively, and submit a monthly report on the same to the DOE and ERC;”	and imposition of penalties. So maybe “monitor and enforce”? This will also distinguish it from the use of the term in reference to the monitoring being done by the Market Operator. Or is the word “monitor” being used here in a much broader sense than its ordinary meaning (i.e., to observe, keep track, etc.)? This comment applies in all instances in which monitoring by ECO or the WESM governance arm is mentioned.	1.1.2 The <i>WESM Governance Arm</i> , through its <i>Enforcement and Compliance Office</i> , is mandated to monitor, <u>evaluate, assess, and enforce</u> compliance and conformance of the <i>Ancillary Services Providers</i> with the schedule and dispatch instructions for energy and reserves issued by the <i>Market Operator</i> and <i>System Operator</i> <u>and with the rule on submission of reserve offer capacity in the reserve market</u> .	
SECTION 1 – Introduction 1.1 Background	1.1.3	1.1.3 The <i>Market Operator</i> shall implement the established procedures for flagging probable breach through a system and shall transmit the generated data to the <i>Enforcement and Compliance Office</i> for its monitoring of compliance by the <i>Ancillary Services Providers</i> with the <i>Reserve Conformance Standards</i> and related compliance rules.	Basis for MO’s responsibility to establish procedures that would detect breach of the reserve market compliance /standards and ECO’s reliance on the data/initial determination or flagging of probable breach.	Provisionally approved. RAPA: <i>On the established procedures:</i> Prevailing? I presume this means that there are procedures set out in other manuals or documents, other than this	PEMC: The new procedures for RCS monitoring being proposed in this Manual are to be developed/ established by MO. The flagging of RCS breach is yet to be incorporated in the current MMS or any dedicated tool for this monitoring.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 26 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>manual (e.g., ECO & penalty manuals?)</p> <p><i>On “automated” system:</i> For accuracy as I presume the intent here is to also state that the implementation shall not be done manually, but through an electronic or automated system.</p>	<p>Proposed rewording by RAPA with modification by PEMC (deletion of the word “established”):</p> <p>1.1.3 The <i>Market Operator</i> shall implement the established procedures for flagging probable breach through an automated system and shall transmit the generated data to the <i>Enforcement and Compliance Office</i> for its monitoring of compliance by the <i>Ancillary Services Providers</i> with the <i>Reserve Conformance Standards</i> and related compliance-rules.</p>	
SECTION 1 – Introduction 1.1 Background	1.1.4	1.1.4 In conducting the monitoring, the <i>Enforcement and Compliance Office</i> shall ensure that the necessary verification or assessment of compliance or non-compliance is performed, and that due process is observed.	Ensure due process during monitoring and assessment.	<p>Provisionally approved.</p> <p>RAPA: Same comment as above on use of the term “monitoring”.</p>	<p>PEMC: Proposed rewording:</p> <p>1.1.4 In conducting the <u>compliance</u> monitoring <u>and enforcement of the rules</u>, the <i>Enforcement and Compliance</i></p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 27 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					Office shall ensure that the necessary verification or assessment of compliance or non-compliance is performed, and that due process is observed.	
SECTION 1 – Introduction 1.1 Background	1.1.5	1.1.5 Moreover, the <i>Enforcement and Compliance Office</i> is required to report to the <i>Department of Energy</i> and the <i>Energy Regulatory Commission</i> the monthly results of its compliance monitoring of the <i>Ancillary Service Providers</i> .	To conform to the reportorial requirement under Section 11.3 of the DOE Department Circular DC2021-03-009 “11.3 Monitor compliance and conformance of ASPs with the schedule and dispatch instructions for energy and reserves issued by the MO and SO, respectively, <u>and submit a monthly report on the same to the DOE and ERC;</u> ”	Provisionally approved. RAPA: Proposed rewording – 1.1.5 Moreover, the <i>Enforcement and Compliance Office</i> is required to shall report to the <i>Department of Energy</i> and the <i>Energy Regulatory Commission</i> the monthly results of its compliance monitoring of the <i>Ancillary Service Providers</i> .	PEMC: concur.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 28 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.1	1.2.1 This Manual and the <i>enforcement proceedings and actions</i> set herein apply to the conformance of the <i>Ancillary Services Providers</i> with the rule pertaining to submission of reserve offers and to reserve schedules and dispatch implementation.	For clarity as to the coverage: Reserve Offer Capacity Compliance (ROCC) and Reserve Conformance Standards (RCS)	Provisionally approved. RAPA: Proposed rewording: 1.2.1 This Manual and the <i>enforcement proceedings and actions</i> set herein apply to the conformance of the <i>Ancillary Services Providers</i> with the rule pertaining to submission of reserve offers and to <u>compliance with</u> reserve schedules and dispatch implementation.	PEMC: concur with minor modification. 1.2.1 This Manual and the <i>enforcement proceedings and actions</i> set herein apply to the conformance of the <i>Ancillary Services Providers</i> with the <u>rules</u> pertaining to submission of reserve offers and to <u>compliance with</u> reserve schedules and dispatch implementation.	
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.2	1.2.2 This Manual sets out the following – a) <i>Reserve Conformance Standards</i> and the related <i>Reserve Offer Capacity Compliance</i> ; b) Procedures for identifying and checking non-conformance with the <i>Reserve Conformance Standards and Reserve Offer Capacity Compliance</i> ; c) Procedures for monitoring and notifying the <i>Ancillary Services</i>	Outlines the major sections of the Manual: 1. ROCC and RCS (Section 4 and 5) 2. Detection of Breach Procedures (Section 6 and 7) 3. Enforcement Proceedings for	Provisionally approved. RAPA: Maybe the term should be defined and included in the definitions in Section 2, with the definition to include this qualification.	PEMC: Added the “Reserve Amount Adjustment” in the Definition of Terms. Also, for clarity: proposed rewording of 2 nd paragraph – The term “reserve amount adjustments” as used in this Manual <u>shall not modify the computation for the reserve</u>	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 29 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		<p><i>Providers</i> of the non-compliance by their generating units or interruptible load facilities; and</p> <p>d) Applicable enforcement actions and/or necessary settlement adjustments relative to the determination of breach of the compliance rules.</p> <p>The term “reserve amount adjustments” as used in this Manual shall not include matter or item that may be a subject of revisions in the Preliminary and Final Statements under Section 4.2 of the <i>Billing and Settlement Manual</i>.</p>	<p>ROCC and RCS (Section 6 and 7)</p> <p>4. Penalties and Sanctions (Section 8); Adjustments in Settlement Amounts (Section 7)</p>		<p><u>trading amount as referred to in Clause 3.13.8 of the WESM Rules and</u> shall not include matter or item that may be a subject of revisions in the Preliminary and Final Statements under Section 4.2 of the <i>Billing and Settlement Manual</i>.</p>	
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.3	1.2.3 This Manual applies to and is binding on all <i>Ancillary Services Providers</i> . It shall likewise apply to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>WESM Governance Arm</i> with respect to their respective obligations in effectively implementing the reserve market through scheduling reserve and energy capacities through co-optimization, monitoring, and enforcing the applicable rules.	Coverage – as to entity	<p>Provisionally approved.</p> <p>RAPA: For accuracy, as this is not a separate market in the WESM.</p> <p>1.2.3 This Manual applies to and is binding on all <i>Ancillary Services Providers</i>. It shall likewise apply to the <i>Market Operator</i>, the <i>System Operator</i>,</p>	PEMC: concur.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 30 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				and the <i>WESM Governance Arm</i> with respect to their respective obligations in effectively implementing the trading of reserves in market through scheduling reserve and energy capacities through co-optimization, monitoring, and enforcing enforcement of the applicable rules.		
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.4	1.2.4 This Manual also covers the <i>penalty</i> system especially designed for the <i>Ancillary Services</i> monitoring, manner of assessment, and implementation of <i>enforcement proceedings</i> and <i>enforcement actions</i> . The provisions of the <i>WESM Penalty Manual</i> and the <i>Enforcement and Compliance Manual</i> , to the extent practicable, shall be suppletory to this Manual including the procedures relating to the filing of Request for Reconsideration and/or Appeal and the utilization of penalties collected.	Coverage – to include applicable penalty. Provide for the suppletory application of WESM Penalty Manual and Enforcement and Compliance Manual.	Provisionally approved. The catch-all provision can be included here. RAPA: Proposed rewording: 1.2.4 This Manual also covers provides for the <i>penalty</i> system especially designed for specifically applicable to the <i>Ancillary Services Providers</i> , including particularly the monitoring, manner of assessment, and	PEMC: Concur with modification (to insert the <i>mutatis mutandis</i> clause): 1.2.4 This Manual also covers provides for the <i>penalty</i> system especially designed for specifically applicable to the <i>Ancillary Services Providers</i> , including particularly the monitoring, manner of assessment, and implementation of <i>enforcement proceedings</i> and <i>enforcement actions</i> . Except as specifically	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 31 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				implementation of <i>enforcement proceedings</i> and <i>enforcement actions</i> . The provisions of the <i>WESM Penalty Manual</i> and the <i>Enforcement and Compliance Manual</i> , to the extent practicable, shall be supplementary to this Manual, including particularly the procedures relating to the filing of Request for Reconsideration and/or Appeal, and the utilization of penalties collected.	<u>provided herein, the relevant provisions of the WESM Penalty Manual and the Enforcement and Compliance Manual on enforcement proceedings and actions shall remain in full force and effect.</u> The provisions of the <u>said Manuals, —WESM Penalty Manual and the Enforcement and Compliance Manual,</u> to the extent practicable, shall be supplementary to this Manual, including particularly the procedures relating to the filing of Request for Reconsideration and/or Appeal, and the utilization of penalties collected.	
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.5	1.2.5 This Manual likewise covers the reserve amount adjustments that need to be made in the WESM settlement statement as a consequence of a breach or related enforcement proceedings. The provisions of the <i>WESM Billing and Settlement Manual</i> , to	<ul style="list-style-type: none"> Provide clear consequence of a finding of breach or no breach of the RCS, i.e., adjustment in the settlement amount. The timeline for 	Provisionally approved. RAPA: Proposed rewording – 1.2.5 This Manual likewise covers the determination of	PEMC: Concur.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 32 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		the extent practicable, shall be suppletory to this Manual.	the adjustments as well as the procedures, to the extent applicable, shall be in accordance with the Billing and Settlement Manual.	reserve amount adjustments that need to be made in the WESM settlements statement —as a consequence of a breach or related enforcement proceedings. The provisions of the <i>WESM Billing and Settlement Manual</i> , to the extent practicable, shall be suppletory to this Manual.		
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.6	1.2.6. A claim relating to an error in the Preliminary and Final Statements that is not connected in any way to, or arising from, the finding of breach or results of compliance monitoring shall be governed by the relevant provisions of the <i>WESM Dispute Resolution Manual</i> and the <i>WESM Billing and Settlement Manual</i> .	<ul style="list-style-type: none"> For clarity: error (as distinguished from adjustments as a consequence of a finding after due monitoring and assessment) is not covered in the procedures set in ASM Manual; rather, should be adjusted based on the relevant provisions of Billing and Settlement Manual. 	Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 33 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.7	1.2.7 Any <i>enforcement action</i> taken under this Manual does not imply enforcement of the <i>Philippine Grid Code</i> , the <i>Philippine Distribution Code</i> , other rules and regulations which likewise govern or regulate the WESM, <i>WESM Members</i> , or <i>Ancillary Services Providers</i> , and therefore does not prejudice and is likewise not prejudiced by the taking of any action authorized under such codes, rules and regulations. This is notwithstanding that such codes, rules and regulations also impose sanctions on the same acts or omissions that constitute a <i>Breach</i> of the <i>Market Rules</i> or <i>Market Manuals</i> .	Provide Exclusions from the Coverage of the ASM Manual, <i>i.e.</i> , those not covered by the WESM Rules/Market Manuals – for clarity.	Provisionally approved.		
SECTION 2 – Definitions, Reference and Interpretation 2.1 Definitions	2.1.1	2.1.1 All terms and abbreviations used in this Manual that are defined in the <i>Market Rules</i> shall have the same meaning as defined in the said rules.	For consistency in the terminologies used.	Provisionally approved.		
SECTION 2 – Definitions, Reference and Interpretation	2.1.2	2.1.2 Where italicized the term or abbreviation shall have the definition given in the Glossary in the <i>Market Rules</i> and <i>Market Manuals</i> and in this Manual, as follows –	For easy reference of the terms used and their respective meaning, as used throughout the Manual.	<ul style="list-style-type: none"> • JRCO: Reference of AS Definition • JGM: Enclose in quotation the transmission of capacity 	PEMC: Agree to delete “of” in “transmission <u>of</u> capacity” in item “a”	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 34 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
2.1 Definitions		<p>a. Ancillary Services - those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice, the <i>Grid Code</i> and <i>Distribution Code</i>.</p> <p>b. Ancillary Services Provider – a <i>Generation Company</i> with ancillary service capability certified by the <i>System Operator</i> or any qualified third party and registered for the <i>Reserve Market</i>. It may also be a <i>customer</i> registered for the provision of <i>interruptible load</i> certified as <i>interruptible</i> in accordance with the <i>Grid Code</i> and <i>Distribution Code</i>.</p> <p>c. Ancillary Schedule – is the resulting reserve schedule based on the co-optimization of energy and reserve requirements of the power system produced by the <i>Market Dispatch Optimization Model</i>.</p> <p>d. Annual Ancillary Services Performance Evaluation – refers to a set of criteria and guidelines that measures the overall</p>		<ul style="list-style-type: none"> • CAJ: Consistency of AS (not in market) and Reserves (market) • DTD: Clerical error (deletion of “of”) • DLAO: Delete terms already defined in relevant market documents • DTD: Ensure consistency • RSM: Raised the impact of deleting “of” • JRCO: Enhance item “d” for clarity that it is a process/procedure • JRCO: Change to “or” instead of “and” in item “e” 	<p>Reference: PGC Definition of Ancillary Service</p> <p>“Ancillary Service. Support services such as Primary Reserve, Secondary Reserve, Tertiary Reserve, Reactive Power support, and Black Start Capability which are necessary to support the <u>transmission capacity</u> and Energy that are essential in maintaining Power Quality and the Reliability of the Grid.”</p> <ul style="list-style-type: none"> • PEMC: Change item “c” to Reserve Schedule. • PEMC: In item “o”, change “Officer” to “Office” 	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 35 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		<p>performance of an <i>Ancillary Services Provider</i> in terms of provision and delivery of the ancillary services over a period of one (1) year.</p> <p>e. Breach – non-compliance with the <i>Reserve Conformance Standards</i> and the <i>Reserve Offer Capacity Compliance</i>, as finally determined following the enforcement proceedings set forth in this Manual.</p> <p>f. Compliance Monitoring and Assessment Report – refers to the report that includes the final assessment of whether a particular <i>Ancillary Services Provider</i> violated or breached the relevant <i>Market Rules</i> and/or <i>Market Manuals</i>.</p> <p>g. Request for Reassessment with Notice of Claim – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i>, accompanied by a request to recalculate</p>		<ul style="list-style-type: none"> • RCC: Item “j” can have a counterpart definition in the WESM Rules Glossary. • RAPA: Raised the implication of defining RM • JRCO: Review the definition in item “l” focusing on the word “registered” • JRCO: Change “capable” to “registered” in item “m” • JGM: Simplify definitions on the notices 	<p>Proposed rewording and re-arrangement (<i>in alphabetical order</i>) –</p> <p>a. Ancillary Services - those services that are necessary to support the transmission—of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice, the <i>Grid Code</i> and <i>Distribution Code</i>.</p> <p>b. Ancillary Services Provider – x x x</p> <p>d.c. Annual Ancillary Services Performance Evaluation – refers to a set of criteria and guidelines that <u>a procedure that determines or</u> measures the overall performance of an <i>Ancillary</i></p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 36 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		<p>and/or adjust the settlement amount on account of the reassessed findings.</p> <p>h. Reserve – <i>ancillary services</i> that are traded in the WESM.</p> <p>i. Reserve Conformance Standards – Standards that set the criteria and procedures for determining whether the <i>Ancillary Service Providers</i> comply with their <i>reserve schedules</i>, and which are required to be set out in a <i>Market Manual</i> in accordance with Clause 3.8.7.</p> <p>j. Reserve Market – a market that provides for a mechanism that allows trading of ancillary services or services necessary to support the transmission of capacity and energy from resources to loads. It is designed and intended to provide optimal solution for all available capacities when scheduling reserve and energy capacities through co-optimization.</p> <p>k. Reserve Offer – a standing offer or market offer to supply reserves submitted or revised</p>			<p><i>Services Provider</i> in terms of provision and delivery of the ancillary services over a period of one (1) year. <u>based on a set of criteria and guidelines developed for that purpose.</u></p> <p><u>e.-d Breach</u> – non-compliance with the <i>Reserve Conformance Standards</i> <u>and or</u> the <i>Reserve Offer Capacity Compliance</i>, as finally determined following the enforcement proceedings set forth in this Manual.</p> <p><u>f.-e. Compliance Monitoring and Assessment Report</u> – refers to the report that includes the final assessment of whether a particular <i>Ancillary Services Provider</i> violated or breached the relevant <i>Market Rules</i> and/or <i>Market Manuals</i>.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 37 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		<p>by a <i>Customer</i> or <i>Generation Company</i> in accordance with WESM Clauses 3.5.7, 3.5.8, 3.5.10 or 3.5.11.</p> <p>I. Reserve Offer Capacity Compliance – pertains to the rule that all certified and registered <i>Ancillary Service Providers</i> shall submit reserve offers up to their registered maximum reserve capability for all reserve categories, whether or not the capacities are covered by Ancillary Service Procurement Agreements (ASPAs).</p> <p>m. Reserve Facility. A facility capable of providing <i>reserves</i>.</p> <p>n. Non-Compliance Notice – a notice issued to an <i>Ancillary Service Provider</i> for probable <i>Breach</i> of the <i>Reserve Offer Capacity Compliance</i>.</p> <p>o. Notice of Reserve Amount Adjustment – a notice issued by the <i>WESM Governance Arm</i> that serves as a directive to, and basis of, the <i>Market Operator</i> to cause the revision or adjustment in the settlement statement on</p>			<p>f. <u>Enforcement-Related Notices</u></p> <p><i>Note: to be enumerated in table form, as suggested by Chair Morallos. However, due to limited space in this column, the table is placed in the <u>last page of this document</u>.</i></p> <p>g. Request for Reassessment with Notice of Claim – x x x</p> <p>h. Reserve – x x x</p> <p>i. <u>Reserve Amount Adjustment</u> – the amount to be debited or credited to/from a <i>WESM Member</i> as a line-item adjustment to the <i>reserve trading amount</i> in connection with the results of the monitoring and assessment of the compliance of the <i>Ancillary Services Providers</i> with the</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 38 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		<p>account of the findings of the <i>Enforcement and Compliance Officer</i> concerning compliance with the <i>Reserve Conformance Standards</i>.</p> <p>p. Notice of Breach – a notice issued by the <i>Market Operator</i> to its billing and settlement unit and to the <i>Enforcement and Compliance Office</i> that specifies the breach of <i>Reserve Conformance Standards</i> committed by an <i>Ancillary Service Provider</i>.</p> <p>q. Notice of Specified Penalty – notice issued to an <i>Ancillary Service Provider</i> found in <i>Breach</i> directing the payment of financial penalty to the <i>WESM Governance Arm</i>.</p>			<p>reserve conformance standards.</p> <p>i. Reserve Conformance Standards – Standards that set the criteria and procedures for determining whether the <i>Ancillary Service Providers</i> comply with their <i>reserve schedules</i>, and which are required to be set out in a <i>Market Manual</i> in accordance with Clause 3.8.7.</p> <p>j. Reserve Market – a market that provides for a mechanism that allows trading of ancillary services or services necessary to support the transmission of capacity and energy from resources to loads. It is designed and intended to provide optimal solution for all available capacities when scheduling reserve and energy</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **39 of 162**



Philippine Electricity
Market Corporation

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<p>capacities through co-optimization.</p> <p>m. k. Reserve Facility. A facility capable of providing reserves.</p> <p>k. l. Reserve Offer – a standing offer or market offer to supply reserves submitted or revised by a <i>Customer</i> or <i>Generation Company</i> in accordance with WESM Clauses 3.5.7, 3.5.8, 3.5.10 or 3.5.11.</p> <p>l. m. Reserve Offer Capacity Compliance – pertains to the rule that all certified and registered <i>Ancillary Service Providers</i> shall submit reserve offers up to their registered maximum reserve capability for all reserve categories, whether or not the capacities are covered by Ancillary</p>	



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 40 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<p>Service Procurement Agreements (ASPAs).</p> <p>e. n. Ancillary Reserve Schedule – is the resulting reserve schedule <u>for a particular reserve type</u> based on the co-optimization of energy and reserve requirements of the power system produced by the <i>Market Dispatch Optimization Model</i>.</p> <p>j. o. WESM Reserve Market – a market <u>within WESM</u> that provides for a mechanism that allows trading of ancillary services or services necessary to support the transmission of capacity and energy from resources to loads. It is designed and intended <u>and is integrated in the system of WESM that is designed</u> to provide optimal solution for all</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 41 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					available capacities when scheduling reserve and energy capacities through co-optimization.	
SECTION 2 – Definitions, Reference and Interpretation 2.2 Reference	2.2	2.2 This Manual shall be read in conjunction with the <i>Market Rules</i> and <i>Market Manuals</i> approved for use in the WESM, including but not limited to the documents listed in the Reference Documents table of this Manual.	For reference – to check in which context the term/s are used / referred to in the Manual.	Provisionally approved. RAPA: Proposed rewording – 2.2 This Manual shall be read in conjunction with the <i>Market Rules</i> and <u>other</u> <i>Market Manuals</i> approved for use in the WESM, including but not limited to the documents listed in the Reference Documents table of this Manual.	PEMC: Concur.	
SECTION 2 – Definitions, Reference and Interpretation 2.3 Interpretation	2.3	2.3 Unless otherwise stated in this Manual, the rules of interpretation set out in Chapter 9 of the WESM Rules shall also apply to this Manual.	Apply the standard rule on interpretation.	Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 42 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.1	3.1.1 The <i>Market Operator</i> shall establish a procedure for the monitoring or flagging of breach in accordance with the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i> through the use of an appropriate facility.	MO to establish the procedures for detecting breach of the ROCC and RCS consistent with Clause 3.8.7.3 of the WESM Rules.	Provisionally approved.		
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.2	3.1.2 The <i>Market Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information necessary for verification, validation, and final determination of the findings or results relative to the monitoring of compliance with the <i>Reserve Conformance Standards</i> and the <i>Reserve Offer Capacity Compliance</i> .	To set the obligation of MO, <i>i.e.</i> , to provide the data and initial results to ECO – as basis of the latter in proceeding with the appropriate enforcement proceedings.	Provisionally approved. RAPA: “relative to the enforcement of the Reserve x x x” 3.1.2 The <i>Market Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information necessary for verification, validation, and final determination of the findings or results relative to the monitoring of compliance with and enforcement of the <i>Reserve Conformance Standards</i> and the <i>Reserve Offer Capacity Compliance</i> .	PEMC: Concur with modification: 3.1.2 The <i>Market Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information that the latter deem necessary for verification, validation, and final determination of the findings or results relative to the monitoring of compliance with and enforcement of the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i> .	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 43 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.3	3.1.3 The <i>Market Operator</i> shall implement any notice that may be served upon it, and carry out the required action, if any, as a result of the enforcement proceedings prescribed in this Manual.	To set the obligation of MO, <i>i.e.</i> , to execute the notices relating to enforcement actions (e.g., suspension, deregistration, or adjustment in settlement amounts, etc.)	Provisionally approved		
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.4	3.1.4 The <i>Market Operator</i> shall inform the <i>Enforcement and Compliance Office</i> and the <i>System Operator</i> of the status of suspension or re-application as <i>Ancillary Services Provider</i> of the entity that has previously been suspended or deregistered.	To set obligation of MO, <i>i.e.</i> , to notify ECO of the status of ASPs as regards the registration and participation (active or inactive) in the reserve market in order for ECO to know whether ASPs are still covered or not in the monitoring.	Provisionally approved. RAPA: What does this “status of suspension” mean? Or is the obligation to give notice of the suspension itself? RAPA: Proposed rewording – 3.1.4 The Market Operator shall inform the Enforcement and Compliance Office and the System Operator of the status of suspension or re-application as Ancillary Services Provider of the entity that has previously been	PEMC: status of suspension – if in effect or lifted. • This is given to ECO to signal resumption of regular monitoring. • This is different from the notice of suspension that is provided to concerned ASP to implement the sanction. PEMC: Concur.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 44 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				suspended or deregistered as such .		
SECTION 3 – Responsibilities 3.2 System Operator	3.2.1	3.2.1 The <i>System Operator</i> shall submit to the <i>Market Operator</i> inputs and reports that are necessary in initially determining probable breach.	To set obligation of SO regarding data provision necessary in determining breach of RCS.	Provisionally approved RAPA: Proposed rewording (For accuracy. Reports are inputs too.): 3.2.1 The <i>System Operator</i> shall submit to the <i>Market Operator</i> inputs data and reports that are necessary in initially determining occurrence of probable breach.	PEMC: Concur.	
SECTION 3 – Responsibilities 3.2 System Operator	3.2.2	3.2.2 The <i>System Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information necessary for verification, validation, and final determination of the findings or results relative to the monitoring of compliance with the <i>Reserve Conformance Standards</i> and the <i>Reserve Offer Capacity Compliance</i> .	To set obligation of SO regarding data provision to ECO - raw data for determining breach of RCS. ECO will use the same for validation and assessment.	Provisionally approved. RAPA: Proposed rewording (to be clear that it is the ECO that determines what data it needs). 3.2.2 The <i>System Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information that the latter deem necessary for	PEMC: Concur with modification: 3.2.2 The <i>System Operator</i> shall provide to the <i>Enforcement and Compliance Office</i> all the market data and information that the latter deem necessary for verification, validation, and final determination of the findings or results relative to the monitoring	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 45 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				verification, validation, and final determination of the findings or results relative to the monitoring of compliance with the <i>Reserve Conformance Standards</i> and the <i>Reserve Offer Capacity Compliance</i> .	of compliance with and enforcement of the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i> .	
SECTION 3 – Responsibilities 3.2 System Operator	3.2.3	3.2.3 The <i>System Operator</i> shall implement any notice that may be served upon it, and carry out the required action, if any, as a result of the enforcement proceedings prescribed in this Manual.	To set the obligation of SO, <i>i.e.</i> , to execute the notices relating to enforcement actions (e.g., suspension, deregistration, or adjustment in settlement amounts, etc.)	Provisionally approved.		
SECTION 3 – Responsibilities 3.2 System Operator	3.2.4	3.2.4 The <i>System Operator</i> shall, for monitoring purposes, inform the <i>Market Operator</i> and the <i>Enforcement and Compliance Office</i> of any technical ground or reason for disqualification of an <i>Ancillary Service Provider</i> such as failure to pass the regular <i>Ancillary Services</i> certification test every two (2) years or failure to resolve the technical issues required for re-certification.	To set obligation of MO, <i>i.e.</i> , to notify ECO of the status of ASPs as regards the requirements for re-certification test for ECO's assessment (e.g., for the annual evaluation performance)	CAJ: Add a phrase re due process.	PEMC response to CAJ's suggestion: Already provided in Section 1.1.4 above: "1.1.4 In conducting the compliance monitoring and enforcement of the rules, the <i>Enforcement and Compliance Office</i> shall ensure that the necessary verification or assessment of	



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 46 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>RAPA: Since this is stated by way of an example, I suppose this means that there could be other grounds or reasons that the SO may raise. Proposed rewording:</p> <p>3.2.4 The <i>System Operator</i> shall, for monitoring purposes, inform the <i>Market Operator</i> and the <i>Enforcement and Compliance Office</i> of any technical ground or reason for disqualification of an <i>Ancillary Service Provider</i>, such as but not limited to failure to pass the regular <i>Ancillary Services</i> certification test every two (2) years or failure to resolve the technical issues required for re-certification.</p>	<p>compliance or non-compliance is performed, and that <u>due process is observed.</u></p> <p>PEMC response to RAPA's suggestion: Concur.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 47 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.1	The <i>Enforcement and Compliance Office</i> shall – 3.3.1 Monitor the compliance of <i>Ancillary Service Providers</i> and impose the specified penalties based on the result of monitoring and assessment in accordance with Clause 7.2.5.2 of the <i>WESM Rules</i> , and this <i>Market Manual</i> . The <i>Notice of Specified Penalty</i> and other notices to be issued for this purpose shall be signed by the President of the <i>WESM Governance Arm</i> in accordance with Sections 3.3.5 and 3.3.6 of this Manual.	To set obligation on the part of ECO to monitor and enforce actions consistent with the authority provided under Clause 7.2.5.2 of the WESM Rules.	Provisionally approved.	PEMC response to RAPA's question: Such information may be necessary in relation to the annual performance evaluation that is yet to be developed by MO, SO, and ECO. PEMC: Delete “2 nd sentence” (redundant) – to read – 3.3.1 Monitor the compliance of <i>Ancillary Service Providers</i> and impose the specified penalties based on the result of monitoring and assessment in accordance with Clause 7.2.5.2 of the <i>WESM Rules</i> , and this <i>Market Manual</i> . The Notice of Specified Penalty and other notices to be issued for this purpose shall be signed by the President of the WESM Governance Arm in accordance	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 48 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					with Sections 3.3.5 and 3.3.6 of this Manual.	
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.2	3.3.2 Develop or establish a monitoring tool, system, and procedures that would readily employ and provide practical application in terms of data migration from the <i>Market Operator</i> or <i>System Operator</i> , notification to concerned <i>Ancillary Service Providers</i> and user interface, and recalculation of initial results pertaining to possible non-compliance with the <i>Reserve Conformance Standards</i> and <i>Reserve Offer Capacity Compliance</i> .	To mandate ECO to develop an appropriate monitoring tool for compliance monitoring	As suggested by RAPA (see Comment on Section 6.1.2) RAPA: Alternatively, the provision (Section 6.1.2) can be reworded to refer to the ECO's obligation to provide a system that provides interface - for issuance of notices, submission and processing of data/information, etc. Also, <u>I suggest that this be placed in the enumeration of the ECO's functions/ responsibilities,</u> rather than here (<i>referring to Section 6.1.2</i>)	PEMC: Concur. Section 3.3.2 – provision lifted from Section 6.1.2	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 49 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.2	3.3.2 Coordinate with the <i>Market Operator</i> and the <i>System Operator</i> , as may be deemed necessary, to ensure that all the data and information needed for monitoring and assessment – and upon which the findings shall be based – are correct and complete.	To set obligation on ECO to ensure completeness of data to be used for assessment.	Provisionally approved.	PEMC: For renumbering because of the inserted provision (should be Section 3.3.3)	
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.3	3.3.3 Submit the reports required under this Manual to the <i>Energy Regulatory Commission</i> , the <i>Department of Energy</i> , the <i>PEM Board</i> , and the <i>Compliance Committee</i> .	For transparency. Consistent with the requirement set out in Section 11.3 of the DOE Department Circular DC2021-03-009 “11.3 Monitor compliance and conformance of ASPs with the schedule and dispatch instructions for	Provisionally approved.	PEMC: For renumbering because of the inserted provision (should be Section 3.3.4)	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 50 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
			energy and reserves issued by the MO and SO, respectively, and submit a monthly report on the same to the DOE and ERC;”			
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.4	3.3.4 Implement all other notices, resolutions or decisions, as the case may be, pursuant to this Manual, and shall have custody of all notices, reports and records created and issued pursuant to this Manual.	To set the obligation of ECO <i>i.e.</i> , to execute the notices relating to enforcement actions	Provisionally approved.	PEMC: For renumbering because of the inserted provision (should be Section 3.3.5)	
SECTION 3 – Responsibilities 3.3 WESM Governance Arm	3.3.5	The President of the <i>WESM Governance Arm</i> – 3.3.5 The President of the <i>WESM Governance Arm</i> shall sign all notices pertaining to penalties and to other enforcement actions that are required to be issued under this Manual.	To authorize the President to sign the notices relating to enforcement actions.	Provisionally approved.	PEMC: For renumbering because of the inserted provision (should be Section 3.3.6)	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 51 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
The President of the <i>WESM Governance Arm</i>						
SECTION 3 – Responsibilities 3.3 WESM Governance Arm The President of the <i>WESM Governance Arm</i>	3.3.6	3.3.6 The President of the <i>WESM Governance Arm</i> shall, upon signing of the <i>Notice of Specified Penalty</i> , direct or authorize the billing and collection of the penalty from the <i>Ancillary Service Providers</i> within the timeline set forth in Section 8.2.4 of this Manual.	To ensure implementation of enforcement actions.	Provisionally approved.	PEMC: For renumbering because of the inserted provision (should be Section 3.3.7)	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 52 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.1	3.4.1 <i>Ancillary Services Providers</i> shall submit to the <i>System Operator</i> the following real-time data for purposes of monitoring compliance with the <i>Reserve Conformance Standards</i> . a) Generator mode of operations b) Dead band setting	To set the obligation of ASP to submit reserve offers.	Provisionally approved.		
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.2	3.4.2 <i>Ancillary Services Providers</i> shall comply with the <i>Reserve Conformance Standards</i> and the rule on <i>Reserve Offer Capacity Compliance</i> as set forth in this Manual and related <i>Market Manuals</i> .	To set the obligation of ASP to comply with the reserve conformance standards	Provisionally approved.		
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.3	3.4.3 <i>Ancillary Services Providers</i> shall coordinate with the <i>Enforcement and Compliance Office</i> for matters, data, or information necessary to establish, validate, and verify the incidents or circumstances relating to the non-compliance with the <i>Reserve Conformance Standards</i> and the rule on <i>Reserve Offer Capacity Compliance</i> .	To set the obligation of ASP to coordinate with ECO on matters relating to compliance monitoring, validation, and assessment.	Provisionally approved. RAPA: Proposed rewording – 3.4.3 <i>Ancillary Services Providers</i> shall coordinate with the <i>Enforcement and Compliance Office</i> for matters, data, or	PEMC: Concur.	



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **53 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				information necessary <u>for the latter</u> to establish, validate, and verify the incidents or circumstances relating to the non-compliance with the <i>Reserve Conformance Standards</i> and the rule on <i>Reserve Offer Capacity Compliance</i> .		
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.4	3.4.4 An <i>Ancillary Services Provider</i> that is served a notice, resolution, or decision pursuant to this Manual shall faithfully and timely comply with the requirements or directives thereunder, including but not limited to the payment of financial penalties, taking of remedial actions or measures and compliance with other directives. Failure to comply with such requirements or directives shall be subject to additional <i>penalties</i> pursuant to Section 8.4 of this Manual.	To set the obligation of ASP to comply with the notices that may be issued in connection with the enforcement proceedings and actions.	Provisionally approved. MDH: Consequence of violation of ASP in one interval.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **54 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 3 – Responsibilities 3.5 Other Service Providers		3.5 Other service providers in the WESM, including but not limited to the <i>Network Service Providers</i> and the <i>Metering Service Providers</i> , shall faithfully and timely implement any action or measure required of them under any notice that is issued and served pursuant to this Manual.	To set the obligation of other service providers, as may be necessary, e.g., to execute the notices relating to enforcement actions.	Provisionally approved.		
SECTION 4 – Reserve Offer Capacity Compliance		Section for Reserve Offer Capacity Compliance	Obligation equivalent to a Must Offer Rule (Energy). 4.1 – Overview 4.2 – Reserve Offer Submission 4.3 – Review of ROCC Rule	Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 55 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.1	4.1.1 This Section applies to and is binding on all <i>Ancillary Services Providers</i> . By having been certified as an <i>Ancillary Services Provider</i> by the <i>System Operator</i> or any qualified third-party capability testing entity accredited by the <i>Energy Regulatory Commission</i> , and by being registered in the WESM as <i>Ancillary Services Provider</i> , an <i>Ancillary Services Provider</i> is bound to comply with the <i>Market Rules and Market Manuals</i> .	For clarity as to the binding effect of certification for ancillary services and registration in the WESM as ASP, <i>i.e.</i> , bound to comply with the Market Rules/Manuals.	Provisionally approved.		
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.2	4.1.2 All <i>Generation Companies</i> registered in the WESM shall offer their available capacities at all times in accordance with the requirements of the co-optimized energy and reserve market as prescribed under the <i>WESM Rules</i> and its <i>Market Manuals</i> and subject to the reserve capacities, as certified by the <i>System Operator</i> or any other entity duly designated to conduct testing and certification of ancillary services capability of generating load and facilities, as applicable	To provide basis for the obligation of the ASP to offer the reserve capacity, as certified by SO or authorized entity to conduct certification testing – consistent with the provisions of DOE DC2021-03-0009 “ <i>Adopting a General Framework Governing the Operationalization of the Reserve Market in the Wholesale Electricity Spot Market and Providing Further Policies to Supplement DC2019-12-0018</i> ”.	Minor comment: Add period. Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 56 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.3	4.1.3 Each <i>scheduled generating unit, battery energy storage system and pumped-storage unit</i> registered as an <i>Ancillary Services Provider</i> in respect of a <i>reserve facility</i> in a particular reserve region shall submit a standing <i>reserve offer</i> for each of its relevant <i>reserve facilities</i> in respect of that reserve region for each <i>dispatch interval</i> for each day of the week in accordance with the <i>timetable</i> . The standing <i>reserve offer</i> shall apply until revised or updated by the scheduled generator registered as an <i>Ancillary Services Provider</i> .	To provide basis for the obligation of the ASP (scheduled generating unit, BESS, and pump-storage unit) to submit standing reserve offer consistent with Clause 3.5.7.2 of the WESM Rules.	Provisionally approved. RAPA: Proposed rewording (For accuracy and brevity. As defined in Section 2, Ancillary Services Provider refer to the generation company and not the generating unit or facility, while reserve facilities refer to the facilities that can provide reserves. I suppose the latter would include scheduled generating unit, battery systems and pumped storage units.) 4.1.3 Each <i>scheduled generating unit, battery energy storage system and pumped-storage unit</i> registered as an <i>Ancillary Services Provider</i> in respect of a <i>reserve facility</i> in a particular reserve region <u>Generation Company registered as Ancillary</u>	PEMC: Concur.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 57 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<u>Services Provider</u> shall submit a standing <i>reserve offer</i> for each of its relevant <i>reserve facilities</i> in respect of that a reserve region for each <i>dispatch interval</i> for each day of the week in accordance with the <i>timetable</i> . The standing <i>reserve offer</i> shall apply until revised or updated by the scheduled generator registered as an <u>said Ancillary Services Provider</u>		
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.4	4.1.4 Each <i>Customer</i> registered as an <i>Ancillary Services Provider</i> in respect of a <i>reserve facility</i> in a particular <i>reserve region</i> may likewise submit a standing <i>reserve offer</i> for each of its <i>interruptible load facilities</i> in respect of that <i>reserve region</i> for each <i>dispatch interval</i> for each day of the week in accordance with the <i>timetable</i> .	To provide basis for the obligation of the ASP (customers in respect to their load facilities) to submit standing reserve offer consistent with Clause 3.5.8.2 of the WESM Rules.	Provisionally approved.		
SECTION 4 – Reserve Offer Capacity Compliance	4.2.1	4.2.1 An <i>Ancillary Services Provider</i> shall submit offers for each of its <i>reserve facility</i> equivalent to the certified reserve capacity for all types of reserve categories, as registered in	To set mandatory obligation to offer the full capacity equivalent to the certified reserve capacity.	RAPA: Proposed rewording (I removed the comma after “all types of reserve categories” as I understand that the term	PEMC responses to RAPA, CAJ and JRCO: Concur. Proposed rewording –	CAJ: On breach on RCS – will it be acceptable if the ASP does not submit reserve offer if it knows

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 58 of 162



Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
4.2 Reserve Offer Submission		the WESM, whether or not the capacities are covered by an ancillary services procurement agreement with the <i>System Operator</i> . For instance, a generating unit has a registered capacity of 100MW but is certified to have a <i>regulating reserve</i> capacity of 95MW, the <i>Ancillary Services Provider</i> should submit 95MW as regulating reserve capacity in the <i>Reserve Market</i> .		<p>“registered in the WESM” refers to the reserve capacity.) –</p> <p>CAJ: Add example of multiple categories for clarity</p> <p>JRCO: Add energy-related example for a holistic view</p>	<p>4.2.1 <u>Subject to the existing rule on the submission of available capacity for energy under Clause 3.5.5 of the WESM Rules, an An Ancillary Services Provider</u> shall submit offers for each of its <i>reserve facility</i> equivalent to the certified reserve capacity for all types of reserve categories, as registered in the WESM, whether or not the capacities are covered by an ancillary services procurement agreement with the <i>System Operator</i>. For instance, a generating unit has a registered capacity of 100MW but is certified to have a regulating reserve capacity of 95MW, the Ancillary Services Provider should submit 95MW as regulating reserve capacity in the Reserve Market. <u>For</u></p>	<p>ahead of time that it is likely to breach one of the items in the RCS due to technical limitations of the plant.</p> <p>MHGL (PEMC): Even if the plant is derated, the ASP should still offer its capacity. The system may flag this as possible breach of the ROCC but the ASP has opportunity during the ECO’s assessment to justify and explain the circumstances for the deration that caused the breach.</p> <p>RAPA: Clarity in the definition of what constitutes a ‘breach’, which should take into consideration plants’ technical constraints, would address such concerns. This is similar with</p>

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 59 of 162



Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)																	
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)											
					<p><u>instance, if a generating unit has a registered capacity of 110MW but is certified and registered in the WESM as having a regulating reserve capacity of 100MW, a contingency reserve capacity of 100MW, and a dispatchable reserve of 105MW, the Ancillary Services Provider should submit as follows:</u></p> <table border="1"> <thead> <tr> <th rowspan="2">(A) Energy Offer</th> <th colspan="3">(B) Reserve Offer</th> </tr> <tr> <th>RR</th> <th>CR</th> <th>DR</th> </tr> </thead> <tbody> <tr> <td>110M W</td> <td>100M W</td> <td>100M W</td> <td>105M W</td> </tr> </tbody> </table>	(A) Energy Offer	(B) Reserve Offer			RR	CR	DR	110M W	100M W	100M W	105M W	<p>the meaning of 'breach' in the energy market.</p>
(A) Energy Offer	(B) Reserve Offer																
	RR	CR	DR														
110M W	100M W	100M W	105M W														

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **60 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.2	4.2.2 An <i>Ancillary Services Provider</i> shall notify the <i>Enforcement and Compliance Office</i> of any circumstances which may prevent it from providing ancillary services in any <i>dispatch interval</i> of any <i>trading</i> day in the current <i>week-ahead market horizon</i> . It shall be accompanied by supporting documents or records which may be submitted within five (5) business days from the occurrence of the event or incident.	To ensure that the non-submission of offer is provided with reasons / explanation (these will be subject to assessment by ECO).	<p>JRCO: Application of standing offer.</p> <p>CAJ: On the timeline, ASPs may be allowed to submit other references as currently observed using CPEMS (monitoring tool of PEMC).</p> <p>VCF: Clarifications re penalty level.</p> <p>RAPA: Does this refer to the giving of the notice? Or the submission of the documents? The proposed revision is based on understanding that the notice, accompanied by supporting documents, is to be</p>	<p>PEMC response to JRCO: Submission of standing reserve offers applies. If properly observed by ASPs, it is unlikely to be flagged for breach of ROCC.</p> <p>PEMC response to CAJ: Yes, additional documents may be accepted on or before conclusion of monitoring and assessment activity.</p> <p>PEMC response to VCF: Discussed in Section 8 of the proposed Manual.</p> <p>PEMC response to RAPA: It refers to the notice of the circumstances affecting the offer. Concur with proposed wording, with additional change for clarity:</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 61 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>given within 5 days. Proposed rewording:</p> <p>4.2.2 An <i>Ancillary Services Provider</i> shall notify the <i>Enforcement and Compliance Office</i> of any circumstances which may prevent it from providing ancillary services in any <i>dispatch interval</i> of any <i>trading day</i> in the current a particular week-ahead market horizon. It shall be accompanied by supporting documents or records which may be and shall be submitted within five (5) business days from the occurrence of the event or incident.</p>	<p>4.2.2 An <i>Ancillary Services Provider</i> shall notify the <i>Enforcement and Compliance Office</i> of any circumstances which may prevent it from providing ancillary services in any <i>dispatch interval</i> of any <i>trading day</i> in the current a particular week-ahead market horizon. It Such notice shall be accompanied by supporting documents or records which may be and shall be submitted within five (5) business days from the occurrence of the event or incident.</p>	
SECTION 4 – Reserve Offer Capacity Compliance	4.2.3	4.2.3 The <i>Ancillary Services Provider</i> shall provide a reason or explanation whenever the submitted reserve offers are cancelled or are less than the certified capacity of its <i>reserve facility</i> .	Same as above - in case the reserve offer is cancelled, or the submission of offer is less than the reserve capacity.	JRCO: Certified vs registered reserve capacity?	PEMC response to JRCO: Certification as to the AS capacity is a pre-requisite for the registration in the WESM as ASP.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **62 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
4.2 Reserve Offer Submission				RAPA: For clarity, I suggest to also state the means for providing the reason, e.g., when submitting its reserve offer, or refer to the relevant rule or market manual provision.	PEMC response to RAPA: Added the means/manner in Section 6.3.1	
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.4	4.2.4 The report, data, reasons, and explanations submitted pursuant to the preceding sections shall also serve as compliance by the <i>Ancillary Services Provider</i> with its reporting obligation under Section 6.3.1 of this Manual and Section 7.2.2.2 of the WESM Rules.	For clarity: Any submission shall be considered in the course of assessment by ECO under Section 6.3.1 of ASM Manual.	RAPA: Proposed rewording The submission of the report, data, reasons and explanations submitted —pursuant to the preceding sections shall also serve as compliance by the <i>Ancillary Services Provider</i> with its reporting obligation under Section 6.3.1 of this Manual and Section 7.2.2.2 of the WESM Rules.	PEMC: Concur.	
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.5	4.2.5 The reserve offers shall be submitted through the market participant interface of the <i>Market Management System</i> in accordance with the WESM <i>timetable</i> , procedures and requirements set forth in the <i>Dispatch Protocol Manual</i> , including but not limited to, format, content, data inputs and information requirements.	To refer to the relevant provisions of the Dispatch Protocol relating to the submission of reserve offers via MMS.	Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 63 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 4 – Reserve Offer Capacity Compliance 4.3 Review of the Rule on ROCC	4.3	The <i>Market Operator</i> , in consultation with the <i>System Operator</i> , the <i>Enforcement and Compliance Office</i> , and the <i>WESM Members</i> with facilities classified as <i>Ancillary Services Providers</i> shall review the <i>Reserve Offer Capacity Compliance</i> and the procedures set out in this Manual annually, or as may be necessary, and shall provide appropriate recommendation to the <i>Department of Energy</i> .	To allow periodic review as basis for future amendments or revision in the standards.	<p>JRCO: How about the Governance Arm?</p> <p>RAPA: For accuracy and clarity. The ASP is an entity and not the facility.</p>	<p>PEMC response to JRCO: This is based on Clause 3.8.7.4 of the WESM Rules; but ECO can be replaced by “WESM Governance Arm” for consistency with the entities involved in the review.</p> <p>PEMC response to RAPA’s 1st question and JRCO’s query: Proposed rewording –</p> <p>The <i>Market Operator</i>, in consultation with the <i>System Operator</i>, the <i>Enforcement and Compliance Office</i>, <i>WESM Governance Arm</i> and the <i>WESM Members</i> with facilities classified as registered as <i>Ancillary Services Providers</i> shall review the <i>Reserve Offer Capacity Compliance</i> and the procedures set out in this Manual annually, or as may be necessary, and shall provide</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 64 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				RAPA: Is this a different process from the rules change process? Since these are essentially the contents of this Manual, does this mean that changes to this Manual shall not be done through the usual rules change process?	appropriate recommendation to the <i>Department of Energy</i> . PEMC response to RAPA's 2nd question: It only ensures that there is periodic review of the standards (i.e., ROCC and RCS) – or Section 4 and 5 in particular; but still subject to the same rules change process.	
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.1	5.1.1 This Section applies to <i>Ancillary Services Providers</i> scheduled to provide a specific <i>reserve type</i> in any <i>dispatch interval</i> .	Applicability of RCS section <ul style="list-style-type: none"> Per reserve type Per dispatch interval 	Provisionally approved.		
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.2	5.1.2 In view of the integration of reserves in the WESM, it is expected that a harmonized <i>reserve conformance standards</i> be established for all <i>Ancillary Services Providers</i> whether they are capacities contracted by the <i>System Operator</i> or capacities sold to the spot market.	Harmonization of RCS with the current compliance and penalty setup for AS provision under ASPA.	On the harmonized RCS, JRCO: This is important. What's the DOE policy on this? Reserve market vs. contracted.	PEMC response to JRCO: Contracted reserves - to be governed by the contractual obligation of the parties (SO and ASPs) per ASPA; while reserve market - to be governed by the provisions of ASM Manual.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **65 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>RAPA: Proposed rewording:</p> <p>5.1.2 In view of the integration of trading of reserves in the WESM, it is expected that a harmonized <i>reserve conformance standards</i> be established for all <i>Ancillary Services Providers</i> whether they are their reserve capacities are contracted by the <i>System Operator</i> or capacities sold to are traded in the spot market.</p> <p>CCC: Concern on the dispatch interval of ASPA vs RM. Penalty concerns on both setup.</p>	<p>PEMC response to RAPA: Concur.</p> <p>PEMC response to CCC: For contracted reserves - to be governed by the contractual obligation of the parties (SO and ASPs) per ASPA; for reserve market - to be governed by the provisions of ASM Manual.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 66 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				CAJ: Harmonization of imposing breach in energy and reserves, e.g., imposing breach after "n" dispatch intervals	PEMC response to CAJ: For consideration by NGCP with respect to its compliance under ASPA guidelines.	
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.3	5.1.3 All <i>Ancillary Services Providers</i> shall ensure adequate and timely response during specific frequency-driven events or <i>dispatch instructions</i> , that may be required for each specific reserve type.	Comply with response time and response accuracy <ul style="list-style-type: none"> Per reserve type 	Provisionally approved.		
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.4	5.1.4 <i>Reserve facilities</i> scheduled to provide <i>regulating reserve</i> or <i>contingency reserve</i> shall respond to frequency-driven events or <i>dispatch instructions</i> through any of the following: a) Reaction through Governor Control Mode (GCM) b) Commands via Automatic Generation Control (AGC). c) <i>Dispatch instructions</i> from the <i>System Operator</i>	The generator mode of operation is considered relative to the type of reserves.	RAPA: Modes (a) and (b) presumably are automated modes of compliance, while (c) is ??? The intro sentence refers also to dispatch instruction, so I understand this to mean that compliance through dispatch instructions can also be by GCM or AGC? What is the third mode of compliance?	IEMOP response to RAPA: Provision of reserves reacts through frequency-driven events or dispatch instructions. Frequency-driven operates through GCM and AGC. However, there are cases when NGCP calls reserves through dispatch instructions that are communicated manually.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **67 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>RAPA: Proposed rewording:</p> <p>5.1.4 Reserve facilities scheduled to provide regulating reserve or contingency reserve shall respond to frequency-driven events or comply with dispatch instructions through any of the following: xxx</p> <p>JRCO: Do we still consider these three as “scheduled”?</p> <p>CAJ: suggest specifying conditions when SO can override GMC/AGC.</p>	<p>PEMC response to RAPA: Concur</p> <p>IEMOP response to JRCO: Once scheduled to provide regulating reserve or contingency reserve, they should provide it through any of the given three (3) options.</p> <p>IEMOP response to CAJ: We can ask inputs from SO. On the other hand, since this reflects compliance, this should be cited in the Dispatch Protocol Manual for clarity in dispatching reserves.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 68 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				CCC: Over-riding of AGC of a unit providing RR is not allowed by the PGC.	IEMOP response to CCC: In this context, different provisions of reserve response are only generalized.	
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.5	5.1.5 <i>Reserve facilities</i> scheduled to provide <i>dispatchable reserve</i> shall respond to <i>dispatch instructions</i> provided by the <i>System Operator</i> .	Compliance with SO instructions in case of DR.	JRCO: Scheduled then respond	PEMC: confirming – reserve facility (with DR) is scheduled first; then SO will provide dispatch instructions. If called to run as DR by SO, the ASP shall respond accordingly.	
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.6	5.1.6 The accuracy and timeliness of the response provided by <i>reserve facilities</i> shall be monitored for each <i>billing period</i> and for each <i>dispatch interval</i> .	Reference period for monitoring purposes: for a billing period and for each dispatch interval.	RAPA: What is the significance of referring to billing period? Is this the reporting period, i.e., as defined compliance is by dispatch interval, so monitoring is necessarily by interval.	PEMC/IEMOP response to RAPA: There are 5 factors in monitoring RCS, namely, the (1) response time, (2) response accuracy; (3) dead band settings; (4) speed droop characteristics; and (5) sustainability. For factors no. (1) and (2) – monitored monthly (by getting the average first over a billing month); and by dispatch	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **69** of **162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>JRCO: Monitored by whom? How?</p> <p>JGM: Insert reference clause.</p>	<p>interval (only if the reserve facility fails the average monthly response accuracy and response time).</p> <p>For factors no. (3) (4) and (5) – by dispatch interval only.</p> <p>PEMC response to JRCO: This is provided in separate sections under <i>Section 7 (Monitoring of RCS)</i>.</p> <ul style="list-style-type: none"> Section 5: refers to the standard itself – the RCS Section 7: refers to the procedures in monitoring compliance with the RCS. <p>PEMC response to JGM: Concur. Proposed rewording:</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 70 of 162



Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)												
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)						
					5.1.6 The accuracy and timeliness of the response provided by <i>reserve facilities</i> shall be monitored for each <i>billing period</i> and <u>or</u> for each <i>dispatch interval</i> <u>based on the considerations set out in the succeeding sections.</u>							
SECTION 5 – Reserve Conformance Standards 5.2 Provision of Data for Monitoring and Reporting	5.2.1	<p>5.2.1 The <i>System Operator</i> shall submit to the <i>Market Operator</i> inputs and reports that may be necessary in initially determining probable breach, such as but not limited to the following:</p> <table border="1"> <thead> <tr> <th>Data</th> <th>Timeline of Provision</th> </tr> </thead> <tbody> <tr> <td>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</td> <td>Real-Time</td> </tr> <tr> <td>Dead band settings</td> <td>Real-Time</td> </tr> </tbody> </table>	Data	Timeline of Provision	Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)	Real-Time	Dead band settings	Real-Time	To specify the data needed for RCS monitoring and reporting	<p>Provisionally approved.</p> <p>RAPA: Proposed rewording:</p> <p>5.2.1 The <i>System Operator</i> shall submit to the <i>Market Operator</i> inputs <u>data</u> and reports that may be necessary in initially determining probable breach, such as but not limited to the following:</p> <p>RAPA: Suggest adding a provision (last paragraph after the table of data)</p>	PEMC response to RAPA: Concur.	
Data	Timeline of Provision											
Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)	Real-Time											
Dead band settings	Real-Time											

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 71 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)							
Title	Section	Proposed Amendment		Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		Speed droop	Real-Time		<p><u>“For other data or reports not enumerated in the foregoing table, the Market Operator and the System Operator shall, from time to time, agree on the manner and schedule of submission.”</u></p> <p>JRCO: Do we get to see what MO will do with all these data?</p> <p>JRCO: <i>On Manual Dispatch Instruction (from the table):</i> How does this happen in real-time?</p>	<p>IEMOP response to JRCO’s 1st question: Yes. The goal is to publish the information same context with the Dispatch Conformance Standards.</p> <p>IEMOP response to JRCO’s 2nd question: Reserve facility (e.g., with DR) is scheduled first; then SO will provide dispatch instructions. If called to run as DR by SO, the ASP shall respond accordingly.</p>	
		Generator Status	Real-Time				
		Dispatch instructions	By 1200H of the next day for all instructions of the current trading day				
		Outages	By 1200H of the next day for all instructions of the current trading day				
		Power System Frequency	Real-Time				
		Control Dead band	Real-Time				

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 72 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.1	5.3.1 <i>Reserve facilities</i> scheduled to provide <i>regulating reserve</i> while operating on GCM shall conform to the standards set out in Clause 5.6 of this <i>Market Manual</i> .	For RR on GCM	Provisionally approved.		
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.2	5.3.2 <i>Reserve facilities</i> scheduled to provide <i>regulating reserve</i> while receiving AGC commands shall conform to the standards set in Clause 5.7 of this <i>Market Manual</i> .	For RR on AGC	Provisionally approved.		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 73 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.3	5.3.3 <i>Reserve facilities</i> scheduled to provide <i>regulating reserve</i> shall also ensure that they meet the following requirements during the relevant <i>dispatch interval</i> : a) Dead band is 0.15 Hz or lower b) Speed-droop characteristic is 5% or lower c) Sustainable for the entire <i>dispatch interval</i>	ASP-RR will be monitored based on its compliance with dead band, speed droop characteristics and sustainability requirement	RAPA: Not sure if my understanding is correct, but the proposed revision is based on understanding that standards (a) and (b) are those that are needed to be sustained over the interval. Is this understanding correct? <i>Suggested re-wording for item c, from RAPA:</i> “c) <u>Said requirements are sustained</u> for the entire dispatch interval.” CAJ: 5.3.3 (a) On Dead band at 0.15Hz or lower - it is applicable only during RR GCM. RR AGC dead band is 0.3 Hz. Kindly clarify since 0.3 Hz was reflected for AGC. Specifying the difference of AGC and GCM can be made. Specify in item 5.3.3. a) that it is for AGC.	PEMC response to RAPA: Standard (c) in Section 5.3.3 is a different standard or measure from (a) and (b). Suggest retaining the original wordings. NGCP-SO (DLAO) response to CAJ: Deadband is only applicable to free governor or GCM. There is a separate deadband for AGC which depends on the system needs, and it can be inputted by dispatchers. IEMOP response to CAJ: Proposed rewording:	RAPA: For clarity, consider revising the intro statement or item (c): xxx (c) Provision of the reserves shall be sustainable for the entire dispatch interval. RCC: Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 74 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>CCC: The deadband setting is in the Dispatch Protocol Manual. For the AGC, it depends on the system requirement.</p>	<p>5.3.3 <i>Reserve facilities</i> scheduled to provide <i>regulating reserve</i> shall also ensure that they meet the following requirements during the relevant <i>dispatch interval</i>:</p> <p>a) Dead band is 0.15 Hz or lower <u>if operating on GCM</u></p> <p>b) Speed-droop characteristic is 5% or lower</p> <p>c) Sustainable for the entire <i>dispatch interval</i></p>	
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for	5.3.4	5.3.4 A <i>reserve facility</i> providing <i>regulating reserve</i> that fails to maintain an average response accuracy as set out in Section 5.6.1, and 5.7.1 or an average response time as set out in Section 5.6.3 and 5.7.3 for the entire monitoring period shall be flagged as non-compliant. Once flagged as non-compliant, a	<p>Average response time and average response accuracy for RR during the monitoring period (<i>for billing period</i>) will be first determined.</p> <ul style="list-style-type: none"> If not compliant based on average response – 	<p>RAPA: What is the monitoring period? Is this period longer than a dispatch interval? The statement refers to failure to maintain the average accuracy and response time for the entire monitoring period. If the monitoring period is longer than a dispatch interval,</p>	<p>PEMC/IEMOP response to RAPA: There are 5 factors in monitoring RCS, namely, the (1) response time, (2) response accuracy; (3) dead band settings; (4) speed droop characteristics; and (5) sustainability.</p>	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 75 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Regulating Reserves		<p><i>reserve facility</i> will be assessed further based on the following:</p> <p>a) Compliance with the response accuracy for each <i>dispatch interval</i>.</p> <p>b) Compliance with the response time for each <i>dispatch interval</i>.</p>	<ul style="list-style-type: none"> ○ Check response accuracy on an interval basis (Sec. 5.2.5 and 5.3.6) ○ Check response time on an interval basis (Sec. 5.2.5 and 5.3.6) 	<p>does this mean that it should fail for the entire period to be considered non-compliant?</p> <p>Sub-paragraphs (a) and (b) refers to compliance by dispatch interval, which is the basis for determining breach as stated in Section 5.3.5.</p> <p>The proposed revision is based on the understanding that the monitoring period is a longer period, but non-compliance and breach are determined by interval. I realize that this interpretation can be tedious, though, as a single non-compliance for the entire monitoring can be flagged as non-compliant.</p> <p>Suggested revision, from RAPA: 5.3.4 xxx in Section 5.6.1 and 5.7.1 or an average response time as set out in Section 5.6.3 and 5.7.3 <u>in any dispatch interval during the monitoring period</u> shall xxx</p>	<p>Application of Section 5.3.4 (in relation to Section 5.3.5): For factors no. (1) and (2) – monitored monthly (by getting the average first over a billing month); and by dispatch interval (only if the reserve facility fails the average monthly response accuracy and response time).</p> <p>Application of Section 5.3.6: For factors no. (3) (4) and (5) – by dispatch interval only.</p> <p>PEMC suggests retaining the original wording based on the context discussed.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 76 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				JRCO: On “5.6.1, and 5.7.1 or an average response time as set out in Section 5.6.3 and 5.7.3,”: A and B or C and D, then ang layo...	PEMC response to JRCO: Clarify JRO’s comments.	
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.5	5.3.5 Considering the provisions of Section 5.3.4, failure to meet the required response accuracy of at least 80% or 75% or response time of not more than 5 or 25 seconds – depending on the generator modes of operation – at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards for regulating reserves</i> for that <i>dispatch interval</i> .	Breach (RCS-RR) per interval – response time and response accuracy	JRCO: On “at least 80% or 75% or response time of not more than 5 or 25 seconds,”: At least W or X, not more than Y or Z. RAPA: Proposed rewording (For accuracy. The proposed revision is on the understanding that a breach is either of these two events – failure to comply with response accuracy OR failure to comply with response time.) 5.3.5 Considering the provisions of Section 5.3.4, the relevant reserve facility that fails failure to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than 5 or 25 seconds, as applicable in	PEMC response to JRCO: Clarify JRO’s comments. PEMC response to RAPA: Concur with the proposed wording.	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 77 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p><u>accordance with Section 5.6 and Section 5.7</u> – depending on the generator modes of operation – at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards</i> for <i>regulating reserves</i> for that <i>dispatch interval</i>.</p> <p>RAPA: Is it possible to fail at both at the same time or in the same dispatch interval?</p>	<p>IEMOP response to RAPA: Yes, it is possible.</p>	
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.6	5.3.6 Notwithstanding the provisions of Sections 5.3.4 and 5.3.5, a <i>reserve facility</i> that fails to comply with the required dead band setting, speed droop characteristics, and sustainability requirement under Section 5.3.3 for any <i>dispatch interval</i> shall be considered breach of the <i>reserve conformance standards for regulating reserves</i> for that <i>dispatch interval</i> .	<p>Breach (RCS-RR) per interval – determination based on (a) dead band setting, (b) speed droop characteristics, and (c) sustainability requirement.</p> <p>Note: The flagging of breach based on these factors is not dependent on, or not connected to, average response time and accuracy</p>	<p>RAPA: It may be good to be clearer on what constitutes breach. Since the statement says “and”, does this mean that all 3 criteria must occur in a trading interval for breach to occur. In other words, is it the failure to sustain the dead band setting AND the speed droop characteristics that constitute breach?</p>	<p>PEMC response to RAPA: Failure in any of the 3 factors (dead band setting, speed droop characteristics, and sustainability requirement) will constitute breach.</p> <p>Proposed rewording: 5.3.6 Notwithstanding the <u>standards set forth in provisions of Sections 5.3.4</u></p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 78 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
			that is determine under Sections 5.5.1, and 5.6.1 and Section 5.5.3 and 5.6.3	<ul style="list-style-type: none"> • Or is it FAILURE TO SUSTAIN either dead band setting OR speed droop characteristics? • Or is the FAILURE TO SUSTAIN a third form of breach? • Or maybe I just don't understand this provision. 	and 5.3.5, a <i>reserve facility</i> that fails to comply with <u>any of the following: (a)</u> the required dead band setting, <u>(b)</u> speed droop characteristics, and <u>(c)</u> sustainability requirement <u>as prescribed</u> under Section 5.3.3 for any <i>dispatch interval</i> shall <u>also</u> be considered breach of the <i>reserve conformance standards</i> for <i>regulating reserves</i> for that <i>dispatch interval</i> .	
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.1	5.4.1 <i>Reserve facilities</i> scheduled to provide <i>contingency reserve</i> while operating on GCM shall conform to the standards set in Clause 5.6 of this <i>Market Manual</i> .	For CR on GCM	Provisionally approve. Regarding "...set in Clause 5.6," JRCO: Provision just a pointer? Not reader-friendly	PEMC: Section 5.6 is applicable to both RR and CR. To lengthy if we repeat the formula in this Section (for CR-GCM) and in Section 5.3.1 (for RR-GCM)	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 79 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.2	5.4.2 <i>Reserve facilities</i> scheduled to provide <i>contingency reserve</i> while receiving AGC commands shall conform to the standards set in Clause 5.7 of this <i>Market Manual</i> .	For CR on AGC	Provisionally approved.		
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.3	5.4.3 <i>Reserve facilities</i> scheduled to provide <i>contingency reserve</i> while receiving <i>SO dispatch instructions</i> manually are expected to comply within 10 minutes.	For CR receiving manual instructions	JRCO: Timeline? “while” RAPA: For clarity, suggest to specify when the reckoning of the period starts. Also, this assumes that the actual time of issuance of the instructions is readily recorded and, after the fact, is readily verifiable. RAPA: Proposed rewording:	PEMC response to JRCO: removed “while” (see below proposed rewording) PEMC response to RAPA: Concur.	



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 80 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>5.4.3 <i>Reserve facilities</i> scheduled to provide <i>contingency reserve</i> while receiving SO <i>dispatch instructions <u>from the System Operator</u></i> manually are expected to comply within 10 minutes from issuance of the <i>dispatch instructions</i>.</p> <p>CAJ: 5.4.3 On CR with SO dispatch instruction - Request to clarify how this will affect the posting of 5-minute RTD schedules considering that the plant being called to respond to CR under manual instruction is expected to comply at most 10 minutes? Will this not affect the RTD and is this subject to automatic re-run of the market?</p>	<p>IEMOP response to CAJ: Scheduling of energy is not done exactly every 5 minutes, e.g., at 1530H, the MO runs RTD 12 minutes before to produce schedule at 1520H and 1525H. On the other hand, reserve is already there to address possible deviations that could happen during the actual dispatch implementation. Thus, there is a need for CR to be sustained, and the DR also to back up the CR. In terms of re-run, MO does not plan to issue</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 81 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					pricing errors if there are actual tripping because the schedules have been done and the market was priced based on commitment not in the actual implementation.	
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.4	5.4.4 <i>Reserve facilities</i> scheduled to provide <i>contingency reserve</i> shall also ensure that they meet the following requirements during the relevant <i>dispatch interval</i> : a) Dead band is greater than 0.15 Hz but less than 0.30 Hz b) Speed-droop characteristic is 5% or lower c) Sustainable for the entire <i>dispatch interval</i>	ASP-CR will be monitored based on its compliance with dead band, speed droop characteristics and sustainability requirement	RAPA: Same comment as Section 5.3.3. Revision is based on understanding that both must be sustained across the interval. It may be good, however, to clarify in Section 5.4.7 when breach occurs. CAJ: 5.4.4 (a) Dead band is greater than 0.15 Hz but less than 0.30 Hz – Dead band is applicable for CR GCM only.	PEMC response to RAPA: Standard (c) in Section 5.3.3 is a different standard or measure from (a) and (b). Suggest retaining the original wordings. IEMOP response to CAJ: Concur. Proposed rewording: 5.4.4 <i>Reserve facilities</i> scheduled to provide <i>contingency reserve</i> shall also ensure that they meet the following requirements during the relevant <i>dispatch interval</i> :	Provisionally approved., as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : **82 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<p>a) Dead band is greater than 0.15 Hz but less than 0.30 Hz <u>if operating on GCM</u></p> <p>b) Speed-droop characteristic is 5% or lower</p> <p>Sustainable for the entire <i>dispatch interval</i></p>	
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.5	5.4.5 A <i>reserve facility</i> providing <i>contingency reserve</i> that fails to maintain an average response accuracy as set out in Section 5.6.1, and 5.7.1 or an average response time as set out in Section 5.6.3 and 5.7.3 for the entire monitoring period shall be flagged as non-compliant. Once flagged as non-compliant, a <i>reserve facility</i> will be assessed further based on the following: a) Compliance with the response accuracy for each <i>dispatch interval</i>.	<p>Average response time and average response accuracy for CR during the monitoring period (<i>for billing period</i>) will be first determined.</p> <ul style="list-style-type: none"> • If not compliant based on average response – <ul style="list-style-type: none"> ○ Check response accuracy on an interval basis (Sec. 5.2.5 and 5.3.6) 	RAPA: Same comment as Section 5.3.6.	<p>PEMC/IEMOP: There are 5 factors in monitoring RCS, namely, the (1) response time, (2) response accuracy; (3) dead band settings; (4) speed droop characteristics; and (5) sustainability.</p> <p>Application of Section 5.4.5 (in relation to Section 5.4.6): For factors no. (1) and (2) – monitored monthly (by getting the average first over a billing month); and by dispatch</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **83 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		b) Compliance with the response time for each <i>dispatch interval</i>.	<ul style="list-style-type: none"> Check response time on an interval basis (Sec. 5.2.5 and 5.3.6) 		<p>interval (only if the reserve facility fails the average monthly response accuracy and response time).</p> <p>Application of Section 5.4.7: For factors no. (3) (4) and (5) – by <u>dispatch interval only</u>.</p> <p>PEMC suggests retaining the original wording based on the context discussed.</p>	
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.6	5.4.6 Considering the provisions of Section 5.4.5, failure to meet the required response accuracy of at least 80% or 75% or response time of not more than 5 or 25 seconds – depending on the governor modes of operation – at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards</i> for <i>contingency reserves</i> for that <i>dispatch interval</i> .	Breach (RCS-CR) per interval – response time and response accuracy	Adopt RAPA's suggestion earlier. RAPA: Proposed rewording (For accuracy. The proposed revision is on the understanding that a breach is either of these two events – failure to comply with response accuracy OR failure to comply with response time.) 5.4.5 Considering the provisions of Section 5.4.5, <u>the relevant reserve facility that fails</u> failure	PEMC: Concur.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 84 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than 5 or 25 seconds, as applicable in accordance with Section 5.6 and Section 5.7 – depending on the generator modes of operation – at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards</i> for <i>contingency reserves</i> for that <i>dispatch interval</i> .		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 85 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.7	5.4.7 Notwithstanding the provisions of Sections 5.4.5 and 5.4.6, a <i>reserve facility</i> that fails to comply with the required dead band setting, speed droop characteristics, and sustainability requirement under Section 5.4.4 for any <i>dispatch interval</i> shall be considered breach of the <i>reserve conformance standards</i> for <i>contingency reserves</i> for that <i>dispatch interval</i> .	Breach (RCS-CR) per interval – determination based on (a) dead band setting, (b) speed droop characteristics, and (c) sustainability requirement. Note: The flagging of breach based on these factors is not dependent on, or not connected to, average response time and accuracy that is determine under Sections 5.5.1, and 5.6.1 and Section 5.5.3 and 5.6.3	Adopt RAPA's suggestion earlier.	PEMC: For clarity - Failure in any of the 3 factors (dead band setting, speed droop characteristics, and sustainability requirement) will constitute breach. Proposed rewording: 5.3.6 Notwithstanding the <u>standards set forth in provisions of Sections 5.4.5 and 5.4.6</u> , a <i>reserve facility</i> that fails to comply with <u>any of the following: (a)</u> the required dead band setting, <u>(b)</u> speed droop characteristics, and <u>(c)</u> sustainability requirement <u>as prescribed</u> under Section 5.3.3 for any <i>dispatch interval</i> shall <u>also</u> be considered breach of the <i>reserve conformance standards</i> for <i>contingency reserves</i> for that <i>dispatch interval</i> .	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 86 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.1	5.5.1 Reserve <i>facilities</i> scheduled to provide <i>dispatchable reserve</i> must be offline unless there is a <i>dispatch instruction</i> from the <i>System Operator</i> , or it was scheduled for energy <i>dispatch</i> in the <i>WESM</i> .	Requirement for DR to be offline	Provisionally retained as proposed. CAJ: 5.5.1 ON DR must be offline - Suggest removing this section. Scheduling of reserves in the RM are real-time and trading participants may not know the RTD for the next interval or may have a constraint due to must offer rule. There might be a chance that it is online prior to RTD with DR on next dispatch interval. Additionally, there's no provision in the ASPP or ASPA stating that AS providers with DR schedules must be offline.	NGCP-SO (DLAO): Per its requirement, if scheduled as DR, unit must be offline. IEMOP: If there are tight supply, NGCP will utilize the DR. Hence, in the succeeding intervals, the DR is already online and available.	
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.2	5.5.2 Reserve <i>facilities</i> scheduled to provide <i>dispatchable reserve</i> shall synchronize within 15 minutes upon advice from the <i>System Operator</i> .	Requirement for DR to synchronize within 15 minutes from SO advice.	RAPA: This assumes that the exact time that the SO will issue its instructions is readily determinable from verifiable data. Also, since this is the basis for determining breach, I suggest being clear from when the 15-minute period is counted. What exactly does “upon advice” mean, i.e.,	IEMOP: Yes, advice means dispatch instructions. Proposed rewording: 5.5.2 Reserve <i>facilities</i> scheduled to provide <i>dispatchable reserve</i> shall synchronize within 15 minutes upon advice <u>from receipt of the</u>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 87 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				counting starts on the minute instruction is given? Minor enhancement on 5.5.2 replacing “advice” by “dispatch instructions”	<u>dispatch instructions</u> from the <i>System Operator</i> .	
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.3	5.5.3 After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System Operator</i> within 15 minutes.	Requirement for DR to generate within 15 minutes from instruction.	RAPA: Proposed rewording – 5.5.3 After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System Operator</i> within 15 minutes from synchronization . RAPA: Similarly, this assumes that the time of synchronization is readily determinable from verifiable data.	IEMOP: Confirming that the same is verifiable. PEMC: Concur with proposed rewording.	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 88 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.4	5.5.4 A <i>reserve facility</i> that fails to comply with the provisions set out in Sections 5.5.1, 5.5.2, and 5.5.3 at any <i>dispatch interval</i> shall be considered breach of the <i>reserve conformance standards</i> for <i>dispatch intervals reserves</i> for that <i>dispatch interval</i> .	Breach of RCS - DR	RAPA: Proposed rewording and correction - 5.5.4 A <i>reserve facility</i> that fails to comply with the provisions set out in Sections 5.5.1, 5.5.2, and or 5.5.3 at any <i>dispatch interval</i> shall be considered <u>in</u> breach of the <i>reserve conformance standards</i> for <i>dispatchable intervals-reserves</i> for that <i>dispatch interval</i> .	PEMC: Concur.	
SECTION 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.1	5.6.1 A <i>reserve facility</i> responding to a frequency-driven event through GCM shall maintain a response accuracy of at least 80% for the entire monitoring period.	Computation for response accuracy if mode is GCM	RAPA: Same comments as in Section 5.3.4. What is the monitoring period? Dispatch interval? For clarity and consistency, it is suggested that the period be specified rather than merely state monitoring period. Sections 5.3 and 5.4 refers to a dispatch interval, which seems to imply that breach is determined for	PEMC/IEMOP: There are 5 factors in monitoring RCS, namely, the (1) response time, (2) response accuracy; (3) dead band settings; (4) speed droop characteristics; and (5) sustainability. For factors no. (1) and (2) – monitored <u>monthly</u> (by getting the average first over a billing month); and <u>by dispatch</u>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **89 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				each interval of non-compliance. By introducing the term “monitoring period” here, is the intention to determine breach based on sustained compliance over a period longer than a dispatch interval?	interval (only if the reserve facility fails the average monthly response accuracy and response time). Section 5.6.1 refers to average response accuracy (on GCM) – covered by factor no. 2, as discussed above.	
SECTION 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.2	5.6.2 A <i>reserve facility’s</i> response accuracy via GCM shall be calculated as follows. $\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%$ Where: Actual MW Response Capacity = (Best Actual MW Output) – (MW Output Prior to Frequency-Driven Event) Expected MW Response Capacity = (Static Gain) x (Frequency Change)	Computation for response accuracy if mode is GCM	JRCO: Complex equation On “ <i>Best Actual MW Output,</i> ” what do we mean by Best? CAJ: 5.6. fixed value (MW) deviation allowance as part of unit response accuracy measurement. Like in the provision of energy where there is a tolerance of +- 3%, a fixed deviation of +-1 MW is also considered. This is for the minor deviation caused by the inherent unit movement at less than 1 MW.	IEMOP response to JRCO: Change “Best” to “Highest”. IEMOP response to CAJ’s 1st concern: The accuracy considered is 80%. Hence, the range is considered to be +/- 20%. For discussion with SO if ranges can be considered (c/o MO).	Provisionally approved, as revised.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 90 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		Frequency Change $= (\text{Worst Frequency Rise/Drop}) - (\text{Frequency Prior to Frequency-Driven Event})$ Frequency Prior to Frequency-Driven Event $= (\text{Nominal Frequency}) \pm (\text{Dead band Setting})$ <i>Static Gain</i> $= \frac{\text{Scheduled MW Capacity}}{\text{Droop Setting} \times \text{Nominal Frequency}} \times 100\%$		CAJ: 5.6.2 On Worst Frequency Rise/Drop - What is this factor? Not also defined in the definition of terms. How is this factor different from the Nominal Frequency?	IEMOP response to CAJ's 2nd concern: Change Highest/Lowest Frequency Rise/Drop PEMC: Revise as follows: 5.6.2 A reserve facility's response accuracy via GCM shall be calculated as follows. <i>Response Accuracy</i> $= \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}}$ Where: Actual MW Response Capacity $= (\text{Best Highest Actual MW Output}) - \{\text{MW Output Prior to Frequency-Driven Event}\}$	



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 91 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					Expected MW Response Capacity $= (\text{Static Gain}) \times (\text{Frequency Change})$ Frequency Change $= (\text{Worst Frequency Rise/Drop}) - (\text{Frequency Prior to Frequency-Driven Event})$ Frequency Prior to Frequency-Driven Event $= (\text{Nominal Frequency}) \pm (\text{Dead band Setting})$ Static Gain $= \frac{\text{Scheduled MW Capacity}}{\text{Droop Setting} \times \text{Nominal Freq}}$	
SECTION 5 – Reserve Conformance Standards	5.6.3	5.6.3 A <i>reserve facility</i> responding to a frequency-driven event, or <i>dispatch instructions</i> , while on GCM shall have an	Average response time if mode is GCM	RAPA: Do I understand this correctly that responding via GCM can occur either from an automatic response to a frequency driven	IEMOP response to RAPA: Generators on GMC may be reacting to frequency-driven event or dispatch instruction	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **92 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode		average response time of not more than 5 seconds for the entire monitoring period.		<p>event or from a dispatch instructions?</p> <p>If so, I note that Section 5.6.1 refers only to GCM response from a frequency driven event, but not from dispatch instructions. Does the response accuracy standard not apply in cases where response is from a dispatch instructions?</p> <p>Or maybe I just don't understand what responding to dispatch instructions mean.</p> <p>RAPA: Proposed rewording -</p> <p>5.6.3 A <i>reserve facility</i> responding to a frequency-driven event; or to a dispatch instructions, while on GCM shall have an average response time of not more than five (5) seconds for the entire monitoring period.</p>	<p>from the SO. <i>“Dispatch instructions” may be clarified.</i></p> <p>NGCP-SO (DLAO): 5 sec refers only to GCM not to manual response.</p> <p>PEMC response to RAPA: Concur</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **93 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p><i>On entire monitoring period, RAPA:</i> Same comments as in Sections 5.3.4 and 5.6.1. What is the monitoring period? Is this a period longer than a dispatch interval? So, for example, if the monitoring period is one billing period, does this standard mean that the average response time for the entire billing period be not more than 5 seconds? If the monitoring period is not a dispatch interval, how is breach counted? For each instance of an frequency driven event or dispatch instruction?</p>		

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 94 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.1	5.7.1 A <i>reserve facility</i> responding to a frequency-driven event, or <i>dispatch instructions</i> , through commands received from the System Operator’s Energy Management System (EMS) via AGC shall comply to at least 75% of such AGC commands for the entire monitoring period.	Computation for response time if mode is AGC	RAPA: Proposed rewording – 5.7.1 A <i>reserve facility</i> responding to a frequency-driven event, or to <i>dispatch instructions</i> , through commands received from the System Operator’s Energy Management System (EMS) via AGC shall comply to at least 75% of such AGC commands for the entire monitoring period.	PEMC: Concur.	
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic	5.7.2	5.7.2 A <i>reserve</i> is deemed compliant to an AGC command if: Actual MW Generation \geq (Desired MW Generation) – (Control Dead band); and Actual MW Generation \leq (Desired MW Generation) + (Control Dead band)	On how to check if compliant to AGC command	On the formula, JRO: Bakit may parenthesis? Dead band in MW?	IEMOP: We will revise. PEMC: Revise as follows: 5.7.2 A <i>reserve</i> is deemed compliant to an AGC command if: Actual MW Generation \geq (Desired MW Generation) – (Control Dead band); and	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 95 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Generation Control					<p>Actual MW Generation \leq (Desired MW Generation) + (Control Dead band)</p> <p>NGCP-SO (DLAO): This is the controlled deadband being set by the SO.</p>	
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.3	5.7.3 A <i>reserve facility</i> responding to a frequency-driven event, or <i>dispatch instructions</i> , through AGC commands shall also have an average response time of not more than 25 seconds for the entire monitoring period.	Average response time if mode is AGC	<p>JRCO: Reference?</p> <p>RAPA: Same comments as earlier sections on what is meant by monitoring period, for purposes of determining breach.</p>	<p>PEMC response to JRCO: Based on SO's existing guidelines (with ASPA).</p> <p>PEMC/IEMOP: Same comment as above.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 96 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.4	5.7.4 A <i>reserve facility's</i> response time is computed from the time of the AGC command until the actual generation reaches control dead band (i.e., desired generation \pm the dead band).	How response time is computed if mode is AGC	On <i>desired generation +/- the dead band</i> , RAPA : I presume that these two events are readily determinable from verifiable data.	IEMOP : Yes, these are as listed in the data requirements.	
SECTION 5 – Reserve Conformance Standards 5.8 Review of the Reserve Conformance Standards	5.8	5.8 The <i>Market Operator</i> , in consultation with the <i>System Operator</i> , the <i>Enforcement and Compliance Office</i> , and the <i>WESM Members</i> with facilities classified as <i>Ancillary Services Providers</i> , shall review the <i>Reserve Conformance Standards</i> and the procedures set out in this Manual annually, or as may be necessary, and shall provide appropriate recommendation to the <i>Department of Energy</i> .	To allow periodic review as basis for future amendments or revision in the standards.	JRCO : Where is the Governance Arm?	PEMC response to JRCO : This is based on Clause 3.8.7.4 of the WESM Rules; but ECO can be replaced by “WESM Governance Arm” for consistency with the entities involved in the review. Proposed rewording – The <i>Market Operator</i> , in consultation with the <i>System Operator</i> , the <i>Enforcement and</i>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 97 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>RAPA: Same comment as in Section 4.3.</p> <p>Is this a different route from the amendatory process under the WESM Rules? If so, then does this mean that the amendment of this manual be not through the rules change process?</p>	<p>Compliance Office, <u>WESM Governance Arm</u> and the WESM Members with facilities classified as <u>registered</u> as <i>Ancillary Services Providers</i> shall review the <i>Reserve Conformance Standards</i> and the procedures set out in this Manual annually, or as may be necessary, and shall provide appropriate recommendation to the <i>Department of Energy</i>.</p> <p>PEMC response to RAPA: It only ensures that there is periodic review of the standards (i.e., ROCC and RCS) – or Section 4 and 5 in particular; but still subject to the same rules change process.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 98 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.1 Monitoring of Reserve Offer Capacity Compliance	6.1.1	6.1.1 The <i>Enforcement and Compliance Office</i> shall obtain from the <i>Market Operator</i> or <i>System Operator</i> copies of the data and information used in the initial determination of probable breach of the <i>Reserve Offer Capacity Compliance</i> , as set out in Section 4, and integrate the same in a system or platform that would allow data processing or calculation as well as interface with the concerned <i>Ancillary Services Providers</i> .	To monitor compliance with ROCC based on the actual raw data that may be obtained from MMS, MO, or SO.	<p>RAPA:</p> <p>The earlier sections state the obligations of the MO and SO to provide data, so maybe Section 6.1.1. can be reworded to follow/refer to the previous sections.</p> <p>Perhaps this provision can state the general guideline or requirement for ECO’s monitoring of reserve offer capacity compliance – e.g., that it shall make an initial determination based on data from the Market Operator and System Operator, etc. See comment on Section 6.1.3.</p> <p>See comments for Section 6.1.2 on the provision of the system.</p>	<p>PEMC: Concur. Proposed rewording –</p> <p>6.1.1 The <i>Enforcement and Compliance Office</i> shall, <u>based on the data or information received</u> obtain from the <i>Market Operator</i> or <i>System Operator</i> copies of the data and information used in the initial determination of probable breach of the <u>determine, evaluate, and assess the compliance of the Ancillary Services Providers with the Reserve Offer Capacity Compliance</u>, as set out in Section 4, and integrate the same in a system or platform that would allow data processing or calculation as well as interface with the concerned <i>Ancillary Services Providers</i> <u>set forth in Section 4 hereof</u>.</p>	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 99 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.1 Monitoring of Reserve Offer Capacity Compliance	6.1.2	6.1.2 The <i>Enforcement and Compliance Office</i> shall be authorized to develop and establish its own monitoring tool, system, and procedures that would readily employ and provide practical application in terms of data migration from the <i>Market Operator</i> or <i>System Operator</i> , notification to concerned <i>Ancillary Service Providers</i> and user interface, and recalculation of initial results pertaining to possible non-compliance with the <i>Reserve Conformance Standards</i> and <i>Reserve Offer Capacity Compliance</i> .	To allow ECO to monitor using a practical application/software taking into account its existing or enhanced monitoring tool or system.	<p>RAPA: Is it necessary to formally authorize the ECO to do so? Shouldn't the ECO or the WESM governance arm be allowed to freely decide on developing systems and processes needed to facilitate performance of their functions, without having to be formally authorized to do so in a Manual?</p> <p>Alternatively, the provision can be reworded to refer to the ECO's obligation to provide a system that provides interface - for issuance of notices, submission and processing of data/information, etc.</p> <p>Also, I suggest that this be placed in the enumeration of the ECO's functions/responsibilities, rather than here.</p>	<p>PEMC response to RAPA: Concur. Transferred this to Section 3.3.2 (under ECO's Responsibilities Section)</p> <p>6.1.2 The <i>Enforcement and Compliance Office</i> shall be authorized to develop and establish its own monitoring tool, system, and procedures that would readily employ and provide practical application in terms of data migration from the <i>Market Operator</i> or <i>System Operator</i>, notification to concerned <i>Ancillary Service Providers</i> and user interface, and recalculation of initial results pertaining to possible non-compliance with the <i>Reserve Conformance Standards</i> and <i>Reserve Offer Capacity Compliance</i>.</p>	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 100 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				JRCO: Implied? Should be in the Rules?	PEMC response to JRCO: Proposed this to be expressly stated in the Rules for budgetary consideration and basis for infrastructure development / enhancement.	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.1 Monitoring of Reserve Offer Capacity Compliance	6.1.3	6.1.3 If it becomes evident or apparent, based on the initial examination by the <i>Enforcement and Compliance Office</i> , that the data, information, or initial monitoring results obtained from the <i>Market Operator</i> or the <i>System Operator</i> are incomplete, incorrect, or inconsistent, the <i>Enforcement and Compliance Office</i> shall refrain from issuing the <i>Non-Compliance Notice</i> referred to in the succeeding sections of this Manual until the data, information, or initial monitoring results are clarified, validated, and completed through appropriate coordination with the <i>Market Operator</i> or <i>System Operator</i> .	To ensure completeness / correctness of data before proceeding with enforcement proceedings as would prevent unnecessary efforts and time, or unfounded assessments.	RAPA: It may be better to state the requirements and procedures for issuance of the non-compliance notice; and the steps that need to be taken if a requirement or procedure is not yet met. For example, the general guideline is that the non-compliance notice is issued based on data from MO and SO. If ECO finds the initial data submitted or obtained to be incomplete, it shall further coordinate with SO or MO for additional data or for verification, etc.	PEMC: Renumbered as 6.1.2 PEMC response to RAPA: Concur. Proposed rewording – 6.1.32 If it becomes evident or apparent, based on the initial examination by the Enforcement and Compliance Office, that finds the data, information inadequate or incomplete as would prevent it from proceeding with any further actions as set out in the succeeding sections, it shall immediately coordinate,	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 101 of 162



Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<p>or initial monitoring results obtained from the Market Operator or the System Operator are incomplete, incorrect, or inconsistent, the Enforcement and Compliance Office shall refrain from issuing the Non-Compliance Notice referred to in the succeeding sections of this Manual until the data, information, or initial monitoring results are clarified, validated, and completed through appropriate coordination with the Market Operator or System Operator <u>to ensure that the data or information to be used in the enforcement proceedings are complete and correct.</u></p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **102 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				JRCO: <i>Kailangan pa ba sa Rules?</i>	PEMC response to JRCO: Yes, as modified - To ensure completeness / correctness of data before proceeding with enforcement proceedings. By doing so, any unnecessary efforts and time or unfounded assessments may be avoided.	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.2 Non-Compliance Notification	6.2.1	6.2.1 The <i>Non-Compliance Notice</i> pertaining to a probable breach of the <i>Reserve Offer Capacity Compliance</i> will be sent to the concerned <i>Ancillary Service Providers</i> through their respective <i>WESM Compliance Officers</i> on a weekly basis or in such frequency as may be deemed practicable taking into account the availability and completeness of the data and information obtained from the <i>Market Operator</i> or the <i>System Operator</i> .	To inform the ASP of the probable breach flagging – part of the due process	RAPA: GENERAL COMMENT ON PROCEDURE. Are the procedures outlined here different from the procedures set out in the ECO manual on monitoring and investigation of non-compliance and breach? If it is different, wouldn't it be better to follow the same procedure and timelines for uniformity in the enforcement processes, and thus just refer to that manual rather than adopt a different procedure?	PEMC response to RAPA's 1st question: For ROCC monitoring procedure – almost the same with the general procedures but the timeline for ROCC monitoring is shorter than that of the OCC monitoring (energy). The provision here in Section 6 – with shorter timeline – seeks to align it with the timeline for RCS monitoring (under Section 7). For easy reference (concerning AS monitoring), PEMC suggests retaining this provision subject to future amendments to	Provisionally approved, as revised.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 103 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p>RAPA: Proposed rewording of subsection title –</p> <p>6.2 <u>Issuance of Non-Compliance Notification Notice</u></p> <p>6.2.1 <u>If the Enforcement and Compliance Office determines that there is a probable breach of the Reserve Offer Capacity Compliance, it shall issue a</u> The Non-Compliance Notice pertaining to a probable breach of the Reserve Offer Capacity Compliance will be sent to the concerned Ancillary Service Providers through their respective WESM Compliance Officers. <u>The</u></p>	<p>harmonize the provisions here with the general procedures in EC Manual.</p> <p>PEMC response to RAPA’s 2nd question: Concur.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **104 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p><u>Notice of Non-Compliance shall be issued</u> on a weekly basis or in such frequency as may be deemed practicable taking into account the availability and completeness of the data and information obtained from the <i>Market Operator</i> or the <i>System Operator</i>.</p> <p>JRCO: (On a weekly basis or in such frequency): <i>Bakit regular? Hindi ba event-based?</i></p>	<p>PEMC response to JRCO: The data covered in the monitoring is on per dispatch interval. With the volume of data that needs to be considered, ECO is yet to check the practicality of issuing an NCN on a daily basis. Currently, there are NCNs that are issued daily and weekly (consolidating results on weekly basis). This provision is intended to provide some flexibility in terms of the</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **105 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					frequency of the issuance of NCN.	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.2 Non-Compliance Notification	6.2.2	6.2.2 The <i>Non-Compliance Notice</i> is not conclusive until the final determination of the breach by the <i>Enforcement and Compliance Office</i> following the procedures set forth in Sections 6.3 of this Manual.	For clarity: initial flagging / probable breach is subject to further assessment.	<p>RAPA: Proposed rewording –</p> <p>6.2.2 The Non-Compliance Notice is not yet conclusive until the final determination of the breach by the Enforcement and Compliance Office following the procedures set forth in Sections 6.3 of this Manual.</p> <p>JRCO: (On the Non-Compliance Notice being not conclusive until the final determination of the breach): <i>Bakit? What's the essence then? Warning?</i></p>	<p>PEMC response to RAPA's suggestion: Concur.</p> <p>PEMC response to JRCO: To clarify or make a clear distinction between non-compliance (probable breach) vs. Breach (subject to sanctions). NCN is issued to ASPs to afford them the opportunity to respond to NCN. Only after due assessment of the data, information, and response of</p>	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **106 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					ASPs that ECO makes final determination of breach.	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.3 Reply, Validation and Assessment	6.3.1	6.3.1 Within five (5) <i>business days</i> from receipt of the <i>Non-Compliance Notice</i> , the concerned <i>Ancillary Service Provider</i> shall submit its reply thereto including the supporting documents that would substantiate the explanation provided in the said reply. The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish a detailed process or procedure of compliance monitoring and assessment and prescribe a reply format or template that may be accomplished by the <i>Ancillary Services Provider</i> as part of the monitoring process.	To allow ASP to respond to the initial flagging of probable breach. The reply must be substantiated by supporting documents. To allow ECO to facilitate monitoring through forms and templates that will ensure completeness of information or data to be used in the monitoring.	CAJ: 6.3.1 On reply - suggest having a comprehensive transition plan including the compliance procedure. The Reserves Market is a whole new market that needs to have a sufficient adjustment period for familiarization purposes.	PEMC response to CAJ's suggestion: Concur. PEMC plans to have a rollout of the monitoring process prior to commercial operations of RM. PEMC: Suggest adding a phrase about the manner by which the monitoring is interfaced with the ASPs, to read – 6.3.1 x x x The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish a detailed process or procedure of compliance monitoring and assessment and prescribe a reply format or template that may be accomplished by the	CAJ: Recommend to allow ASPs to still submit additional documentary evidence until the end of the month of the monitoring period. PEMC: Agree. PEMC shall check the appropriate provision to insert/add the said request. RCC: Provisionally approved, as revised, and subject to PEMC's further revision to add provision on submission of additional documentary evidences.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 107 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<i>Ancillary Services Provider</i> as part of the monitoring process <u>as well as the facility through which the reply and supporting documents shall be submitted.</u>	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.3 Reply, Validation and Assessment	6.3.2	6.3.2 The <i>Enforcement and Compliance Office</i> shall assess, validate, and verify the responses and documents submitted by the <i>Ancillary Services Provider</i> . It may also consult the <i>Market Operator</i> , the <i>System Operator</i> , or the <i>Metering Service Provider</i> , as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Ancillary Services Provider</i> . The <i>Enforcement and Compliance Office</i> shall perform the recalculation, as may be appropriate. The assessment, validation, and verification of the responses referred to in the preceding paragraph shall be consolidated to cover one <i>Billing Period</i> . It shall be completed within fifteen (15) <i>business days</i> from the end of the calendar month of the covered monitoring	For due process: ensure complete validation and verification. To set timeline for the completion of verification, validation, and assessment.	JRCO: (On the example) - Example without any nuance	PEMC: The example was added to clarify the reckoning period since it speaks of “end of <i>calendar month</i> ” but the monitoring period refers to “ <i>billing</i> ” month or period.	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 108 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		period regardless of whether a reply or confirmation is submitted by the concerned <i>Ancillary Services Provider</i> . For instance, the assessment for the <i>August Billing Period</i> shall be completed on or before 15 September.				
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.4 Compliance Monitoring and Assessment Reports	6.4.1	6.4.1 The <i>Enforcement and Compliance Office</i> shall issue the monthly <i>Compliance Monitoring and Assessment Report</i> to each <i>Ancillary Services Provider</i> who has been issued a <i>Non-Compliance Notice</i> , which report shall: <ul style="list-style-type: none"> a. contain or provide, among others, a finding whether the concerned <i>Ancillary Service Provider</i> is compliant with the <i>Market Rules</i> or <i>Market Manuals</i>; b. contain the penalty amount as computed under Section 8; c. be issued to the concerned <i>Ancillary Services Provider</i> with respect to each reserve facility or plant that is subject of monitoring, as applicable; and d. be issued within five (5) business days from completion of validation and assessment as prescribed under Section 6.3.2. 	To ensure completeness of the information relating to the results of monitoring by providing: <ul style="list-style-type: none"> a. findings b. penalty amounts c. finding and penalty per reserve facility d. timeline for the issuance of report. 	RAPA: 6.4 Compliance Monitoring and Assessment Reports How does this relate to the obligation or authority of the WESM Governance Arm President to issue/sign notice of penalties and other enforcement actions? RAPA: Proposed rewording: 6.4.1 The <i>Enforcement and Compliance Office</i> shall issue the monthly <i>Compliance Monitoring and Assessment</i>	PEMC’s response to RAPA’s 1st question: CMAR is issued first by ECO. If with findings of breach, an NSP shall also be issued. <ul style="list-style-type: none"> • CMAR is issued by ECO • NSP (and other related notices relating to any enforcement actions) is issued and signed by PEMC Pres. PEMC response to RAPA’s suggestion: Concur.	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **109 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
				<p><i>Report to each Ancillary Services Provider who that has been issued a Non-Compliance Notice, which report shall: x x x</i></p> <p>JRCO: (On monthly issuance of CMAR) - <i>Monthly lang ba ito, hindi immediately upon recognition of non-compliance?</i></p>		
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.5 Request for Reconsideration or Appeal and	6.5.1	6.5.1 The filing of any request for reconsideration or appeal concerning compliance with the <i>Reserve Offer Capacity Compliance</i> as well as the procedure for the implementation of enforcement actions shall be governed by the relevant provisions of the <i>WESM Enforcement and Compliance Manual</i> .	To refer to the relevant rule pertaining to remedies available to ASPs after the issuance of monitoring reports but before issuance of notice of specified penalty.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 110 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Implementation of Enforcement Actions						
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.6 Reporting Results	6.6.1	6.6.1 The <i>Enforcement and Compliance Office</i> shall submit a consolidated monthly report to the <i>Department of Energy, Energy Regulatory Commission, PEM Board, and Compliance Committee</i> , containing the status of the compliance of each <i>Ancillary Service Provider</i> with the <i>Reserve Offer Capacity Compliance</i> .	For transparency – consistent with the requirement under Section 11.3 of the DOE Department Circular DC2021-03-009 “11.3 Monitor compliance and conformance of ASPs with the schedule and dispatch instructions for energy and reserves issued by the MO and SO, respectively, and submit a monthly report on the same to the DOE and ERC;”			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 111 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.1 Monitoring of Reserve Conformance Standards	7.1.1	7.1.1 The <i>Enforcement and Compliance Office</i> shall obtain from the <i>Market Operator</i> or <i>System Operator</i> copies of the data and information used in the initial determination of probable breach of the <i>Reserve Conformance Standards</i> and integrate the same in a system or platform that would allow data processing or calculation as well as interface with the concerned <i>Ancillary Services Providers</i> .	To monitor compliance with RCS based on the actual raw data that may be obtained from MMS, MO, or SO.		<p>PEMC: For consistency with the change in counterpart Section 6.1.1, PEMC's proposed rewording:</p> <p>7.1.1 The <i>Enforcement and Compliance Office</i> shall obtain, <u>based on the data and information received</u> from the <i>Market Operator</i> or <i>System Operator</i>, <u>determine, evaluate, and assess the compliance of the <i>Ancillary Services Providers</i> with</u> copies of the data and information used in the initial determination of probable breach of the <i>Reserve Conformance Standards</i> and integrate the same in a system or platform that would allow data processing or calculation as well as interface with the concerned <i>Ancillary Services Providers</i>. <u>set forth in Section 5 hereof.</u></p>	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 112 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.1 Monitoring of Reserve Conformance Standards	7.1.2	7.1.2 The <i>Enforcement and Compliance Office</i> shall be authorized to develop and establish its own monitoring tool, system, and procedures that would readily employ and provide practical application in terms of data migration from the <i>Market Operator</i> or <i>System Operator</i> , notification to concerned <i>Ancillary Service Providers</i> and user interface, and recalculation of results pertaining to possible non-compliance with the <i>Reserve Conformance Standards</i> , and other processes relating to reassessment or claims, at the instance of the <i>Ancillary Service Provider</i> .	To allow ECO to monitor using a practical application/software taking into account its existing or enhanced monitoring tool or system.	JRCO: On the ECO development and establishment of its own monitoring tool, system and procedure: Hindi ba expected? Is it necessary in the Rules?	PEMC: This provision is removed here and transferred (with modification) to Section 3.3.2 (ECO's Responsibility). Related to comment on Section 6.1.2. 7.1.2 The <i>Enforcement and Compliance Office</i> shall be authorized to develop and establish its own monitoring tool, system, and procedures that would readily employ and provide practical application in terms of data migration from the <i>Market Operator</i> or <i>System Operator</i>, notification to concerned <i>Ancillary Service Providers</i> and user interface, and recalculation of results pertaining to possible non-compliance with the <i>Reserve Conformance Standards</i>, and other processes relating to reassessment or claims, at the	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 113 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					instance of the Ancillary Service Provider.	
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.1 Monitoring of Reserve Conformance Standards	7.1.2				<p>PEMC: Suggest adding this provision for consistency with the change made in Section 6.1.3 (renumbered as 6.1.2) above.</p> <p><u>7.1.2 In case of inadequacy of the data or information, upon which the flagging or initial determination of breach is based, the provision of Section 6.1.2 shall apply.</u></p>	Provisionally approved.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2	7.2.1	7.2.1 The <i>Market Operator</i> shall, through the dedicated monitoring facility, flag a breach of the <i>Reserve Conformance Standards</i> by the <i>Ancillary Services Provider</i> , and shall notify the <i>System Operator</i> , the <i>Ancillary Services Provider</i> , and the <i>Enforcement and Compliance Office</i> of the same.	<p>For MO to flag probable breach based on market data via MMS – consistent with Clause 3.8.7.3 of the WESM Rules.</p> <p>“3.8.7.3 <u>The <i>Market Operator</i> shall implement the</u></p>			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 114 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Flagging of Non-Compliance			<u>procedures in Clauses 3.8.7.1 and 3.8.7.2 through a system</u> and transmit the generated data to ECO for its monitoring and enforcement.”			
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Non-Compliance	7.2.2	7.2.2 The <i>Enforcement and Compliance Office</i> shall obtain from the <i>Market Operator</i> and the <i>System Operator</i> copies of the data and information which will be used as basis for the validation or confirmation of breach of the <i>Reserve Conformance</i> in accordance with the procedures set out in Section 7.5.	For ECO to validate / verify the initial generated results from MO – consistent with Clause 3.8.7.3 of the WESM Rules. “3.8.7.3 The <i>Market Operator</i> shall implement the procedures in Clauses 3.8.7.1 and 3.8.7.2 through a system and <u>transmit the generated data to ECO</u> for its monitoring and enforcement.”			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 115 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Non-Compliance	7.2.3	7.2.3 The <i>Market Operator</i> shall consolidate the initial monitoring results relating to compliance with the <i>Reserve Conformance Standards</i> for the relevant billing period on or before the end of the month of the covered billing period. It shall then confer with the <i>System Operator</i> its findings referred to in the preceding paragraph. They shall endeavor to reconcile and/or confirm the results of monitoring within five (5) calendar days after the end of the billing period. For instance, the findings for the August billing period shall be concluded and consolidated on or before 31 August.	For MO and SO to reconcile the results (SO monitoring of ASP’s performance vs. MO monitoring based on set of rules under RCS). To ensure timeliness, <i>i.e.</i> , reconciling the findings of breach of RCS prior to the issuance of Preliminary Settlement Statement. Note: Timeline provided here is consistent with the timeline for the issuance of Preliminary Settlement Statement under Billing and Settlement Manual.	JRCO: Again, example without nuance	PEMC: Example may be deleted here since reckoning of period pertains to “billing month”. 7.2.3 The <i>Market Operator</i> shall consolidate the initial monitoring results relating to compliance with the <i>Reserve Conformance Standards</i> for the relevant billing period on or before the end of the month of the covered billing period. It shall then confer with the <i>System Operator</i> its findings referred to in the preceding paragraph. They shall endeavor to reconcile and/or confirm the results of monitoring within five (5) calendar days after the end of the billing period. For instance, the findings for the August billing period shall be concluded and consolidated on or before 31 August.	JRCO: Is it necessary to differentiate “billing” and “calendar” days in the rules to consider the knowledge of the readers? The provisions might be too wordy. JGM: Consider developing a users’ guide where examples can be provided instead of including them in the body of Manual/Rules. RCC: Provisionally approve original proposal (retain example).

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 116 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Non-Compliance	7.2.4	7.2.4 If the performance of a reserve facility of an <i>Ancillary Services Provider</i> affects both its compliance under the <i>Ancillary Services Procurement Agreement</i> and the <i>Reserve Market</i> , the <i>System Operator</i> and the <i>Market Operator</i> shall jointly determine the extent of breach committed and be able to allocate or determine which part of the reserve amount adjustments and penalty corresponds to the contractual obligation and to the <i>reserve market</i> compliance.	To cover a scenario where the breach of ASP covers both the contractual obligation under ASPA and RCS in the reserve market. The MO and SO must be able to break down the extent of breach.			<p>RCC: Provisionally approved.</p> <hr/> <p>DLAO: On the monitoring of ASPs' compliance with their ASPA versus reserve schedule in the RM – How a unit responds will not change whether contracted or traded in the market. But the frequency of compliance monitoring varies between the SO (for ASPA) and RM (for traded reserves). Distinguishing the allocation between contracted and traded reserves and applying the appropriate penalty system should not be difficult.</p> <p>CCC: The SO wants to have contracted reserves</p>



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 117 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
						<p>prioritized over reserve schedules in the RM.</p> <p>DLAO: On day-ahead, SO provides contracted AS schedule to the MO through the Day-ahead Ancillary Service Schedule. Hence, MO is adequately provided of reserve data.</p> <p>Penalty computed on spot reserve by MO should not be imposed on the contracted reserves.</p>
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2	7.2.5	7.2.5 If it becomes impossible to allocate the exact amount for settlement adjustments or penalty in accordance with the preceding paragraph, by reason of indivisibility of the breach committed by <i>Ancillary Services Provider</i> , the same shall be determined in proportion to the scheduled capacity for reserves under the <i>Ancillary Services</i>	To cover a scenario where the breach of ASP covers both the contractual obligation under ASPA and RCS in the reserve market, and the extent of breach – under ASPA and in reserve market – could not be	JRCO: It seems often	PEMC: PEMC to observe the results during the initial period of the commercial operation of reserve market and see if this provision will need to be amended.	<p>RCC: Provisionally approved, as revised.</p> <hr/> <p>PEMC: For clarity, revise to—</p>



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 118 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Flagging of Non-Compliance		<i>Procurement Agreement</i> and the <i>Reserve Market</i> .	determined with certainty and accuracy, in which case, the adjustments and penalty shall be pro-rated based on scheduled capacity.			“...the same shall be determined in proportion to based on the scheduled capacity for reserves under... “
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Non-Compliance	7.2.6	7.2.6 If no feedback or confirmation is received from the <i>System Operator</i> or no reconciliation is made after the lapse of the period set Section 7.2.3, the <i>Market Operator</i> shall proceed with the finalization of the monitoring breach of the <i>reserve conformance standards</i> .				PEMC: Revise— 7.2.6 If no feedback or confirmation is received from the <i>System Operator</i> or no reconciliation is made after the lapse of the period set in Section 7.2.3, the <i>Market Operator</i> shall proceed with the finalization of the monitoring breach of the <i>reserve conformance standards</i> . RCC: Provisionally approved, as revised.
SECTION 7 – Monitoring of	7.3.1	7.3.1 Upon reconciliation or confirmation of the results of the monitoring of the <i>Reserve</i>	Notice of Breach to be sent by MO to:		PEMC: Proposed rewording (for consistency with the terminology	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 119 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Compliance with Reserve Conformance Standards 7.3 Settlement Amount for the System Operator After Monitoring		<p><i>Conformance Standards</i> following the procedure referred to in Section 7.2-4, the <i>Market Operator</i> shall –</p> <p>a. calculate the settlement amount due from the <i>System Operator</i> taking into account the finding of breach of the <i>reserve conformance standards</i> on or before the due date for the issuance of preliminary settlement statements, as set in the Billing and Settlement Manual. For this purpose, the <i>Market Operator</i> is authorized to automatically deduct from the settlement amount the reserve amount to the <i>Ancillary Services Provider</i> pertaining to the intervals where an initial determination of breach was flagged; and</p> <p>b. send the <i>Notice of Breach</i> to the <i>Enforcement and Compliance Office</i>, which shall perform the necessary validation and assessment and shall issue the <i>Compliance Monitoring and Assessment Report</i>, as set out in Section 7.5 and Section 7.6.</p>	<p>a. Its billing and settlement unit – for adjustment</p> <p>b. ECO – for validation / verification purposes</p>		<p>used and with the defined term under Section 2):</p> <p>7.3.1 Upon reconciliation or confirmation of the results of the monitoring of the <i>Reserve Conformance Standards</i> following the procedure referred to in Section 7.2-4, the <i>Market Operator</i> shall – x x x</p> <p>b. send the <i>Notice of Probable Breach</i> to the <i>Enforcement and Compliance Office</i>, which shall perform the necessary validation and assessment and shall issue the <i>Compliance Monitoring and Assessment Report</i>, as set out in Section 7.5 and Section 7.6.</p> <p>x x x</p>	<p>RCC noted ERC's recommendation to file the proposed new Manual to the Commission so it could study the rate implications relative to this provision.</p>

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 120 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		The finding of breach of <i>reserve conformance standards</i> , as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a).				
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount for the System Operator After Monitoring	7.3.2	7.3.2 The <i>Notice of Breach</i> of the <i>Reserve Conformance Standards</i> shall contain, at a minimum, the specific intervals, resource unit/s, and the type of reserve that is found in breach and the amount that is not considered in determining the reserve amount due, and thus, not paid to the <i>Ancillary Services Providers</i> as a consequence of the <i>breach</i> .	To set minimum requirements as to the content of the Notice of Breach – for completeness, transparency, calculation or re-calculation, and validation / verification purposes.		PEMC: Proposed rewording (for consistency with the terminology used and with the defined term under Section 2): 7.3.2 The <i>Notice of Probable Breach</i> of the <i>Reserve Conformance Standards</i> shall contain, at a minimum, the specific intervals, resource unit/s, and the type of reserve that is found in breach and the amount that is not considered in determining	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 121 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					the reserve amount due, and thus, not paid to the <i>Ancillary Services Providers</i> as a consequence of the <i>breach</i> .	
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers	7.4.1	7.4.1 The <i>Ancillary Service Provider</i> may file a <i>Request for Reassessment with Notice of Claim</i> with the <i>Enforcement and Compliance Office</i> not later than ten (10) calendar days from receipt of the <i>Preliminary Settlement Statement</i> from the <i>Market Operator</i> . A copy thereof shall be furnished by the <i>Ancillary Service Provider</i> to the <i>System Operator</i> and the <i>Market Operator</i> . The <i>Request for Reassessment with Notice of Claim</i> shall be filed online through electronic mail or through a facility that may be developed by the <i>Enforcement and Compliance Office</i> for this purpose.	Request for Reassessment with Notice of Claim (RRA/NC) - To afford the ASPs opportunity to contest the reduction from its trading receivables arising from a breach, as determined by MO. To allow online filing – for expediency and convenience of the parties.	JRO: Suggest excluding “through electronic mail or” - crude subset of “facility.”	PEMC: Concur. Proposed rewording – 7.4.1 The <i>Ancillary Service Provider</i> may file a <i>Request for Reassessment with Notice of Claim</i> x x x The <i>Request for Reassessment with Notice of Claim</i> shall be filed online through electronic mail or through a facility that may be developed by the <i>Enforcement and Compliance Office</i> for this purpose.	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **122 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers	7.4.2	7.4.2 The <i>Request for Reassessment with Notice of Claim</i> shall indicate the following: a. Date of receipt of the Preliminary Settlement Statement from the <i>Market Operator</i> ; b. The specific intervals, resource unit/s, and the type of reserve covered by the request; c. The ground/s for reassessment; d. The correct data or value in case the ground for reassessment includes data variance or discrepancies, including the source of the data to be used in the recalculation; e. Data, information, records, or documents to support the request or claim; f. The amount being claimed and sought to be adjusted in favor of the <i>Ancillary Service Provider</i> .	Ensure completeness of information relative to a RRA/NC; Ensure that all claims for adjustments or recalculation are valid, and avoid unfounded claims for adjustments in settlement amounts.			Provisionally approved.
SECTION 7 – Monitoring of Compliance with Reserve	7.4.3	7.4.3 The <i>Request for Reassessment with Notice of Claim</i> shall be accompanied by a certification under oath attesting to the authenticity of the documents submitted in relation thereto. A scanned copy of the	Ensure authentication of claims. Allow submission of scanned copy of notarized certification	JRCO: On the submission of NC accompanied by certificate under oath: Why is necessary?	PEMC: The claim and the documents to be submitted by ASPs in support of such claim are expected to negate the findings of breach. Most often,	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **123 of 162**



Philippine Electricity
Market Corporation

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Conformance Standards 7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers		notarized certification may be submitted in lieu of the printed copy as an integral part of the request. However, the <i>Enforcement and Compliance Office</i> may, as it deems necessary, request a printed copy of such notarized certification or any documents filed in relation thereto. The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish or prescribe a format or template that may be accomplished by the <i>Ancillary Services Provider</i> in filing the said request.	– for expediency considering the limited number of days to verify, validate, assess. Printed copies may still be necessary under certain circumstances and must be produced whenever needed. To allow ECO to facilitate processing of RRA/NC through forms and templates that will ensure completeness of information or data to be used for verification / reassessment of findings.		these are plant records that are within their control and could be self-serving at some point, especially if the same could not be verified with other third-party records. The certification requirement seeks to ensure that the documents submitted are valid, authorized, and the representations made in such Request / Notice of Claim by ASPs are properly attested to by the compliance officer.	
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards	7.4.4	7.4.4 The filing of <i>Request for Reassessment</i> with <i>Notice of Claim</i> beyond the period allowed under Section 7.4.1 or the failure to comply with the requirements set out in Section 7.4.2 and 7.4.3 shall cause the outright dismissal thereof.	To discourage delay in filing the request and to avoid unfounded claims for adjustments in settlement amounts.			Provisionally approved.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 124 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers						
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.1	7.5.1 Upon receipt of the <i>Request for Reassessment with Notice of Claim</i> , the <i>Enforcement and Compliance Office</i> shall validate and assess the findings of breach or claim of <i>Ancillary Services Provider</i> .	To immediately proceed with the verification once the RRA/NC is proven to be complete in form and in substance.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 125 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.2	7.5.2 The <i>Enforcement and Compliance Office</i> , during verification and assessment, may also consult the <i>Market Operator</i> , the <i>System Operator</i> , or the <i>Metering Service Provider</i> , as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Ancillary Services Provider</i> . The <i>Enforcement and Compliance Office</i> shall perform the recalculation, as may be appropriate.	To allow ECO to exhaust all possible means to verify / validate, if necessary, as part of due process.			Provisionally approved.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.3	7.5.3 The assessment, validation, and verification of the information gathered in relation to the request shall be completed not later than the end of the billing month following the covered monitoring period. For instance, if the request for reassessment pertains to the <i>August Billing Period</i> , the validation and assessment shall be completed on or before 25 September.	To set a reasonable time within which the assessment must be completed by ECO.	JRCO: Can ECO finish these within the following billing period?	PEMC: Yes, provided that data/info from MO/SO is timely transmitted to ECO – ECO to manage the task assignments / manpower requirement and use of automated system to speed up compliance assessment/ validation process. The objective is to align it with the timeline of the Market Operator in issuing the WESM settlement statement.	Provisionally approved.
SECTION 7 – Monitoring of	7.6.1	7.6.1 If <i>Notice of Breach</i> is received by <i>Enforcement and Compliance Office</i> , and no	Provide a presumption of regularity and correctness in		PEMC: Proposed rewording (for consistency with the term used):	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 126 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports		<i>Request for Reassessment with Notice of Claim</i> is filed by the concerned <i>Ancillary Services Provider</i> within the allowable period to file the same under Section 7.4.1, the <i>Enforcement and Compliance Office</i> shall, without need of validation and assessment, issue a <i>Compliance Monitoring and Assessment Report</i> and a <i>Notice of Specified Penalty</i> not later than the end of the month following the covered monitoring period. For instance, if the notice of breach pertains to the August <i>Billing Period</i> , the compliance monitoring and assessment report shall be issued on or before 30 September.	the notice of breach considering that the MO and SO conduct confirmation or reconciliation of the results prior to the issuance of Notice of Breach. If no RRA/NC is filed, ECO will issue the CMAR and the NSP.		7.6.1 If <i>Notice of <u>Probable Breach</u></i> is received by <i>Enforcement and Compliance Office</i> , and no <i>Request for Reassessment with Notice of Claim</i> is filed by the concerned <i>Ancillary Services Provider</i> within the allowable period to file the same under Section 7.4.1, the <i>Enforcement and Compliance Office</i> shall, without need of validation and assessment, issue a <i>Compliance Monitoring and Assessment Report</i> and a <i>Notice of Specified Penalty</i> not later than the end of the month following the covered monitoring period. For instance, if the a <i>Notice of <u>Probable Breach</u></i> pertains to the August <i>Billing Period</i> , the compliance monitoring and assessment report shall be issued on or before 30 September.	PEMC: Regarding the deleted phrase — ECO shall conduct an independent assessment of the Notice of Probable Breach in parallel with the MO.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 127 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.2	7.6.2 The <i>Enforcement and Compliance Office</i> shall, after due validation and assessment conducted in relation to the <i>Request for Reassessment with Notice of Claim</i> , prepare the <i>Compliance Monitoring and Assessment Report</i> which shall: a. contain or provide, among others, a finding whether the concerned <i>Ancillary Service Provider</i> is compliant with the <i>Market Rules</i> or <i>Market Manuals</i> ; b. contain the amount to be adjusted or revised, if any, in the settlement for the particular billing period; c. be issued to the concerned <i>Ancillary Services Provider</i> with respect to each reserve facility or plant that is subject of monitoring, as applicable; and d. be issued within five (5) calendar days from completion of validation and assessment as prescribed under Section 7.5.3.	If RRA/NC is filed and the validation/assessment is completed, CMAR will be issued. This section provides for the contents of CMAR.			Provisionally approved.
SECTION 7 – Monitoring of Compliance with Reserve	7.6.3	7.6.3 If there is a finding of breach based on the validation and assessment conducted by the <i>Enforcement and Compliance Office</i> , the <i>Compliance Monitoring and Assessment</i>	If RRA/NC is filed and the validation/assessment is completed, and there is a finding of BREACH, ECO will			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 128 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Conformance Standards 7.6 Compliance Monitoring and Assessment Reports		<p><i>Report</i> shall likewise be accompanied by the following:</p> <p>a. A <i>Notice of Confirmation</i>. Such notice shall indicate a statement confirming a finding of breach, as determined by the <i>Market Operator</i> under Section 7.2.</p> <p>b. A <i>Notice of Specified Penalty</i>. This notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the <i>Ancillary Services Provider</i> in accordance with the provisions of this Manual.</p>	issue: (a) CMAR; (b) Notice of Confirmation; and (c) Notice of Specified Penalty			
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and	7.6.4	7.6.4 If the <i>Enforcement and Compliance Office</i> found, after due validation and assessment, that no breach was committed by the <i>Ancillary Service Provider</i> , the <i>Compliance Monitoring and Assessment Report</i> shall indicate such findings and shall be accompanied by the <i>Notice of Reserve Amount Adjustment</i> . The <i>Notice of Reserve Amount Adjustment</i> shall indicate the amount to be adjusted by the <i>Market Operator</i> in favor of the <i>Ancillary Services Provider</i> .	If RRA/NC is filed and the validation/assessment is completed, and there is NO BREACH, ECO will issue: (a) CMAR; (b) Notice of Adjustment			Provisionally approved.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 129 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Assessment Reports						
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.5	7.6.5 The <i>Compliance Monitoring and Assessment Report</i> and the notices specified in the preceding sections shall be issued by the <i>Enforcement and Compliance Office</i> within the period provided under Section 7.6.2 (d) to the <i>Ancillary Services Provider, Market Operator, and System Operator</i> .	Specified the recipients of the CMAR and relevant notices.			Provisionally approved.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.6	7.6.6 No request for reconsideration or appeal of the findings concerning compliance with the <i>Reserve Conformance Standards</i> shall be filed with, or entertained by, the <i>Enforcement and Compliance Office</i> .	No RR/Appeal is allowed because the RRA/NC is by nature, a request for reconsideration already.	JRCO: Maybe there is a higher authority for the final decision? CAJ: 7.6.6 On no appeal or reconsideration - If the RRA/NC is by nature, a request for reconsideration already, then, if the resolution for RRA/NC is adverse, the concerned Trading Participant shall be allowed to file an appeal but it must be lobbied before the	PEMC response to JRCO and CAJ: PEMC suggests retaining the original proposal (<i>i.e.</i> , no more appeal for RCS) for the reason that under ASPA, only Notice of Claim is entertained; no appeal is filed. Further, based on the procedures set in this manual,	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **130 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Assessment Reports				Compliance Committee - this is patterned in the existing WESM Penalty Manual	<p>the proceedings are already exhaustive:</p> <ul style="list-style-type: none"> • ASP will be notified of the breach - an opportunity for them to immediately coordinate with ECO for possible reassessment. • MO reconciles its findings with SO (under Section 7.2.3) • ECO performs own assessment based on raw data (independent of the results generated by MO) to ensure validity, completeness, and correctness of data used in the assessment. • ASP has opportunity to file request for reassessment. • ECO will act on such request and will assess and validate again, and 	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 131 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<p>coordinate with ASP and MO.</p> <p>ASP must take or exhaust these opportunities available to them within the period set for the said activities. ECO ensures due process, after all, in carrying out its enforcement proceedings.</p> <p>Furthermore, the parameters for RCS are quite clear-cut – all factual; thus, expected to be ascertained by simply validating the truth about the findings; no expected legal questions or would require different interpretation (unlike in DCS [energy] where various reasons are taken into consideration.</p>	



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 132 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 Adjustment in the Settlement Amount	7.7.1	7.7.1 The <i>Market Operator</i> shall reflect in the settlement statement the adjustments as specified in the <i>Notice of Adjustment</i> received from the <i>Enforcement and Compliance Office</i> under Section 7.6.4 hereof.	To refer to the relevant provisions of the Billing and Settlement Manual pertaining to the timeline and procedures for adjustments in the settlement statements.			Provisionally approved, as revised: “... the adjustments as specified in the <i>Notice of <u>Reserve Amount</u> Adjustment</i> received from the <i>Enforcement and Compliance Office</i> ...”
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 Adjustment in the Settlement Amount	7.7.2	7.7.2 The reserve amount adjustment shall be accounted for, and reflected in, the immediately succeeding Preliminary Statement, provided that the <i>Notice of Reserve Amount Adjustment</i> is received by the <i>Market Operator</i> at least four (4) calendar days prior to the issuance of that Preliminary Statement; otherwise, the same shall be deferred until the next <i>billing period</i> . For instance, the <i>Notice of Reserve Amount Adjustment</i> is received by the <i>Market Operator</i> on 28 August or four (4) calendar days before the issuance of the Preliminary Statement on 01 September, the adjustment shall be reflected in said Preliminary Statement. If the				Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 133 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		Notice is received on 31 August 2023, the same will be accounted for in the Preliminary Statement to be issued on 02 October.				
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 Adjustment in the Settlement Amount	7.7.3	7.7.3 The <i>Market Operator</i> shall, for monitoring purposes, notify the <i>Enforcement and Compliance Office</i> of the status of implementation of the <i>Notice of Reserve Amount Adjustments</i> including other information relevant to the enforcement of the <i>reserve conformance standards</i> on a monthly basis.	To determine if enforcement actions are implemented based on the procedures set in the Manual.			Provisionally approved.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.8 Reporting Results	7.8.1	7.8.1 The <i>Enforcement and Compliance Office</i> shall submit a consolidated monthly report to the <i>Department of Energy, Energy Regulatory Commission, PEM Board, and Compliance Committee</i> , containing the status of the compliance of each <i>Ancillary Service Provider</i> with the <i>Reserve Conformance Standards</i> .	For transparency – consistent with the requirement under Section 11.3 of the DOE Department Circular DC2021-03-009 “11.3 Monitor compliance and conformance of ASPs with the schedule and			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 134 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
			dispatch instructions for energy and reserves issued by the MO and SO, respectively, and submit a monthly report on the same to the DOE and ERC;"			
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.1	8.1.1 The <i>Penalty</i> amount shall be computed for each <i>Billing Period</i> or applicable period in case of <i>Breach of Reserve Conformance Standards</i> or <i>Reserve Offer Capacity Compliance</i> .	To provide for appropriate sanction as a result of finding of breach.	RAPA: Can these not be included in the Penalty Manual instead, so that there is a single reference for all types of penalties for breach of rules and manuals in the WESM?	PEMC: The penalties for breach of ROCC and RCS are different from set of penalties under the Penalty Manual. For easy reference (concerning AS enforcement actions), PEMC suggests including the penalty section here in ASMM subject to future amendments to harmonize the provisions here with the general procedures in Penalty Manual.	Provisionally approved.
SECTION 8 – Penalties and Sanctions	8.1.2	8.1.2 Penalties or Sanctions. In determining the penalty or sanction for a <i>Breach</i> committed by the <i>Ancillary Services Provider</i> , the following shall be considered –	For clarity: Sanctions are imposed on a: (1) per reserve facility basis [per resource ID] (2) frequency of occurrence.	JRCO: a) By Reserve Facility: <i>Hindi kaya makatulong na isama na lang ito sa definition ng “reserve facility”?</i>	PEMC response to (a): The intention of this section to provide clear guidelines on how to account breach of ROCC and RCS, i.e., per reserve facility,	JRCO: Ensure consistency in the definition and usage of “Reserve Facility” in the Glossary and the Market Network Model.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 135 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
8.1 Enforcement Actions		<p>a) By Reserve Facility. Where an obligation is required to be performed for each registered <i>Reserve Facility</i>, one count of breach is committed for each <i>Reserve Facility</i> for which an obligation is not performed. For generating units and customer facilities, the identification of the <i>Reserve Facility</i> shall be in accordance with how such is represented in the market network model prevailing at the time the <i>Breach</i> occurred. Thus, for a generating plant that is represented by its component units or by blocks or by aggregated units, a <i>Breach</i> is determined for each unit, or block, or aggregated units that is found in breach.</p> <p>b) By Reserve Type. Where a Reserve Facility is certified to provide more than one (1) type of reserve, the occurrence of a breach shall be determined per reserve category in which it is registered in the WESM. The penalty is assessed separately for each type of reserve: regulating, contingency, and/or dispatchable.</p> <p>c) By Occurrence. The persistence of the <i>Ancillary Services Providers</i> in committing non-</p>		<p>c) By Occurrence: Have we defined the Levels?</p> <p>More than 1,440 dispatch intervals over the Billing Period <i>-Bakit dalawa penalty level? Anong ibig sabihin?</i></p>	<p>per reserve type, and per occurrence.</p> <p>PEMC response to (c): There are 3 levels. The penalties escalate as the number of breach increases. This indicates the persistence on the part of ASPs to violate the rules.</p>	<p>RRD to check other definitions of RF in market documents.</p>

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 136 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)																									
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)																			
		<p>compliance, intentional or otherwise, in terms of frequency or number of times that the non-compliance or <i>Breach</i> occurred in a particular <i>Billing Period</i> or applicable period. The frequency level, reference period, and corresponding penalty level for each type of circumstance are set out in the Frequency of Occurrence Matrix below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Frequency</th> <th colspan="3">Penalty Level</th> </tr> <tr> <th>Level 1</th> <th>Level 2</th> <th>Level 3</th> </tr> </thead> <tbody> <tr> <td>1 - 864 dispatch intervals over the <i>Billing Period</i></td> <td>▪</td> <td></td> <td></td> </tr> <tr> <td>More than 864 dispatch intervals over the <i>Billing Period</i></td> <td></td> <td>▪</td> <td></td> </tr> <tr> <td>More than 1,440 dispatch intervals over the <i>Billing Period</i></td> <td></td> <td>▪</td> <td>▪</td> </tr> </tbody> </table>	Frequency	Penalty Level			Level 1	Level 2	Level 3	1 - 864 dispatch intervals over the <i>Billing Period</i>	▪			More than 864 dispatch intervals over the <i>Billing Period</i>		▪		More than 1,440 dispatch intervals over the <i>Billing Period</i>		▪	▪				
Frequency	Penalty Level																								
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More than 1,440 dispatch intervals over the <i>Billing Period</i>		▪	▪																						
SECTION 8 – Penalties and Sanctions	8.1.2 (bc)	(i) The frequency of occurrence is determined within a <i>Billing Period</i> and is counted by the number of occurrences of <i>Breach</i> regardless of whether it is consecutive or not.	Frequency is based on the number of times the breach is committed within the <i>Billing Period</i> .			Provisionally approved.																			

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 137 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
8.1 Enforcement Actions						
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (bc)	(ii) The counting of frequency of occurrence is reset every <i>Billing Period</i> . For instance, the <i>Breach</i> that is committed eight hundred sixty-four (864) times within the September <i>Billing Period</i> will warrant Level 1 application. If twenty-four (24) counts of <i>Breach</i> occur in October Billing Period, the same shall be counted anew for the said Billing Period, thus, warranting Level 1 application only.	Allow resetting of count every billing period.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (bc)	(iii) If the Breach count reaches Level 2 penalty and the count continues as would warrant application of Level 3 penalty, the Level 2 penalty shall be imposed without prejudice to the imposition of Level 3 penalty under Section 8.1.2 (d) of this Manual.	Allows Level 2 (financial penalty) and 3 (suspension) imposition at the same time.			Provisionally approved.
SECTION 8 – Penalties and Sanctions	8.1.2 (bc)	(iv) Notwithstanding the provision on resetting of count for penalty level application purposes, as provided in the preceding Section, the overall performance of <i>Ancillary Services Provider</i> based on the number of compliances and non-compliances within the year or	Resetting will not apply when it comes to counting of total number of breaches for the whole year – for purposes of determining the annual performance evaluation.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 138 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
8.1 Enforcement Actions		applicable period shall nonetheless be considered in the annual performance evaluation pursuant to Section 8.1.2 (e) (iii) of this Manual.				
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	d) Financial Penalty. The financial penalty may be a pre-set amount or formula-based. The financial penalty may be escalated depending on the frequency of occurrence of <i>Breach</i> as specified in Table 1 of this Manual.	Penalty: A. Pre-set amount for ROCC B. Formula-based for RCS	CAJ: 8.1.2(d) on the applicable rate on breach payment -- suggest using ASPA rates or firm rates, instead of non-firm rates currently in draft. CAJ: Also, kindly clarify that the participant will not be paid plus this penalty <i>pa</i> ?	PEMC response to CAJ's suggestion: Noted on suggestion as to rates – for further discussion with MSC. PEMC response to CAJ's question: There are 2 consequences arising from breach of RCS: a) Non-payment of reserve trading amount for the dispatch interval in breach b) Penalty (regulatory in nature) Note: the non-payment (no. 1 above) and the penalty (no. 2 above) are similarly imposed by NGCP for ASPA transactions.	Provisionally approved.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 139 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (ed)	(i) For Breach of Reserve Offer Capacity Compliance. Level 1: The amount of One Thousand Pesos (PHP 1,000) for each count of Breach. Level 2: The amount of Two Thousand Pesos (PHP 2,000) for each count of Breach.	Pre-set amount for breach of ROCC: P1,000/breach – Level 1 P2,000/breach – Level 2			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (ed)	(ii) For Breach of Reserve Conformance Standards Level 1: The amount that may be computed based on the following: Penalty Amount _{p,r,a} $= 50\% \text{ of } \frac{1}{n} \sum (SC_{p,i} * AR_{c,r,a})$ Where:		JRCO: On the formula <i>Nasaan ang h sa equation?</i>	PEMC response to JRCO's 1st question: Proposed revised formula – removed summation from equation Penalty Amount _{p,r,a} = 50% of $\frac{1}{n}$ (SC _{p,i} * AR _{c,r,a}) Where: x x x SC _{p,i} Refers to the <u>S</u> scheduled <u>C</u> capacity of	JRCO and DAB: Remove footnote to avoid misinterpretation. The conversion from MW to kWh is already implied. RCC: Provisionally approved, as revised without proposed footnote.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 140 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)														
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)								
		Applicable rate: n Refers to the number of dispatch intervals within a settlement interval, which is 12 for a five-minute market SC_{p,i} Refers to the Schedule Capacity of <i>Ancillary Services Provider p</i> for settlement interval <i>h</i> AR_{c,r,a} refers to the Applicable Rate for type of contract <i>c</i> for reserve category <i>r</i> in reserve region <i>a</i>			the <i>Ancillary Services Provider p</i> for settlement interval <i>h</i> for dispatch interval i x x x Note: Add footnote after “scheduled capacity” that would read – [Footnote] The scheduled capacity shall be converted from MW to KWh for purposes of determining the penalty amount. PEMC response to JRCO’s 2nd question: Computed per count of breach (per dispatch interval). PEMC will provide									
		<table border="1"> <thead> <tr> <th>Reserve Category</th> <th>Applicable Rate</th> </tr> </thead> <tbody> <tr> <td>Regulating Reserve</td> <td>PHP 3.00/kWh</td> </tr> <tr> <td>Contingency Reserve</td> <td>PHP 2.25/kWh</td> </tr> <tr> <td>Dispatchable Reserve</td> <td>PHP 1.25/kWh</td> </tr> </tbody> </table>	Reserve Category	Applicable Rate	Regulating Reserve	PHP 3.00/kWh	Contingency Reserve	PHP 2.25/kWh	Dispatchable Reserve	PHP 1.25/kWh		JRCO: (On Level 2: Two (2) times the amount of the penalty computed in Level 1.) Computed or set? Amount or rate?		
Reserve Category	Applicable Rate													
Regulating Reserve	PHP 3.00/kWh													
Contingency Reserve	PHP 2.25/kWh													
Dispatchable Reserve	PHP 1.25/kWh													



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 141 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		Level 2: Two (2) times the amount of the penalty computed in Level 1.			illustration of the computation to be appended to the Manual as Appendix III.	
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	e) Suspension (i) The penalty of suspension shall be imposed if the Breach count reaches Level 3 based on the Frequency of Occurrence set forth in Table 1 of this Manual.	Level 3: Suspension (applicable to both RCS and ROCC)			IEC: Operationally, a suspended ASP can be restricted from submitting an offer under the spot market but allowed to submit an offer corresponding to or only up to its ASPA obligation. However, this may undermine the policy of the Reserve Market for a suspended ASP to be unable to participate in the market. DLAO: The quality of an ASP's service is monitored based on standards, and automatic penalties are imposed. Further, performance evaluation is also being conducted.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 142 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
						<p>JGM: Synchronize the regulatory measures applied for spot reserves and contracted reserves.</p> <p>RCC: Review the proposed items (v) and (vi) presented by ECO.</p>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	(ii) The penalty of suspension would disallow the <i>Generation Company</i> to trade its ancillary services capacity in the <i>Reserve Market</i> for a period of one month counting from the implementation of the <i>Notice of Specified Penalty</i> by the <i>Market Operator</i> as provided for in Section 8.2.4 (b) of this Manual. The suspension shall not, in any way, affect the participation of the concerned <i>Generation Company</i> with respect to its energy offers in the WESM.	Effect of suspension: ASP cannot participate in the reserve market for one month; but can still participate in the WESM with respect to the trading of capacity for energy.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 143 of 162



Philippine Electricity
Market Corporation

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	(iii) The penalty of suspension will be applied if either of the two (2) types of <i>Breach</i> reaches Level 3 penalty. For instance, the <i>Ancillary Services Provider</i> was imposed a Level 3 penalty for <i>Breach</i> of the rule on <i>Reserve Offer Capacity Compliance</i> but only Level 2 penalty for <i>Breach</i> of the <i>Reserve Conformance Standards</i> , a Level 3 penalty shall nonetheless be applied.	To provide that ASP may be suspended for breach of either rule, <i>i.e.</i> , ROCC or RCS.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	(iv) The <i>Market Operator</i> shall issue a notice of suspension to the concerned <i>Ancillary Services Provider</i> indicating the start of the suspension considering the guidelines set forth in the <i>WESM Registration, Suspension and De-Registration Criteria and Procedures Manual</i> .	For certainty as to the start and end date of one-month suspension.		PEMC: Suggest transferring this section to Section 8.2.7 (on implementation of NSP) – for coherence. (iv) The <i>Market Operator</i> shall issue a notice of suspension to the concerned <i>Ancillary Services Provider</i> indicating the start of the suspension considering the guidelines set forth in the <i>WESM Registration, Suspension and De-Registration Criteria and Procedures Manual</i>.	Provisionally approved.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 144 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	(v) The <i>Market Operator</i> shall perform the necessary actions to give effect to the suspension notice and the lifting thereof in accordance with the provisions set forth in Sections 8.1.2 (d) and Section 8.2.6 of this Manual.	It will be MO which shall receive a Notice of Suspension. It shall set the start and end date of the suspension.		<p>PEMC: Suggest removing this here. Redundant. Already mentioned in MO's responsibility under Section 3.1.3</p> <p>(v) The <i>Market Operator</i> shall perform the necessary actions to give effect to the suspension notice and the lifting thereof in accordance with the provisions set forth in Sections 8.1.2 (d) and Section 8.2.6 of this Manual.</p>	Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	<p>f) Deregistration</p> <p>The penalty of deregistration as <i>Ancillary Services Provider</i> shall be imposed under any of the following conditions:</p> <p>(i) If the <i>Ancillary Services Provider</i> has previously been found in <i>breach</i> and the breach has been continuing for at least three (3) months, consecutive or not, and</p>	Sanction for a breach committed in such frequency that indicate inability to participate in the reserve market as ASP.		<p>PEMC: Modification on condition (i)</p> <p>The penalty of deregistration as <i>Ancillary Services Provider</i> shall be imposed under any of the following conditions:</p> <p>(i) If the <i>Ancillary Services Provider</i> has previously been</p>	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 145 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		regardless of the penalty level imposed upon it.			found in <i>breach</i> <u>with at least Level 2 penalty</u> and the breach <u>at the same level of penalty</u> has been continuing <u>committed</u> for <u>at least three (3) months, consecutive or not,</u> and regardless of the penalty level imposed upon it. <u>For instance, the Ancillary Services Provider was found in breach with Level 2 penalty in January, April, and June billing months, the Ancillary Services Provider will be deregistered beginning July 2023 or on such date as may be determined by the Market Operator under Section 8.2.7 of this Manual.</u>	
SECTION 8 – Penalties and Sanctions	8.1.2 (f)	(ii) If the facility registered as <i>Ancillary Services Provider</i> has been unavailable due to forced or unplanned outage exceeding ninety (90) consecutive days.	Sanction for a breach committed in such frequency that indicate inability to participate in the reserve market as ASP.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 146 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
8.1 Enforcement Actions						
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (f)	<p>(iii) If the <i>Ancillary Services Provider</i> fails to pass the <i>Annual Ancillary Services Performance Evaluation</i> taking into account the compliance monitoring results for a period of one (1) year from the date of participation of the <i>Ancillary Services Provider</i> in the <i>Reserve Market</i>.</p> <p>For this purpose, the <i>Market Operator</i> and the <i>Enforcement and Compliance Office</i>, in consultation with the <i>System Operator</i>, shall formulate guidelines and procedures for conducting the <i>Annual Ancillary Services Performance Evaluation</i>.</p>	Sanction for a breach committed in such frequency that indicate inability to participate in the reserve market as ASP.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	A former <i>Ancillary Services Provider</i> whose facility was deregistered under the provisions of this Manual may re-register or reapply for membership in the WESM as <i>Ancillary Services Provider</i> , provided that all the requirements for registration provided under	To allow participation in the reserve market through re-application subject to the requirements of the rules/manual.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 147 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		the relevant <i>Market Manual</i> are fully complied with.				
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.1	8.2.1 A <i>Notice of Specified Penalty</i> shall be served on the concerned <i>Ancillary Services Provider</i> upon issuance of the <i>Compliance Monitoring and Assessment Report</i> by the <i>Enforcement and Compliance Office</i> or within the timeline specified under Section 6.4.1 (d) and Section 7.6.2 (d).	To notify ASP of the findings and consequence of breach through issuance of NSP. CMAR and NSP are issued simultaneously.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.2	8.2.2 A <i>Notice of Specified Penalty</i> required to be issued in accordance with this Manual shall be issued and signed by the President of the <i>WESM Governance Arm</i> in accordance with Section 3.3.5 of this Manual.	For consistency with the relevant provision of Penalty Manual and EC Manual			Provisionally approved.
SECTION 8 – Penalties and Sanctions	8.2.3	8.2.3 The following shall also be furnished a copy of the <i>Notice of Specified Penalty</i> – a) The finance unit of the <i>WESM Governance Arm</i> b) The <i>Market Operator</i>	Other recipients of NSP for information and/or implementation of NSP, as necessary			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 148 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
8.2 Notice of Specified Penalty		c) The <i>System Operator</i>				
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.4	8.2.4 The <i>Notice of Specified Penalty</i> shall be implemented within (5) business days from receipt thereof from the <i>WESM Governance Arm</i> : a) The finance unit of the <i>WESM Governance Arm</i> with respect to the billing and collection of financial penalty by sending the invoice, billing statement or its equivalent to the <i>Ancillary Services Provider</i> ; and b) The <i>Market Operator</i> or <i>System Operator</i> with respect to the other enforcement actions such as, but not limited to, suspension or deregistration of the <i>Ancillary Services Providers</i> .	To set timeline for the implementation of the NSP by WGA-Finance (thru collection) and by MO/SO (e.g., suspension / deregistration)			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 149 of 162

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.5	8.2.5 The concerned <i>Ancillary Services Provider</i> shall pay the <i>Penalty</i> amount as billed within fifteen (15) business days from receipt of the billing statement from the <i>WESM Governance Arm</i> .	To set timeline for payment of penalty by ASP.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.6	8.2.6 If the penalty imposed upon the <i>Ancillary Service Provider</i> is suspension or deregistration, a clear statement to that effect shall be indicated in the <i>Notice of Specified Penalty</i> . It shall serve as the authority of the <i>Market Operator</i> or the <i>System Operator</i> to implement the procedures that would give effect to the sanctions as a consequence of a finding of <i>Breach</i> .	To ensure clarity on the penalty details.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.7				PEMC: Transferred from 8.1.2 (e) (4) above, with modification (adding “or deregistration”). <u>8.2.7 The Market Operator shall issue a notice of suspension or deregistration to the concerned Ancillary</u>	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 150 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
					<u>Services Provider indicating the start of the suspension or deregistration in consideration of the guidelines set forth in the WESM Registration, Suspension and De-Registration Criteria and Procedures Manual.</u>	
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.7	8.2.7 All notices required to be issued by the <i>WESM Governance Arm</i> shall be sent through personal service, private courier, postal mail, electronic mail or such other acceptable, speedy, and effective form of communication. The <i>WESM Governance Arm</i> shall ensure that all notices are received or acknowledged by the intended recipients.	To consider possible effective means of sending notices including online transmittal provided that WGA ensures receipt / acknowledgment by recipients.		PEMC: Renumbered as 8.2.8 due to insertion of the provision above. 8.2.7 8 All notices required to be issued by the <i>WESM Governance Arm</i> shall be sent through personal service, private courier, postal mail, electronic mail or such other acceptable, speedy, and effective form of communication. The <i>WESM Governance Arm</i> shall ensure that all notices are received or acknowledged by the intended recipients.	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 151 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.3 Remedial Measures	8.3.1	8.3.1 An <i>Ancillary Services Provider</i> may be required to implement remedial measures by the <i>Enforcement and Compliance Office</i> , the <i>Compliance Committee</i> , or the <i>PEM Board</i> to mitigate or prevent the adverse impact of <i>Breach</i> or to prevent recurrence of the <i>Breach</i> . The relevant provisions on remedial measures under Section 7.14 of the <i>Enforcement and Compliance Manual</i> shall, to the extent applicable, apply to <i>Ancillary Services Providers</i> .	To allow immediate actions as may be necessary under the circumstances, or containment of what could otherwise be more detrimental to the market.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.3 Remedial Measures	8.3.2	8.3.2 The <i>Enforcement and Compliance Office</i> , in coordination with the <i>System Operator</i> or the <i>Market Operator</i> , shall monitor the compliance by the concerned <i>Ancillary Services Provider</i> of the remedial measures required of it.	To check if remedial measures are implemented.			Provisionally approved.
SECTION 8 – Penalties and Sanctions 8.4 Non-payment of Penalties or	8.4.1	8.4.1 A penalty interest shall be additionally imposed upon the concerned <i>Ancillary Services Provider</i> in case of non-payment by the <i>Ancillary Services Providers</i> of the <i>financial penalties</i> imposed on it as a consequence of a <i>Breach</i> .	To deter possible non-compliance with notices or non-payment of penalty imposed as a consequence of breach.	JRCO: <i>Nasaan and a and b?</i>	PEMC: The phrase “stated in (a) and (b) above” should be removed. For correction, to read – 8.4.1 A penalty interest shall be additionally	Provisionally approved, as revised.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **152 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Non-Compliance with Remedial Measures		For this purpose, the prevailing legal interest rate shall apply in computing the amount stated in (a) and (b) above and shall be computed from the date the payment becomes due up to the actual payment of penalty.			<p>imposed upon the concerned <i>Ancillary Services Provider</i> in case of non-payment by the <i>Ancillary Services Providers</i> of the <i>financial penalties</i> imposed on it as a consequence of a <i>Breach</i>.</p> <p>For this purpose, the prevailing legal interest rate shall apply in computing the amount stated in (a) and (b) above additional penalty and shall be computed from the date the payment becomes due up to the actual payment of penalty.</p>	

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **153 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.4 Non-payment of Penalties or Non-Compliance with Remedial Measures	8.4.2	8.4.2 A penalty of Ten Thousand Pesos (PHP 10,000) shall be imposed in case of non-compliance by an <i>Ancillary Services Provider</i> with the remedial measures required to be implemented by it under a <i>Notice of Specified Penalty</i> or other notices issued under Section 7.4 of this Manual.	To deter possible non-performance of remedial measures that are deemed necessary under the circumstances.	JRCO: <i>deterrent nga ba ang 10K?</i>	PEMC: MSC suggest increasing this to higher amount of P100,000. Proposed revision – 8.4.2 A penalty of Ten One Hundred Thousand Pesos (PHP 100,000) shall be imposed in case of non-compliance by an <i>Ancillary Services Provider</i> with the remedial measures required to be implemented by it under a <i>Notice of Specified Penalty</i> or other notices issued under Section 7.4 of this Manual.	Provisionally approved, as revised.
SECTION 8 – Penalties and Sanctions 8.4 Non-payment of Penalties or Non-Compliance	8.4.3	8.4.3 The aforesaid penalty interest under Section 8.4.1 or the penalty under Section 8.4.2 shall be imposed automatically by the <i>WESM Governance Arm</i> upon failure to pay the financial penalty on the due date or to comply with the required remedial measures.	To allow automatic imposition of penalty or penalty interest based on fact of non-payment or non-performance of remedial measures.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **154 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
with Remedial Measures						
SECTION 8 – Penalties and Sanctions 8.5 Enforcement Action Monitoring Report	8.5.1	8.5.1 The <i>Enforcement and Compliance Office</i> shall maintain a complete and updated record of notices issued in relation to the enforcement actions made pursuant to this Manual including the respective status and updates thereof as of a particular period.	For monitoring record of compliances.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **155 of 162**

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 8 – Penalties and Sanctions 8.5 Enforcement Action Monitoring Report	8.5.2	8.5.2 To the extent practicable, the <i>WESM Governance Arm</i> shall endeavor to develop a process, tool, or system, that would promote practical and seamless interface among the <i>Enforcement and Compliance Office</i> , the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> with respect to monitoring of enforcement actions imposed as a consequence of <i>Breach</i> , as well as the status of their implementation.	To allow efficient and effective monitoring and recording of compliances and implementation of enforcement actions.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
Venue : Online via Microsoft Teams
Page : 156 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.1 Amendments	9.1.1	9.1.1 Amendments to this Manual may be initiated by the <i>WESM Governance Committees, the Enforcement and Compliance Office, the Market Operator, the System Operator</i> or any other <i>WESM Member</i> following procedures for changes to Market Manuals set out in the WESM Rules and in the relevant Market Manual. However, any proposed amendments that pertain to the penalty provisions of this Manual shall be submitted to the <i>Market Surveillance Committee</i> pursuant to Clause 7.2.5.5 of the <i>WESM Rules</i> .	For consistency with the rules change process of RCC and MSC, as prescribed by the Market Rules and Manuals.	RAPA: How does this relate to Sections 4.3 and 5.8? Note that those sections refer to review and changes to the standards and procedures – which are essentially the contents of this Manual.	PEMC: Any amendments to ASMM shall conform to the rules change manual. Sections 4.3 and 5.8 (on periodic review of the standards themselves) are intended to ensure that MO, SO, and WESM GA assess periodically the applicability and effectiveness of the rules (as set herein) and check if they need to be amended to keep up with the times or to conform to other related issuances as may be issued by the DOE, ERC, etc.	Provisionally approved.
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.1 Amendments	9.1.2	9.1.2 Without limiting the grounds or basis upon which this Manual may be amended, amendments to this Manual shall be made to make this Manual consistent with – a) Amendments to the EPIRA and its Implementing Rules and Regulations affecting enforcement and compliance in the WESM; b) Amendments to the <i>Market Rules</i> affecting enforcement and compliance in the WESM;	For guidance as to the cause/s or basis for amendment.			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 157 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
		c) Issuances of the <i>Energy Regulatory Commission</i> concerning enforcement of the WESM Rules; or d) Issuances of the <i>Department of Energy</i> affecting enforcement and compliance in the WESM.				
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.1 Amendments	9.1.3	9.1.3 Amendments to this Manual shall be approved and promulgated by the <i>Department of Energy</i> .	For consistency with Clause 8.4.1.2 of the WESM Rules “The proposed amendments to the WESM Rules, Market Manuals, and any amendment and/or adoption of a new Market Manuals shall take effect upon approval and promulgation by the DOE.”			Provisionally approved.
SECTION 9 – Amendment, Repealing Clause,	9.2.1	9.2.1 This Ancillary Services Monitoring Manual shall become effective upon approval of the <i>Department of Energy</i> and fifteen (15) days following its publication in at least two (2)	Standard requirement			Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **158 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Ancillary Services Monitoring (NEW)						
Title	Section	Proposed Amendment	Rationale	RCC Comments/ Decision (13 Oct 2023)	PEMC, IEMOP, NGCP responses	RCC Comments/ Decision (20 Oct 2023)
Publication and Effectivity 9.1 Amendments		newspapers of general circulation and shall remain in effect until otherwise revoked.				
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.2 Effectivity and Publication	9.2.2	9.2.2 This Manual shall likewise be published on the market information website.	Standard requirement			Provisionally approved.
SECTION 10 - APPENDICES		Appendix I – Process Flowchart for Reserve Offer Capacity Compliance Monitoring Appendix II – Process Flowchart for Reserve Conformance Standards Monitoring	For ease of reference and understanding of process / procedures for monitoring	JRCO: Available?	PEMC: Yes. Appendices I and II (in manual form submitted) Further, PEMC to add Appendix III - Sample computation of penalty.	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 159 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

WESM Manual on Dispatch Protocol					
Title	Section	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (20 Oct 2023)
SECTION 21 – Monitoring the Effective Provision of Ancillary Services			21.1 Overview — x x x 21.2 Responsibilities — x x x 21.3 Measuring the Reserve Effectiveness Factor of Regulating Reserves on Automatic Generator Control — x x x 21.4 Measuring the Reserve Effectiveness Factor of Regulating Reserves on Governor Control Mode — x x x 21.5 Measuring the Reserve Effectiveness Factor of Contingency Reserves — x x x 21.6 Measuring the Reserve Effectiveness Factor of Dispatchable Reserves — x x x	Removed the entire provision in view of the development of ASM Manual which covers the monitoring of ancillary services provision.	Provisionally approved.

MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : **160 of 162**

**Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring**

WESM Manual on Dispatch Protocol					
Title	Section	Provision	Proposed Amendment	Rationale	RCC Comments/ Decision (20 Oct 2023)
SECTION 22 – Amendment, Publication, and Effectivity			SECTION 22 21 AMENDMENT, PUBLICATION AND EFFECTIVITY 22.1 21.1 Amendments 22.2 21.2 Publication 22.3 21.3 Effectivity	Renumbering due to removal of section on <i>Monitoring the Effective Provision of Ancillary Services</i>	Provisionally approved.
SECTION 23 APPENDIX			SECTION 23 22 APPENDIX	Renumbering due to removal of section on <i>Monitoring the Effective Provision of Ancillary Services</i>	Provisionally approved.



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 161 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

Definition of Terms:

Section 2.1.2

f. Enforcement-Related Notices –

Type of Notice	Definition	Reserve Market Compliance Applicability
Notice of Probable Breach	A notice issued by the <i>Market Operator</i> to the <i>Enforcement and Compliance Office</i> which specifies the <i>dispatch intervals</i> in which a probable breach of <i>Reserve Conformance Standards</i> is identified. It also specifies the amount adjusted or to be adjusted from the reserve trading amounts due from the <i>System Operator</i> as a result of probable breach flagging.	<i>Reserve Conformance Standards</i>
Non-Compliance Notice	A notice issued by the <i>Enforcement and Compliance Office</i> to an <i>Ancillary Service Provider</i> for probable <i>Breach</i> of the <i>Reserve Offer Capacity Compliance</i> .	<i>Reserve Offer Capacity Compliance</i>



MEETING MINUTES

Subject/Purpose : 223rd RCC (Regular) Meeting No. 2023-16
 Date & Time : 20 October 2023, 9:00 AM to 2:07 PM
 Venue : Online via Microsoft Teams
 Page : 162 of 162

Annex C – Matrix of Proposed Amendments on Ancillary Services Monitoring

Type of Notice	Definition	Reserve Market Compliance Applicability
Notice of Reserve Amount Adjustment	A notice issued by the <i>WESM Governance Arm</i> to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> that serves as a directive to, and basis of the <i>Market Operator</i> , the latter to cause the revision or adjustment in the settlement on account of the findings of the <i>Enforcement and Compliance Office</i> concerning compliance with the <i>Reserve Conformance Standards</i> .	<i>Reserve Conformance Standards</i>
Notice of Confirmation of Breach	A notice issued to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> by the <i>WESM Governance Arm</i> after due assessment and verification by the <i>Enforcement and Compliance Office</i> which contains confirmation of the finding/s of breach as initially flagged by the <i>Market Operator</i> .	<i>Reserve Conformance Standards</i>
Notice of Specified Penalty	A notice issued by the <i>WESM Governance Arm</i> to an <i>Ancillary Service Provider</i> found in <i>Breach</i> directing the payment of financial penalty to the <i>WESM Governance Arm</i> .	<i>Reserve Conformance Standards</i> and <i>Reserve Offer Capacity Compliance</i>