

## MEETING MINUTES

Subject/Purpose : 221<sup>st</sup> RCC (Caucus) Meeting No. 2023-14  
 Date & Time : 26 September 2023, 1:30 PM to 3:00 PM  
 Venue : Online via Microsoft Teams  
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### ATTENDEES

No.	Name	Designation/Position	Department/ Company
1	Rachel Angela P. Anosan	Member, Independent	RCC
2	Jose Roderick F. Fernando	Member, Independent	RCC
3	Cherry A. Javier	Member (Principal), Generation Sector	RCC
4	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
5	Michelle S. Tuazon	Member (Alternate), Generation Sector	RCC
6	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
7	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
8	Isidro E. Cacho, Jr.	Member (Principal), Market Operator	RCC
9	Jessie B. Victorio	Member (Alternate), Generation Sector	RCC
10	Dennis R. Paragas	Member (Alternate), Supply Sector	RCC
11	Kristoffer S. Ng	Member (Alternate), Market Operator	RCC
12	Leo John A. Juguilon	Office of the CGO	PEMC
13	Karen A. Varquez	RCC Secretariat	PEMC
14	Divine Gayle C. Cruz	RCC Secretariat	PEMC
15	Mari Josephine C. Enriquez	RCC Secretariat	PEMC
16	Mary Rose L. Bisnar	RCC Secretariat	PEMC
17	Hilary Romeli C. Florendo	ECO	PEMC
18	Edgar S. Superio Jr.	ECO	PEMC
19	Francisco Rufino M. Gine	Legal	PEMC
20	Marcelo L. Gemalan	Corporate Communications Specialist	PEMC
21	Lex J. Magtalas	Observer	APC
22	Sheryll M. Dy	Proponent	IEMOP
23	Lilibeth Grace L. Vetus	Proponent	IEMOP
24	Edmin Arellano	Proponent	IEMOP

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Agenda	Discussion/Agreements
I. Call to Order	The meeting was called to order at 1:32 PM.
II. Adoption of Agenda	The RCC adopted the agenda.  Ms. Rachel Angela P. Anosan (Independent) presided the meeting.
III. Proposed Amendments to the WESM Rules and various WESM Manual on the Interruptible Load Program (ILP) Implementation <ul style="list-style-type: none"> <li>• Discussions on BCQ re-declaration procedure specifically for the proposed Clauses 9.5.9 (definition of force majeure in item (e) and 9.5.12 adjustments to approved re-declarations of the Billing and Settlement Manual</li> </ul>	<u>Presenter:</u> Isidro E. Cacho (Proponent/IEMOP)  Action Request: For deliberation/discussion  Material: Annex A

### Proceedings:

- Ms. Mary Rose Bisnar (RCC Secretariat) provided brief background of the proposal. She informed the body that the proposal was endorsed by the RCC to the PEM Board through RCC Resolution No. 2023-09. The PEM Board remanded the proposal to the RCC during the 63<sup>rd</sup> PEM Board Meeting held last 30 August 2023 to further discuss the procedures on BCQ re-declaration on the following proposed new provisions of the Billing and Settlement Manual (BSM):
  1. Section 9.5.9, specifically on the definition of “force majeure” causing inaccessibility of the CRSS by the Trading Participant.
  2. Section 9.5.12, specifically on the determination of “erroneous” BCQ re-declaration.
- Mr. Isidro E. Cacho, Jr. (Market Operator/IEMOP) presented IEMOP’s proposed timeline of processing BCQ re-declarations (in accordance with the proposed allowable conditions under Section 9.5.9 of BSM) and the corrections allowed under proposed Section 9.5.12 of BSM. The proposed timeline read as follows:
  1. The Trading Participant has D+7 timeline to process the submission of BCQ re-declaration from occurrence of said condition. Within said period, the Trading Participant may correct the submitted BCQ re-declaration.
  2. To be accounted in the Preliminary Settlement Statement, the Trading Participant should re-declare their BCQ until the 28<sup>th</sup> day of the month.

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- 24 3. The Trading Participant is allowed to correct the erroneous re-declaration within 5  
 25 days after the issuance of the Preliminary Settlement Statement in order for IEMOP  
 26 to validate and prepare the Final Settlement Statement.

27 Mr. Cacho added that IEMOP proposed the correction of the erroneous BCQ re-declaration  
 28 shall be one (1) time only. He deemed that the same is validated by the Generation  
 29 Company counterparties (Contestable Customer and Directly Connected Customer).

30 To further understand the proposed timeline, Ms. Anosan requested clarification on the  
 31 following matters:

- 32 a) If the Trading Participant was not able to re-declare their BCQ due to an ILP event  
 33 on or before the 28<sup>th</sup> day of the month, is the Trading Participant still allowed to re-  
 34 declare their BCQ until the 5<sup>th</sup> day of the following month?  
 35 ○ Mr. Cacho responded that the Trading Participant can still re-declare their BCQ  
 36 until the 7<sup>th</sup> day of the following month or five (5) days after the issuance of the  
 37 Preliminary Settlement Statement. However, any re-declaration made beyond  
 38 the 28<sup>th</sup> day of the month will be included in the Final Settlement Statement.  
 39 ○ Based on the discussions, Ms. Anosan stated that the 28<sup>th</sup> day of the month  
 40 refers to the calendar days whereas the reckoning of the five (5) days' timeline  
 41 is after the issuance of the Preliminary Settlement Statement (i.e., if the  
 42 Preliminary Settlement Statement is issued on the 1<sup>st</sup> day of the month therefore  
 43 BCQ re-declaration correction is until 6<sup>th</sup> day of the month). Mr. Cacho  
 44 responded affirmatively on this regard.  
 45
- 46 b) If the Trading Participant made BCQ re-declaration on or before the 28<sup>th</sup> day of the  
 47 month, which will be accounted for on the Preliminary Settlement Statement, and  
 48 after the issuance of the Preliminary Settlement Statement it is observed that the  
 49 BCQ re-declaration is erroneous, can the Trading Participant still correct the  
 50 erroneous BCQ re-declaration?  
 51 ○ Mr. Cacho confirmed that the Trading Participant can still correct the erroneous  
 52 BCQ re-declaration. He also explained that the one-time correction, as reflected  
 53 on IEMOP's proposed timeline, refers to correction of erroneous BCQ re-  
 54 declaration in which shall be allowed within (5) days from the issuance of the  
 55 Preliminary Settlement Statement.

56 Following the discussions on the proposed timeline, Mr. Ryan S. Morales (Distribution)  
 57 agreed to the IEMOP's proposed timeline. However, he inquired if the cut-off time of BCQ  
 58 re-declaration is until 11:59 PM. Mr. Cacho then responded positively.

- 59 ● On Section 9.5.9 of BSM, Mr. Cacho said that IEMOP proposed to add a statement referring  
 60 to Section 9.5.12 of BSM.

61 Ms. Anosan reiterated the PEM Board's concern on the proposal which are particular on  
 62 the definition of "force majeure" and on the determination of the erroneous BCQ re-

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63 declaration. She added that the Section 9.5.9 provides the conditions on when it is possible  
 64 to make BCQ re-declaration (i.e., Inaccessibility of CRSS by Trading Participant).

65 Ms. Varquez informed the body that Dir. Nethercott asked about the definition of “force  
 66 majeure” on item (e) of Section 9.5.9 of BSM which read as follows:

67 **“9.5.9 The Market Operator is authorized to approve a request for re-**  
 68 **declaration of bilateral contract quantities made under Section 9.5.7 of this**  
 69 **Manual provided that such re-declaration complies with all the following**  
 70 **requirements:**

- 71 a) **The bilateral contract quantity re-declarations were submitted no later**  
 72 **than seven (7) business days from the end of the relevant trading day**  
 73 **when the *force majeure* event occurred;**  
 74 b) **The bilateral contract quantity re-declarations were only for intervals**  
 75 **when the Market Operator’s electronic submission platform was**  
 76 **inaccessible;**  
 77 c) **The bilateral contract quantity re-declarations of Generation**  
 78 **Companies correspond with their respective contract enrolments;**  
 79 d) **The bilateral contract re-declarations of Generation Companies follow**  
 80 **the prescribed format and mode of submissions;**  
 81 e) **The Generation Company immediately reported the inability to access**  
 82 **the Market Operator’s electronic submission platform within the day**  
 83 **of occurrence of the *force majeure* event; and**  
 84 f) **The Generation Company attests, by way of a public document, to the**  
 85 **truthfulness and correctness of the submitted proof of inability to**  
 86 **access the Market Operator’s electronic submission platform.”**

87 Mr. Cacho responded that force majeure on item (e) of Section 9.5.9 of BSM refers to the  
 88 inaccessibility of the CRSS. He believed that the additional clarification on the said section  
 89 is about the force majeure which refers to the Market System and does not necessarily  
 90 refer to the limitation on the end of the Customers or on the GenCo or the entity who will  
 91 make the re-declaration of BCQ.

92  
 93 Ms. Anosan reiterated that the said section is about the authority of the MO to allow re-  
 94 declarations if the CRSS is inaccessible. But essentially, this is only for situations where  
 95 the platform for submission of BCQ re-declarations becomes unavailable and the Trading  
 96 Participant is given 7 days from the day when the force majeure event occurred to re-  
 97 declare their BCQ. With that, she then suggested to set out the conditions referring to the  
 98 unavailability of the CRSS regardless of the causes instead of referring to force majeure.  
 99

100 Ms. Varquez added that Dir. Nethercott also mentioned that the MO is trying to request for  
 101 clarity on the implementation of the said conditions, if the suggestion of Ms. Anosan would  
 102 remove any discretion on the part of IEMOP/MO on what the acceptable reason is, then it  
 103 may be a concern. According to her, if the said condition qualifies on the definition of force

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104 majeure, which is set out in WESM Rules, then it would be up to the IEMOP/MO whether  
 105 to approve or not the request for re-declaration of BCQ of the Trading Participant. On the  
 106 other hand, she asked how the MO will consider a request for re-declaration in light of the  
 107 inaccessibility of CRSS if the “force majeure” will be deleted in item (e) of Section 9.5.9.  
 108

109 In terms of the sequence of sub-provisions of Section 9.5.9, Ms. Anosan suggested to state  
 110 the item (b) first. Followed by the timeline stated in item (a) after the conditions in item (b)  
 111 occurs.  
 112

113 Ms. Cherry A. Javier (Generation) inquired if there are instances of inaccessibility due to  
 114 the Trading Participant itself. She added that it would be better to specify the inaccessibility  
 115 of the CRSS because of the Market Operator. Ms. Anosan suggested to revise the provision  
 116 to address Ms. Javier’s comment regarding the inaccessibility of the CRSS due to the  
 117 events on the end of the Market Operator.  
 118

119 In line with Ms. Javier’s comments, Mr. Cacho highlighted that those instances of  
 120 inaccessibility due to incidents from the end of the Trading Participant (i.e., loss of internet  
 121 connection) should not be included.  
 122

123 Mr. Carlito C. Claudio (Generation) also agreed with Ms. Javier. However, he inquired on  
 124 why the GenCo is required to submit a document as a proof of inaccessibility of CRSS,  
 125 wherein the MO already knows the CRSS has downtime, and it is also included in the MO  
 126 performance monitoring. Ms. Anosan agreed to Mr. Claudio’s comment and suggested to  
 127 delete item (f) of Section 9.5.9.  
 128

- 129 • On Section 9.5.12, the following discussions were raised:

130  
 131 In line with IEMOP’s proposal, Ms. Varquez suggested to not refer the Section 9.5.12 to  
 132 Section 9.5.9 since the latter covers the BCQ re-declaration due to CRSS inaccessibility,  
 133 whereas the former covers all the BCQ re-declaration and corrections.  
 134

135 Mr. Cacho agreed to Ms. Varquez’s suggestions. However, he raised two matters for further  
 136 discussion:

- 137 1. On Section 9.5.9, the consideration of limitations on the end of Trading Participants  
 138 in terms of inaccessibility of the CRSS (i.e., inability to access the CRSS due to  
 139 loss of internet connection due to extreme weather conditions).
- 140 2. On Section 9.5.12, the conditions to be considered as “erroneous” re-declaration.

141 To provide an idea on what constitutes an error, Mr. Morales stated that erroneous data  
 142 refers to any deviation from the agreed (i.e. cleared by affected parties: DU, RES, CC,  
 143 GenCo) de-loaded kWh and the re-declared kWh. Ms. Anosan responded that based on  
 144 the given definition of erroneous data, the said data is not available to MO. Mr. Morales  
 145 added that validation was already made among the CC, DU, RES, and GenCo. The MO is

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146 not privy to the erroneous re-declaration since it is assumed that the BCQ re-declaration of  
 147 the GenCo is validated among said parties.

148 Ms. Sheryll M. Dy (IEMOP) pointed out that the rationale on defining what constitutes an  
 149 erroneous BCQ re-declaration is to exercise diligence on the part of Trading Participants.  
 150 She added that the 7-day period is enough time for the Trading Participants to validate the  
 151 re-declaration.

152 Ms. Anosan suggested IEMOP to further review the possible conditions of “erroneous re-  
 153 declaration” that they will process.

### 154 Agreements:

- 155 • The meeting was concluded with the following agreements:  
 156 a) In coordination with the RCC Secretariat, the IEMOP will further revise the Sections  
 157 9.5.9 and 9.5.12 of the Billing and Settlement Manual.  
 158 b) IEMOP to provide the conditions in what are the “erroneous re-declaration” that the  
 159 Market Operator will process.  
 160 c) Possible considerations of circumstances when the reason of CRSS inaccessibility  
 161 is due to incidents beyond the Trading Participant’s control.  
 162

Agenda	Discussion/Agreements
IV. Adjournment	The meeting was adjourned at 2:50 PM.

Prepared by:

(signed)  
 MARY ROSE L. BISNAR  
 Analyst, 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

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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)  
Attended by: Ms. Michelle G. Tuazon  
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)  
Attended by: Mr. Dennis R. Paragas  
GIAN KARLA C. GUTIERREZ  
Member, Supply Sector  
First Gen Corporation (FGEN)

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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)



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## Annex A – IEMOP’s Proposed Timeline

### PROPOSE TO ALLOW RE-DECLARATION OF RE-DECLARED BCQ WESM BILLING TIMELINE



