

RULES CHANGE COMMITTEE

Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol and Proposed New Manual on Ancillary Services Monitoring regarding Reserve Market Compliance and Related Enforcement Actions

Effective Date : 23 October 2023

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WHEREAS, the DOE issued Department Circular No. DC2022-11-0032 dated 07 November 2022 promulgating amendments to the WESM Rules and various pertinent Market Manuals for implementing the Reserve Market, which includes, among others, the mandate to develop Reserve Conformance Standards (RCS) as well as the procedures for monitoring and notifying Ancillary Services Providers (ASP) of their non-compliance to their reserve offer submissions and the RCS;

WHEREAS, consequently, the Philippine Electricity Market Corporation (PEMC) and the Independent Electricity Market Operator of the Philippines (IEMOP), in collaboration with the National Grid Corporation of the Philippines (NGCP) as System Operator, held various coordination meetings with the DOE between July and September 2023, to develop a new dedicated manual that integrates the guidelines and procedures for monitoring the Reserve Offer Capacity Compliance (ROCC or reserve offer submissions) and RCS, and corresponding penalty or sanctions for violations or breach thereof;

WHEREAS, on 26 September 2023, the DOE promulgated Department Circular No. DC2023-09-0026 declaring full commercial operations of the Reserve Market on 26 December 2023, and to this end includes a directive for PEMC as the WESM Governance Arm to finalize the Reserve Market compliance guidelines and submit the same to the DOE for approval no later than 15 November 2023;

WHEREAS, in fulfillment of the DOE's directives, PEMC, in coordination with IEMOP, submitted to the Rules Change Committee (RCC) and Market Surveillance Committee (MSC) on 12 October 2023 an urgent proposal¹ to amend the following documents and introduce a new WESM Manual:

- 1) WESM Rules;
- 2) WESM Manual on Dispatch Protocol Issue 19.0; and
- 3) New WESM Manual on Ancillary Services Monitoring Issue 1.0 (ASMM)

WHEREAS, the urgent proposed amendments cover the following matters:

- 1) Roles and responsibilities of the ASP, Market Operator, the WESM Governance Arm, and the System Operator;
- 2) Rules governing the reserve offer submission by the ASPs or the ROCC;
- 3) Development of the RCS which incorporates as integral part of the standards the relevant provisions in Section 21 of the Dispatch Protocol Manual regarding the "Monitoring the Effective Provision of Ancillary Services";
- 4) Compliance monitoring procedures for both ROCC and RCS; and
- 5) Enforcement actions relating to the findings of breach of ROCC and RCS.

¹ ORCP-WR-WM-23-08 Urgent Proposal regarding Reserve Market Compliance and Related Enforcement Actions



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WHEREAS, following the procedures for processing proposed urgent amendments specified in Section 7.2 of the WESM Manual on Procedures for Changes to the WESM and Retail Rules and Market Manuals (“Rules Change Manual”), the RCC convened a special meeting (222nd Meeting) on 13 October 2023 to determine if the proposal is urgent based on the criteria set forth in Section 3.1 of the Rules Change Manual, and if so, deliberate the proposal for endorsement to the PEM Board;

WHEREAS, the RCC certified the proposal as urgent as it satisfies one of the criteria for urgent amendments per WESM Rules Clause 8.4.1.1 (a)(iv), which states that urgent proposals facilitate the implementation of any regulation, circular, order or issuance of the DOE or ERC pursuant to the EPIRA, in this case DOE Circular No. DC2023-09-0026, and in consideration of the DOE’s directive for PEMC to submit the guidelines for reserve market compliance on or before 15 November 2023;

WHEREAS, having certified the proposal as urgent, the RCC proceeded to deliberate on the proposal over two meetings held on 13 and 20 October 2023, resulting in the following salient modifications from PEMC’s original submission:

- 1) Change in definition for some terminologies for accuracy and clarity;
- 2) Add definition of ‘reserve amount adjustment’ and emphasize that said adjustment shall not modify the formula for the computation of ‘reserve trading amounts’;
- 3) Enumerate Enforcement-related Notices and its corresponding enforcement applicability for easier reference;
- 4) Provide example of a generating units’ energy and reserves offer submissions to the MO in Section 4.2 of the ASMM for guidance and clarity;
- 5) Specify that the dead band ratings indicated for the reserve facilities scheduled to provide regulating reserve and contingency reserve are applicable when they operate under Governor Control Mode;
- 6) Deletion of provisions on reserve effectiveness factors from the WESM Rules;
- 7) Add Appendix on the computation of penalties on Reserve Offer Capacity Compliance and Reserve Conformance Standards;
- 8) Add Summary Table of ROCC for each reserve type for easy reference; and
- 9) Rearrangement and minor modification of some provisions for a clearer process.

WHEREAS, the Market Operator and WESM Governance Arm manifested that their systems will require enhancements to implement the proposal efficiently and on an automated basis in consideration of the volume of monitoring input data from the System Operator;

WHEREAS, the RCC acknowledged that there is an existing WESM Manual on Ancillary Services Monitoring Issue 0.0 approved by the PEM Board in April 2005 which was never implemented by either the MO or the SO, and thus agreed to recommend its abolition to be superseded by the proposed new WESM Manual on Ancillary Services Monitoring;



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WHEREAS, the RCC also acknowledged that the provisions on penalties under Section 8 of the Ancillary Services Monitoring Manual are for the review of the Market Surveillance Committee per their mandate under WESM Rules Clause 7.2.5.5;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve, as follows:

RESOLVED, that the RCC approves the Proposed Urgent Amendments to the WESM Rules, new WESM Manual on Ancillary Services Monitoring, and WESM Manual on Dispatch Protocol, herein attached as Annexes A to C, respectively;

RESOLVED FURTHER, that the Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol and Proposed New Manual on Ancillary Services Monitoring regarding Reserve Market Compliance and Related Enforcement Actions are hereby endorsed to the PEM Board for approval, and subsequent submission to the DOE for final approval, and ERC for information.

Done this **23rd** day of **October 2023**, Pasig City.








Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol
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Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 JESUSITO G. MORALLOS Chairperson	 Jose Roderick F. Fernando (Oct 23, 2023 13:26 GMT+8) JOSE RODERICK F. FERNANDO
 RACHEL ANGELA P. ANOSAN	 Jordan Rel C. Orillaza (Oct 23, 2023 15:01 GMT+8) JORDAN REL C. ORILLAZA
Generation Sector Members:	
 DIXIE ANTHONY R. BANZON Masinloc Power Partners Co. Ltd. (MPPCL)	 Cherry Javier (Oct 23, 2023 14:01 GMT+8) CHERRY A. JAVIER Aboitiz Power Corp. (APC)
 CARLITO C. CLAUDIO Millennium Energy, Inc./ Panasia Energy, Inc. (MEI/PEI)	 Mark Habana (Oct 23, 2023 15:39 GMT+8) MARK D. HABANA Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
 RYAN S. MORALES Manila Electric Company (MERALCO)	 VIRGILIO C. FORTICH, JR. Cebu III Electric Cooperative, Inc. (CEBECO III)



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 NELSON M. DELA CRUZ Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)	 RUSSEL S. ALABADO Angeles Electric Corporation (AEC)
Supply Sector Member:	
 GIAN KARLA C. GUTIERREZ First Gen Corporation (FGEN)	
Market Operator Member:	
 ISIDRO E. CACHO, JR. <small>ISIDRO E. CACHO, JR., 1387 GMT+8</small> Independent Electricity Market Operator of the Philippines (IEMOP)	
System Operator Member:	
 DARRYL LON A. ORTIZ National Grid Corporation of the Philippines (NGCP)	

Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol
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A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
3.3.	3.3.7.4	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.	Removed in view of the development of Ancillary Services Monitoring Manual which covers the monitoring of ancillary services provision
3.3	3.3.7.5	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 with the rule change process set out in chapter 8.	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
3.8.7 – Reserve Conformance Standards	3.8.7	Reserve Conformance Standards	Reserve 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)
3.8.7 – Reserve Conformance Standards	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> .	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</i> standards for reserve market compliance 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 to cover both the Reserve Offer Capacity Compliance (ROCC) and Reserve Conformance Standards (RCS)



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A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
3.8.7 – Reserve Conformance Standards	3.8.7.2	<p>The <i>Market Manual</i> under Clause 3.8.7.1 shall set out the following:</p> <p>(a) <i>reserve conformance standards</i> that will apply to <i>Ancillary Service Providers</i>;</p> <p>(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</p> <p>(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>.</p>	<p>The <i>Market Manual</i> under Clause 3.8.7.1 shall set out the following:</p> <p>(a) <i>reserve conformance standards</i> <u>and reserve offer capacity compliance</u> that will apply to <i>Ancillary Service Providers</i>;</p> <p>(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</p> <p>(c) Procedures for identifying and checking non-conformance with the <i>reserve conformance standards</i> <u>and reserve offer capacity compliance</u> taking into consideration any emergency directions issued to dispatched <i>Ancillary Service Providers</i>; and</p> <p><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></p>	<p>To provide basis for proposed reserve market compliance rules and incorporating under one market manual such rules as follows:</p> <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 compliance standards
3.8.7 – Reserve Conformance Standards	3.8.7.4	<p>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.</p>	<p>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> <u>for reserve market compliance</u> and the procedures set out in Clauses 3.8.7.1 and 3.8.7.2.</p>	<p>Changed to a more generic term (same as in Clause 3.8.7.1)</p>



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A. WESM RULES				
Title	Clause	Original Provision	Proposed Amendment	Rationale
3.8.7 – Reserve Conformance Standards	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> .	The <i>Market Operator</i> and <u>WESM Governance Arm</u> shall <i>publish</i> the <i>Market Manual</i> setting out the <i>reserve conformance</i> standards <u>for reserve market compliance</u> .	<ul style="list-style-type: none">• Changed to a more generic term (same as in Clause 3.8.7.1)• To reflect current practice and responsibility of the WESM Governance Arm
Chapter 11 Glossary		Reserve Effectiveness Factor. A performance indicator that measures the <i>reserve</i> facility's 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</i> facility's adequacy, accuracy, and timeliness in its actual reserve response with respect to the expected operating parameters set for a specific type of reserve.	<ul style="list-style-type: none">• Removed in view of the development of ASM Manual which covers the monitoring of ancillary services provision



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 1 – Introduction 1.1 Background	1.1.1	<u>SECTION 1 – Introduction</u> <u>1.1 Background</u> <u>1.1.1 The Department of Energy mandated the Market Operator and the WESM Governance Arm to submit rules changes necessary for the co-optimized energy and reserve Market. It further required the Market Operator, in consultation with the System Operator and the Enforcement and Compliance Office, to develop Reserve Conformance Standards to be set forth in the relevant Market Manual, and to periodically review the same.</u>	Basis for rule development relating to reserve market compliance. References (proposed to be footnote to this provision): <ul style="list-style-type: none">• Section 10.1 and Section 11.2 of the DOE Department Circular DC2021-03-009 “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”;• WESM Rules Clause 3.8.7.1, and• WESM Rules Clause 3.8.7.4
SECTION 1 – Introduction 1.1 Background	1.1.2	<u>1.1.2 The WESM Governance Arm, through its Enforcement and Compliance Office, is mandated to monitor, evaluate, assess, and enforce compliance and conformance of the Ancillary Services Providers with the schedule and dispatch instructions for energy and reserves issued by the Market Operator and System Operator and with the rule on submission of reserve offer capacity in the reserve market.</u>	Basis for ECO’s responsibility monitor the reserve market compliance Reference (proposed to be footnote to this provision): Section 11.3 of the DOE Department Circular DC2021-03-009; and DOE DC2023-09-0026 “Declaring the Commercial Operations of the Reserve Market and Providing Further Policies” “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;”
SECTION 1 – Introduction 1.1 Background	1.1.3	<u>1.1.3 The Market Operator shall implement the procedures for flagging probable breach through an automated system and shall transmit the generated data to the Enforcement and Compliance Office for its monitoring</u>	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



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		<u>of compliance by the <i>Ancillary Services Providers</i> with the <i>Reserve Conformance Standards</i> and related rules.</u>	Reference (proposed to be footnote to this provision): WESM Rules Clause 3.8.7.3
SECTION 1 – Introduction 1.1 Background	1.1.4	<u>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 compliance or non-compliance is performed, and that due process is observed.</u>	Ensure due process during monitoring and assessment
SECTION 1 – Introduction 1.1 Background	1.1.5	<u>1.1.5 Moreover, the <i>Enforcement and Compliance Office</i> 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>.</u>	To conform to the reportorial requirement under Section 11.3 of the DOE Department Circular DC2021-03-009 (proposed to be footnote to this provision): “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> ”
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.1	<u>1.2 Purpose and Scope</u> <u>1.2.1 This Manual and the <i>enforcement proceedings and actions set herein</i> apply to the conformance of the <i>Ancillary Services Providers</i> with the rules pertaining to submission of <i>reserve offers</i> and to compliance with reserve schedules and dispatch implementation.</u>	For clarity as to the coverage: Reserve Offer Capacity Compliance (ROCC) and Reserve Conformance Standards (RCS)
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.2	<u>1.2.2 This Manual sets out the following –</u> a. <u><i>Reserve Conformance Standards</i> and the related <i>Reserve Offer Capacity Compliance</i>;</u>	<ul style="list-style-type: none">• Outlines the major sections of the Manual:<ul style="list-style-type: none">1. ROCC and RCS (Section 4 and 5)2. Detection of Breach Procedures (Section 6 and 7)3. Enforcement Proceedings for ROCC and RCS (Section 6 and 7)



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Title	Section	Proposed Amendment	Rationale
		<p>b. <u>Procedures for identifying and checking non-conformance with the Reserve Conformance Standards and Reserve Offer Capacity Compliance;</u></p> <p>c. <u>Procedures for monitoring and notifying the Ancillary Services Providers of the non-compliance by their generating units or interruptible load facilities; and</u></p> <p>d. <u>Applicable enforcement actions and/or necessary reserve amount adjustments relative to the determination of breach of the compliance rules.</u></p> <p><u>The term “reserve amount adjustment” as used in this Manual shall not modify the computation for the reserve trading amount as referred to in Clause 3.13.8 of the WESM Rules and 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 Billing and Settlement Manual.</u></p>	<p>4. Adjustments in Settlement Amounts (Section 7)</p> <p>5. Penalties and Sanctions (Section 8)</p> <ul style="list-style-type: none">Clearly provides the intent and nature of “reserve amount adjustment”
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.3	<u>1.2.3 This Manual applies to and is binding on all Ancillary Services Providers. It shall likewise apply to the Market Operator, the System Operator, and the WESM Governance Arm with respect to their respective obligations in effectively implementing the trading of reserves in the WESM through scheduling reserve and energy capacities through co-optimization, monitoring, and enforcement of the applicable rules.</u>	Coverage – as to entity
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.4	<u>1.2.4 This Manual also provides for the penalty system specifically applicable to the Ancillary Services Providers, including particularly the manner of assessment, and implementation of enforcement proceedings and enforcement actions. Except as specifically provided herein, the relevant provisions of the WESM Penalty Manual and the Enforcement and Compliance Manual on enforcement proceedings and actions shall remain</u>	Coverage – to include applicable penalty Provide for the suppletory application of WESM Penalty Manual and Enforcement and Compliance Manual.



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Title	Section	Proposed Amendment	Rationale
		<u>in full force and effect. The provisions of the said Manuals, to the extent practicable, shall be suppletory 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>	
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.5	<u>1.2.5 This Manual likewise covers the determination of <i>reserve amount adjustments</i> that need to be made in the WESM settlements 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.</u>	Provide clear consequence of a finding of breach of the RCS, i.e., reserve amount adjustment. The timeline for the adjustments as well as the procedures, to the extent applicable, shall be in accordance with the Billing and Settlement Manual
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.6	<u>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>.</u>	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
SECTION 1 – Introduction 1.2 Purpose and Scope	1.2.7	<u>1.2.7 Any enforcement action 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 <i>WESM</i>, <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 of the Market Rules or Market Manuals</i>.</u>	Provide Exclusions from the Coverage of the ASM Manual, i.e., those not covered by the WESM Rules/Market Manuals – for clarity



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 2 – Definitions, References and Interpretation 2.1 Definitions	2.1.1	<u>SECTION 2 – Definitions, References and Interpretation</u> <u>2.1 Definitions</u> <u>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.</u>	For consistency in the terminologies used
SECTION 2 – Definitions, References and Interpretation 2.1 Definitions	2.1.2	<u>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 –</u> <u>a. Ancillary Services - those services that are necessary to support the transmission capacity and energy from resources to loads while maintaining reliable operation of the <i>transmission system</i> in accordance with good utility practice, the <i>Grid Code</i> and <i>Distribution Code</i>.</u> <u>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>WESM Reserve Market</i>. It may also be a <i>customer</i> registered for the provision of <i>interruptible load</i> and certified in accordance with <i>the Grid Code</i> and <i>Distribution Code</i>.</u> <u>c. Annual Ancillary Services Performance Evaluation – refers to a procedure that determines or measures the overall performance of an <i>Ancillary Services Provider</i> in terms of provision and delivery of the <i>ancillary services</i> over a period of one (1) year based on a set of criteria and guidelines developed for that purpose.</u>	For easy reference of the terms used and their respective meaning, as used throughout the Manual



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
		<p><u>d. Available Reserve Capacity - Equal to the certified reserve capacity of a reserve facility for a particular reserve type less outages, de-rated capacity due to technical constraints and weather disturbance that cause damage to said reserve facility or that would otherwise limit its ability to inject power to the grid or to support the transmission capacity and energy.</u></p> <p><u>e. Breach – non-compliance with the Reserve Conformance Standards or the Reserve Offer Capacity Compliance, as finally determined following the enforcement proceedings set forth in this Manual.</u></p> <p><u>f. Compliance Monitoring and Assessment Report – refers to the report that includes the final assessment of whether a particular Ancillary Services Provider violated or breached the relevant Market Rules and/or Market Manuals.</u></p> <p><u>g. Enforcement-Related Notices -</u></p>	



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



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B. New WESM Manual on Ancillary Services Monitoring					
Title	Section	Proposed Amendment			Rationale
		<u>Notice of Reserve Amount Adjustment</u>	<u>A notice issued by the WESM Governance Arm to the Market Operator, the System Operator, and the Ancillary Services Provider that serves as a directive to, and basis of the revision or adjustment in the settlement on account of the findings of the Enforcement and Compliance Office concerning compliance with the Reserve Conformance Standards.</u>	<u>Reserve Conformance Standards</u>	
		<u>Notice of Confirmation of Breach</u>	<u>A notice issued to the Market Operator, the System Operator, and the Ancillary Services Provider by the WESM Governance Arm after due assessment and verification by the Enforcement and Compliance Office which contains confirmation of the finding/s of breach as initially flagged by the Market Operator.</u>	<u>Reserve Conformance Standards</u>	



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B. New WESM Manual on Ancillary Services Monitoring				
Title	Section	Proposed Amendment		Rationale
		<p><u>Notice of Specified Penalty</u></p>	<p><u>A notice issued by the WESM Governance Arm to an Ancillary Service Provider found in Breach directing the payment of financial penalty to the WESM Governance Arm.</u></p>	<p><u>Reserve Conformance Standards and Reserve Offer Capacity Compliance</u></p>
		<p><u>h. Request for Reassessment with Notice of Claim – refers to a request of an Ancillary Service Provider for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of Reserve Conformance Standards, accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.</u></p> <p><u>i. Reserve – ancillary services that are traded in the WESM.</u></p> <p><u>j. Reserve Amount Adjustment – the amount to be debited or credited to/from a WESM Member as a line-item adjustment to the reserve trading amount in connection with the results of the monitoring and assessment of the compliance of the Ancillary Services Providers with the reserve conformance standards.</u></p> <p><u>k. Reserve Conformance Standards – Standards that set the criteria and procedures for determining whether the Ancillary Service Providers</u></p>		

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Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol
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Reserve Market Compliance and Related Enforcement Actions

B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
		<p><u>comply with their <i>reserve schedules</i>, and which are required to be set out in a <i>Market Manual</i> in accordance with WESM Rules Clause 3.8.7.</u></p> <p><u>I. Reserve Facility - a facility capable of providing <i>reserves</i>.</u></p> <p><u>m. 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.</u></p> <p><u>n. Reserve Offer Capacity Compliance – pertains to the rule that all certified and registered <i>Ancillary Service Providers</i> shall submit <i>reserve offers</i> up to their registered maximum reserve capability for all reserve categories, whether or not the capacities are covered by Ancillary Service Procurement Agreements (ASPAs).</u></p> <p><u>o. Reserve Schedule – is the resulting reserve schedule for a particular reserve type based on the co-optimization of energy and reserve requirements of the power system produced by the <i>Market Dispatch Optimization Model</i>.</u></p> <p><u>p. WESM Reserve Market – a market within <i>WESM</i> that provides for a mechanism that allows trading of <i>ancillary services</i> and is integrated in the system of <i>WESM</i> that is designed to provide optimal solution for all available capacities when scheduling reserve and energy capacities through co-optimization.</u></p>	



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 2 – Definitions, References and Interpretation 2.2 References	2.2	<u>2.2 References</u> <u>This Manual shall be read in conjunction with the <i>Market Rules</i> and other <i>Market Manuals</i> approved for use in the <i>WESM</i>, including but not limited to the documents listed in the Reference Documents table of this Manual.</u>	For reference – to check in which context the term/s are used / referred to in the Manual
SECTION 2 – Definitions, References and Interpretation 2.3 Interpretation	2.3	<u>2.3 Interpretation</u> <u>Unless otherwise stated in this Manual, the rules of interpretation set out in Chapter 9 of the <i>WESM Rules</i> shall also apply to this Manual.</u>	Apply the standard rule on interpretation
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.1	<u>SECTION 3 – Responsibilities</u> <u>3.1 Market Operator</u> <u>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.</u>	MO to establish the procedures for detecting breach of the ROCC and RCS consistent with Clause 3.8.7.3 of the WESM Rules
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.2	<u>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 and enforcement of the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i>.</u>	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



Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol and Proposed New Manual on Ancillary Services Monitoring regarding Reserve Market Compliance and Related Enforcement Actions

B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.3	<u>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.</u>	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.)
SECTION 3 – Responsibilities 3.1 Market Operator	3.1.4	<u>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 as such.</u>	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
SECTION 3 – Responsibilities 3.2 System Operator	3.2.1	<u>3.2 System Operator</u> <u>3.2.1 The <i>System Operator</i> shall submit to the <i>Market Operator</i> data and reports that are necessary in initially determining occurrence of probable breach.</u>	To set obligation of SO regarding data provision necessary in determining breach of RCS
SECTION 3 – Responsibilities 3.2 System Operator	3.2.2	<u>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 and enforcement of the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity Compliance</i>.</u>	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
SECTION 3 – Responsibilities 3.2 System Operator	3.2.3	<u>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.</u>	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.)
SECTION 3 – Responsibilities 3.2 System Operator	3.2.4	<u>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.</u>	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)



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Title	Section	Proposed Amendment	Rationale
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.1	<u>3.3 WESM Governance Arm</u> <u>The Enforcement and Compliance Office shall –</u> <u>3.3.1 Monitor the compliance of Ancillary Service Providers and impose the specified penalties based on the result of monitoring and assessment in accordance with Clause 7.2.5.2 of the WESM Rules, and this Market Manual.</u>	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
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.2	<u>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 Market Operator or System Operator, notification to concerned Ancillary Service Providers and user interface, and recalculation of initial results pertaining to possible non-compliance with the Reserve Conformance Standards and Reserve Offer Capacity Compliance.</u>	To mandate ECO to develop an appropriate monitoring tool for compliance monitoring
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.3	<u>3.3.3 Coordinate with the Market Operator and the System Operator, 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.</u>	To set obligation on ECO to ensure completeness of data to be used for assessment
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.4	<u>3.3.4 Submit the reports required under this Manual to the Energy Regulatory Commission, the Department of Energy, the PEM Board, and the Compliance Committee.</u>	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 energy and reserves issued by the MO and SO, respectively, and submit a monthly report on the same to the DOE and ERC;”



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Title	Section	Proposed Amendment	Rationale
SECTION 3 – Responsibilities 3.3 WESM Governance Arm Enforcement and Compliance Office	3.3.5	<u>3.3.5 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.</u>	To set the obligation of ECO <i>i.e.</i> , to execute the notices relating to enforcement actions
SECTION 3 – Responsibilities 3.3 WESM Governance Arm The President of the <i>WESM Governance Arm</i>	3.3.6	<u>The President of the <i>WESM Governance Arm</i> –</u> <u>3.3.6 Sign all notices pertaining to penalties and to other enforcement actions that are required to be issued under this Manual.</u>	To authorize the President to sign the notices relating to enforcement actions
SECTION 3 – Responsibilities 3.3 WESM Governance Arm The President of the <i>WESM Governance Arm</i>	3.3.7	<u>3.3.7 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.</u>	To ensure implementation of enforcement actions
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.1	<u>3.4 Ancillary Service Provider</u> <u>3.4.1 Ancillary Services Providers 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>.</u> a. <u>Generator mode of operations</u> b. <u>Dead band setting</u>	To set the obligation of ASP to submit reserve offers



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Title	Section	Proposed Amendment	Rationale
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.2	<u>3.4.2 Ancillary Services Providers shall comply with the Reserve Conformance Standards and the rule on Reserve Offer Capacity Compliance as set forth in this Manual and related Market Manuals.</u>	To set the obligation of ASP to comply with the reserve conformance standards
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.3	<u>3.4.3 Ancillary Services Providers shall coordinate with the Enforcement and Compliance Office for matters, data, or information necessary for the latter to establish, validate, and verify the incidents or circumstances relating to the non-compliance with the Reserve Conformance Standards and the rule on Reserve Offer Capacity Compliance.</u>	To set the obligation of ASP to coordinate with ECO on matters relating to compliance monitoring, validation, and assessment
SECTION 3 – Responsibilities 3.4 Ancillary Service Provider	3.4.4	<u>3.4.4 An Ancillary Services Provider 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 penalties pursuant to Section 8.4 of this Manual.</u>	To set the obligation of ASP to comply with the notices that may be issued in connection with the enforcement proceedings and actions
SECTION 3 – Responsibilities 3.5 Other Service Providers	3.5	<u>3.5 Other Service Providers</u> <u>Other service providers in the WESM, including but not limited to the Network Service Providers and the Metering Service Providers, shall faithfully and timely implement any action or measure required of them under any notice that is issued and served pursuant to this Manual.</u>	To set the obligation of other service providers, as may be necessary, e.g., to execute the notices relating to enforcement actions
SECTION 4 – Reserve Offer Capacity Compliance	4	<u>SECTION 4 – Reserve Offer Capacity Compliance</u>	Obligation equivalent to a Must Offer Rule (Energy). 4.1 – Overview 4.2 – Reserve Offer Submission 4.3 – Review of ROCC Rule



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Title	Section	Proposed Amendment	Rationale
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.1	<u>4.1 Overview</u> <u>4.1.1 This Section applies to and is binding on all Ancillary Services Providers. By having been certified as an Ancillary Services Provider by the System Operator or any qualified third-party capability testing entity accredited by the Energy Regulatory Commission, and by being registered in the WESM as Ancillary Services Provider, an Ancillary Services Provider is bound to comply with the Market Rules and Market Manuals.</u>	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
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.2	<u>4.1.2 All Generation Companies 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 WESM Rules and its Market Manuals and subject to the reserve capacities, as certified by the System Operator or any other entity duly designated to conduct testing and certification of ancillary services capability of generating load and facilities, as applicable.</u>	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> ” (proposed to be a footnote to this provision)
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.3	<u>4.1.3 Each Generation Company registered as an Ancillary Services Provider shall submit a standing reserve offer for each of its relevant reserve facilities in a reserve region for each dispatch interval for each day of the week in accordance with the timetable. The standing reserve offer shall apply until revised or updated by the said Ancillary Services Provider.</u>	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 (proposed to be a footnote to this provision)
SECTION 4 – Reserve Offer Capacity Compliance 4.1 Overview	4.1.4	<u>4.1.4 Each Customer registered as an Ancillary Services Provider in respect of a reserve facility in a particular reserve region may likewise submit a standing reserve offer for each of its interruptible load facilities in respect of that reserve region for each dispatch interval for each day of the week in accordance with the timetable.</u>	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 (proposed to be a footnote to this provision)



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Title	Section	Proposed Amendment	Rationale											
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.1	<p><u>4.2 Reserve Offer Submission</u></p> <p><u>4.2.1 Subject to the existing rule on the submission of available capacity for energy under Clause 3.5.5 of the WESM Rules, an Ancillary Services Provider shall submit offers for each of its reserve facility 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 System Operator. For 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 energy and reserve offers as follows:</u></p> <table><tr><td rowspan="2"><u>(A) Energy Offer</u></td><td colspan="3"><u>(B) Reserve Offer</u></td></tr><tr><td><u>Regulating Reserve</u></td><td><u>Contingency Reserve</u></td><td><u>Dispatchable Reserve</u></td></tr><tr><td><u>110MW</u></td><td><u>100MW</u></td><td><u>100MW</u></td><td><u>105MW</u></td></tr></table>	<u>(A) Energy Offer</u>	<u>(B) Reserve Offer</u>			<u>Regulating Reserve</u>	<u>Contingency Reserve</u>	<u>Dispatchable Reserve</u>	<u>110MW</u>	<u>100MW</u>	<u>100MW</u>	<u>105MW</u>	To set mandatory obligation to offer the full capacity equivalent to the certified reserve capacity and provide an example.
<u>(A) Energy Offer</u>	<u>(B) Reserve Offer</u>													
	<u>Regulating Reserve</u>	<u>Contingency Reserve</u>	<u>Dispatchable Reserve</u>											
<u>110MW</u>	<u>100MW</u>	<u>100MW</u>	<u>105MW</u>											
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.2	<p><u>4.2.2 An Ancillary Services Provider shall notify the Enforcement and Compliance Office of any circumstances which may prevent it from providing ancillary services in any dispatch interval of any trading day in a particular week-ahead market horizon. Such notice shall be accompanied by supporting documents or records and shall be submitted within five (5) business days from the occurrence of the event or incident.</u></p>	To ensure that the non-submission of offer is provided with reasons / explanation (these will be subject to assessment by ECO)											



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Title	Section	Proposed Amendment	Rationale
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.3	<u>4.2.3 The <i>Ancillary Services Provider</i> shall provide a reason or explanation whenever the submitted <i>reserve offers</i> are cancelled or are less than the certified capacity of its <i>reserve facility</i>.</u>	Same as above - in case the reserve offer is cancelled, or the submission of offer is less than the reserve capacity
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.4	<u>4.2.4 An <i>Ancillary Services Provider</i> that fails to submit the <i>available reserve capacity</i> in consideration of Section 4.2.2 above shall constitute a breach of the <i>Reserve Offer Capacity Compliance</i>.</u>	For clarity
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.5	<u>4.2.5 The submission of the report, data, reasons and explanations 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 <i>WESM Rules</i>.</u>	For clarity: Any submission shall be considered in the course of assessment by ECO under Section 6.3.1 of ASM Manual.
SECTION 4 – Reserve Offer Capacity Compliance 4.2 Reserve Offer Submission	4.2.6	<u>4.2.6 The <i>reserve offers</i> shall be submitted through the market participant interface of the <i>Market Management System</i> in accordance with the <i>WESM timetable, procedures and requirements set forth in the Dispatch Protocol Manual, including but not limited to, format, content, data inputs and information requirements</i>.</u>	To refer to the relevant provisions of the Dispatch Protocol relating to the submission of reserve offers via MMS.
SECTION 4 – Reserve Offer Capacity Compliance 4.3 Review of the Rule on Reserve Offer Capacity Compliance	4.3	<u>4.3 Review of the Rule on Reserve Offer Capacity Compliance</u> <u>The <i>Market Operator</i>, in consultation with the <i>System Operator</i>, the <i>WESM Governance Arm</i>, and the <i>WESM Members</i> 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 appropriate recommendation to the <i>Department of Energy</i>.</u>	To allow periodic review as basis for future amendments or revision in the standards



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Title	Section	Proposed Amendment	Rationale
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.1	<u>SECTION 5 – Reserve Conformance Standards</u> <u>5.1 Background</u> <u>5.1.1 This Section applies to Ancillary Services Providers scheduled to provide a specific reserve type in any dispatch interval.</u>	Applicability of RCS section <ul style="list-style-type: none">Per reserve typePer dispatch interval
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.2	<u>5.1.2 In view of the integration of trading of ancillary services in the WESM, it is expected that a harmonized reserve conformance standards be established for all Ancillary Services Providers whether their reserve capacities are contracted by the System Operator or are traded in the spot market.</u>	Harmonization of RCS with the current compliance and penalty setup for AS provision under ASPA
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.3	<u>5.1.3 All Ancillary Services Providers shall ensure adequate and timely response during specific frequency-driven events or dispatch instructions, that may be required for each specific reserve type.</u>	Comply with response time and response accuracy per reserve type
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.4	<u>5.1.4 Reserve facilities scheduled to provide regulating reserve or contingency reserve shall respond to frequency-driven events or comply with any of the following:</u> <u>a. Reaction through Governor Control Mode (GCM);</u> <u>b. Commands via Automatic Generation Control (AGC); or</u> <u>c. Dispatch instructions from the System Operator.</u>	The generator mode of operation is considered relative to the type of reserves
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.5	<u>5.1.5 Reserve facilities scheduled to provide dispatchable reserve shall respond to dispatch instructions provided by the System Operator.</u>	Compliance with SO instructions in case of DR



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Title	Section	Proposed Amendment	Rationale																		
SECTION 5 – Reserve Conformance Standards 5.1 Background	5.1.6	<u>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/or for each <i>dispatch interval</i> based on the considerations set out in the succeeding sections.</u>	Reference period for monitoring purposes: for a billing period and for each dispatch interval.																		
SECTION 5 – Reserve Conformance Standards 5.2 Provision of Data for Monitoring and Reporting	5.2.1	<u>5.2 Provision of Data for Monitoring and Reporting</u> <u>5.2.1 The <i>System Operator</i> shall submit to the <i>Market Operator</i> data and reports that may be necessary in initially determining probable breach, such as but not limited to the following:</u> <table border="1"><thead><tr><th><u>Data</u></th><th><u>Timeline of Provision</u></th></tr></thead><tbody><tr><td><u>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</u></td><td><u>Real-Time</u></td></tr><tr><td><u>Dead band settings</u></td><td><u>Real-Time</u></td></tr><tr><td><u>Speed droop</u></td><td><u>Real-Time</u></td></tr><tr><td><u>Generator Status</u></td><td><u>Real-Time</u></td></tr><tr><td><u>Dispatch instructions</u></td><td><u>By 1200H of the next day for all instructions of the current trading day</u></td></tr><tr><td><u>Outages</u></td><td><u>By 1200H of the next day for all instructions of the current trading day</u></td></tr><tr><td><u>Power System Frequency</u></td><td><u>Real-Time</u></td></tr><tr><td><u>Control Dead band</u></td><td><u>Real-Time</u></td></tr></tbody></table>	<u>Data</u>	<u>Timeline of Provision</u>	<u>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</u>	<u>Real-Time</u>	<u>Dead band settings</u>	<u>Real-Time</u>	<u>Speed droop</u>	<u>Real-Time</u>	<u>Generator Status</u>	<u>Real-Time</u>	<u>Dispatch instructions</u>	<u>By 1200H of the next day for all instructions of the current trading day</u>	<u>Outages</u>	<u>By 1200H of the next day for all instructions of the current trading day</u>	<u>Power System Frequency</u>	<u>Real-Time</u>	<u>Control Dead band</u>	<u>Real-Time</u>	To specify the data needed for RCS monitoring and reporting
<u>Data</u>	<u>Timeline of Provision</u>																				
<u>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</u>	<u>Real-Time</u>																				
<u>Dead band settings</u>	<u>Real-Time</u>																				
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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
		<u>For other data or reports not enumerated in the foregoing table, the <i>Market Operator</i> and the <i>System Operator</i> shall, from time to time, agree on the manner and schedule of submission.</u>	
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.1	<u>5.3 Reserve Conformance Standards for Regulating Reserves</u> <u>5.3.1 Reserve facilities scheduled to provide regulating reserve while operating on GCM shall conform to the standards set out in Clause Error! Reference source not found. of this <i>Market Manual</i>.</u>	For RR on GCM
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.2	<u>5.3.2 Reserve facilities scheduled to provide regulating reserve while receiving AGC commands shall conform to the standards set in Clause Error! Reference source not found. of this <i>Market Manual</i>.</u>	For RR on AGC
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.3	<u>5.3.3 Reserve facilities scheduled to provide regulating reserve shall also ensure that they meet the following requirements during the relevant <i>dispatch interval</i>:</u> <u>a. Dead band is 0.15 Hz or lower if operating on GCM;</u> <u>b. Speed-droop characteristic is 5% or lower; and</u> <u>c. Provision of reserve is sustainable for the entire <i>dispatch interval</i>.</u>	ASP-RR will be monitored based on its compliance with dead band, speed droop characteristics and sustainability requirement
SECTION 5 – Reserve Conformance Standards	5.3.4	<u>5.3.4 A reserve facility providing regulating reserve that fails to maintain an average response accuracy as set out in Sections Error! Reference source not found. and Error! Reference source not found. or an average response time as set out in Sections Error! Reference source not found. and Error! Reference source not found. in any <i>dispatch interval</i> during the monitoring period shall</u>	Average response time and average response accuracy for RR during the monitoring period (<i>for billing period</i>) will be first determined • If not compliant based on average response –



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Title	Section	Proposed Amendment	Rationale
5.3 Reserve Conformance Standards for Regulating Reserves		<u>be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following:</u> a. <u>Compliance with the response accuracy for each dispatch interval; and</u> b. <u>Compliance with the response time for each dispatch interval.</u>	<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)
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.5	<u>5.3.5 Considering the provisions of Section Error! Reference source not found., the relevant reserve facility that fails 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 Sections 5.6 and 5.7 at any dispatch interval will be considered breach of the reserve conformance standards for regulating reserves for that dispatch interval.</u>	Breach (RCS-RR) per interval – response time and response accuracy
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserves	5.3.6	<u>5.3.6 Notwithstanding the standards set forth in Sections Error! Reference source not found. and Error! Reference source not found., a reserve facility that fails to comply with any of the following: (a) the required dead band setting, (b) speed droop characteristics, and (c) sustainability requirement as prescribed under Section Error! Reference source not found. for any dispatch interval shall also be considered breach of the reserve conformance standards for regulating reserves for that dispatch interval.</u>	Breach (RCS-RR) 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
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.1	<u>5.4 Reserve Conformance Standards for Contingency Reserves</u> <u>5.4.1 Reserve facilities scheduled to provide contingency reserve while operating on GCM shall conform to the standards set in Clause Error! Reference source not found. of this Market Manual.</u>	For CR on GCM



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Title	Section	Proposed Amendment	Rationale
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.2	<u>5.4.2 Reserve facilities scheduled to provide contingency reserve while receiving AGC commands shall conform to the standards set in Clause Error! Reference source not found. of this Market Manual.</u>	For CR on AGC
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.3	<u>5.4.3 Reserve facilities scheduled to provide contingency reserve receiving dispatch instructions from the System Operator manually are expected to comply within ten (10) minutes from issuance of the dispatch instructions.</u>	For CR receiving manual instructions
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.4	<u>5.4.4 Reserve facilities scheduled to provide contingency reserve shall also ensure that they meet the following requirements during the relevant dispatch interval:</u> <u>a. Dead band is greater than 0.15 Hz but less than 0.30 Hz if operating on GCM;</u> <u>b. Speed-droop characteristic is 5% or lower; and</u> <u>c. Provision of reserve is sustainable for the entire dispatch interval.</u>	ASP-CR will be monitored based on its compliance with dead band, speed droop characteristics and sustainability requirement
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.5	<u>5.4.5 A reserve facility providing contingency reserve that fails to maintain an average response accuracy as set out in Sections Error! Reference source not found. and Error! Reference source not found. or an average response time as set out in Sections Error! Reference source not found. and Error! Reference source not found. for the entire monitoring period shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following:</u>	Average response time and average response accuracy for CR during the monitoring period (<i>for billing period</i>) will be first determined. <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)



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Title	Section	Proposed Amendment	Rationale
		a. <u>Compliance with the response accuracy for each <i>dispatch interval</i>; and</u> b. <u>Compliance with the response time for each <i>dispatch interval</i>.</u>	<ul style="list-style-type: none">○ Check response time on an interval basis (Sec. 5.2.5 and 5.3.6)
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.6	<u>5.4.6 Considering the provisions of Section 5.4.5, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75% or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Section 5.6 and Section 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards for contingency reserves for that dispatch interval</i>.</u>	Breach (RCS-CR) per interval – response time and response accuracy
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserves	5.4.7	<u>5.4.7 Notwithstanding the standards set forth in Sections 5.4.5 and Error! Reference source not found., a <i>reserve facility</i> that fails to comply with any of the following: (a) the required dead band setting, (b) speed droop characteristics, and (c) sustainability requirement as prescribed under Section 5.4.4 for any <i>dispatch interval</i> shall also be considered breach of the <i>reserve conformance standards for contingency reserves for that dispatch interval</i>.</u>	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
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.1	<u>5.5 Reserve Conformance Standards for Dispatchable Reserves</u> <u>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>.</u>	Requirement for DR to be offline



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Title	Section	Proposed Amendment	Rationale
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.2	<u>5.5.2 Reserve facilities scheduled to provide dispatchable reserve shall synchronize within fifteen (15) minutes from receipt of the dispatch instructions from the System Operator.</u>	Requirement for DR to synchronize within 15 minutes from SO advice.
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.3	<u>5.5.3 After synchronization, the dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within fifteen (15) minutes from synchronization.</u>	Requirement for DR to generate within 15 minutes from instruction.
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserves	5.5.4	<u>5.5.4 A reserve facility that fails to comply with the provisions set out in Sections Error! Reference source not found., Error! Reference source not found., or Error! Reference source not found. at any dispatch interval shall be considered in breach of the reserve conformance standards for dispatchable reserves for that dispatch interval.</u>	Breach of RCS - DR
SECTION 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.1	<u>5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode</u> <u>5.6.1 A reserve facility responding to a frequency-driven event through GCM shall maintain a response accuracy of at least 80% for the entire monitoring period.</u>	Computation for response accuracy if mode is GCM



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Title	Section	Proposed Amendment	Rationale
SECTION 5 – Reserve Conformance Standards	5.6.2	<p><u>5.6.2 A reserve facility’s response accuracy via GCM shall be calculated as follows.</u></p> $Response\ Accuracy = \frac{Actual\ MW\ Response\ Capacity}{Expected\ MW\ Response\ Capacity} \times 100\%$ <p><u>Where:</u></p> <p><u>Actual MW Response Capacity</u> <u>= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event</u></p> <p><u>Expected MW Response Capacity = Static Gain x Frequency Change</u></p> <p><u>Frequency Change</u> <u>= Worst Frequency Highest/Lowest – Frequency Prior to Frequency-Driven Event</u></p> <p><u>Frequency Prior to Frequency-Driven Event = Nominal Frequency + Dead band Setting</u></p> $Static\ Gain = \frac{Scheduled\ MW\ Capacity}{Droop\ Setting \times Nominal\ Frequency} \times 100\%$	Computation for response accuracy if mode is GCM



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Title	Section	Proposed Amendment	Rationale
SECTION 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.3	<u>5.6.3 A reserve facility responding to a frequency-driven event or to a dispatch instruction, while on GCM shall have an average response time of not more than five (5) seconds for the entire monitoring period.</u>	Average response time if mode is GCM
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.1	<u>5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control</u> <u>5.7.1 A reserve facility responding to a frequency-driven event or to dispatch instructions, 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.</u>	Computation for response time if mode is AGC
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.2	<u>5.7.2 A reserve is deemed compliant to an AGC command if:</u> <u>Actual MW Generation ≥ (Desired MW Generation – Control Dead band); and</u> <u>Actual MW Generation ≤ (Desired MW Generation + Control Dead band).</u>	On how to check if compliant to AGC command
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.3	<u>5.7.3 A reserve facility responding to a frequency-driven event, or dispatch instructions, through AGC commands shall also have an average response time of not more than twenty-five (25) seconds for the entire monitoring period.</u>	Average response time if mode is AGC



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Title	Section	Proposed Amendment	Rationale																																						
SECTION 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	5.7.4	<u>5.7.4 A reserve facility’s response time is computed from the time of the AGC command until the actual generation reaches control dead band (i.e., desired generation ± the dead band).</u>	How response time is computed if mode is AGC																																						
SECTION 5 – Reserve Conformance Standards 5.8 Summary Table of Reserve Conformance Standards for Each Reserve Type	5.8	<u>5.8 Summary Table of Reserve Conformance Standards for Each Reserve Type</u> <table><tr><th colspan="3">For Regulating Reserves</th></tr><tr><td rowspan="2">Response Accuracy</td><td>On GCM</td><td>At least 80%</td></tr><tr><td>On AGC</td><td>At least 75%</td></tr><tr><td rowspan="2">Response Time</td><td>On GCM</td><td>not more than 5 seconds</td></tr><tr><td>On AGC</td><td>not more than 25 seconds</td></tr><tr><td>Dead band Setting</td><td colspan="2">0.15 Hz or lower</td></tr><tr><td>Speed droop</td><td colspan="2">5% or lower</td></tr><tr><td>Sustainability</td><td colspan="2">for the entire <i>dispatch interval</i></td></tr></table> <table><tr><th colspan="3">For Contingency Reserves</th></tr><tr><td rowspan="2">Response Accuracy</td><td>On GCM</td><td>At least 80%</td></tr><tr><td>On AGC</td><td>At least 75%</td></tr><tr><td rowspan="2">Response Time</td><td>On GCM</td><td>not more than 5 seconds</td></tr><tr><td>On AGC</td><td>not more than 25 seconds</td></tr><tr><td>Dead band Setting</td><td colspan="2">greater than 0.15 Hz but less than 0.30 Hz</td></tr></table>	For Regulating Reserves			Response Accuracy	On GCM	At least 80%	On AGC	At least 75%	Response Time	On GCM	not more than 5 seconds	On AGC	not more than 25 seconds	Dead band Setting	0.15 Hz or lower		Speed droop	5% or lower		Sustainability	for the entire <i>dispatch interval</i>		For Contingency Reserves			Response Accuracy	On GCM	At least 80%	On AGC	At least 75%	Response Time	On GCM	not more than 5 seconds	On AGC	not more than 25 seconds	Dead band Setting	greater than 0.15 Hz but less than 0.30 Hz		To provide summary table for easy reference
For Regulating Reserves																																									
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Title	Section	Proposed Amendment		Rationale								
			<table><tr><td>Speed droop</td><td>5% or lower</td></tr><tr><td>Sustainability</td><td>for the entire <i>dispatch interval</i></td></tr></table>	Speed droop	5% or lower	Sustainability	for the entire <i>dispatch interval</i>					
		Speed droop	5% or lower									
		Sustainability	for the entire <i>dispatch interval</i>									
			<table><tr><td colspan="2">For Dispatchable Reserves</td></tr><tr><td>Status</td><td>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>.</td></tr><tr><td>Synchronization</td><td>Within 15 minutes upon advice from the <i>System Operator</i></td></tr><tr><td>Sustainability</td><td>After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System Operator</i> within 15 minutes</td></tr></table>	For Dispatchable Reserves		Status	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> .		Synchronization	Within 15 minutes upon advice from the <i>System Operator</i>	Sustainability	After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System Operator</i> within 15 minutes
		For Dispatchable Reserves										
		Status	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> .									
Synchronization	Within 15 minutes upon advice from the <i>System Operator</i>											
Sustainability	After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System Operator</i> within 15 minutes											
SECTION 5 – Reserve Conformance Standards	5.9	<u>5.9 Review of the Reserve Conformance Standards</u>		To allow periodic review as basis for future amendments or revision in the standards								
5.9 Review of the Reserve Conformance Standards	<u>5.9 The <i>Market Operator</i>, in consultation with the <i>System Operator</i>, the <i>WESM Governance Arm</i> and the <i>WESM Members</i> registered 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>.</u>											
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance	6.1.1	<u>SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance</u>		To monitor compliance with ROCC based on the actual raw data that may be obtained from MMS, MO, or SO								
6.1 Monitoring of Reserve Offer Capacity Compliance	<u>6.1 Monitoring of Reserve Offer Capacity Compliance</u> <u>6.1.1 The <i>Enforcement and Compliance Office</i> shall, based on the data or information received from the <i>Market Operator</i> or <i>System Operator</i>, determine, evaluate, and assess the compliance of the <i>Ancillary Services</i></u>											



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Title	Section	Proposed Amendment	Rationale
		<u>Providers with the Reserve Offer Capacity Compliance set forth in Section 4 hereof.</u>	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.1 Monitoring of Reserve Offer Capacity Compliance	6.1.2	<u>6.1.2 If the Enforcement and Compliance Office finds the data or 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 with the Market Operator or System Operator to ensure that the data or information to be used in the enforcement proceedings are complete and correct.</u>	To ensure completeness / correctness of data before proceeding with enforcement proceedings as would prevent unnecessary efforts and time, or unfounded assessments
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.2 Issuance of Non-Compliance Notice	6.2.1	<u>6.2 Issuance of Non-Compliance Notice</u> <u>6.2.1 If the Enforcement and Compliance Office determines that there is a probable breach of the Reserve Offer Capacity Compliance, it shall issue a Non-Compliance Notice to the concerned Ancillary Service Providers through their respective WESM Compliance Officers. The Notice of Non-Compliance shall be issued 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 Market Operator or the System Operator.</u>	To inform the ASP of the probable breach flagging – part of the due process
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.2 Issuance of Non-Compliance Notice	6.2.2	<u>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.</u>	For clarity: initial flagging / probable breach is subject to further assessment.
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance	6.3.1	<u>6.3 Reply, Validation and Assessment</u>	To allow ASP to respond to the initial flagging of probable breach. The reply must be substantiated by supporting documents.



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Title	Section	Proposed Amendment	Rationale
6.3 Reply, Validation and Assessment		<p><u>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>Ancillary Service Provider</i> may, in coordination with the Enforcement and Compliance Office, be allowed to submit supporting documents before the period specified for the completion of assessment under Section 6.3.2.</u></p> <p><u>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 as well as the facility through which the reply and supporting documents shall be submitted.</u></p>	To allow ECO to facilitate monitoring through forms and templates that will ensure completeness of information or data to be used in the monitoring.
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.3 Reply, Validation and Assessment	6.3.2	<p><u>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.</u></p> <p><u>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 period regardless of whether a reply or confirmation is submitted by the concerned <i>Ancillary Services</i></u></p>	<p>For due process: ensure complete validation and verification.</p> <p>To set timeline for the completion of verification, validation, and assessment.</p>

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Title	Section	Proposed Amendment	Rationale
		<u>Provider. For instance, the assessment for the August Billing Period shall be completed on or before 15 September.</u>	
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.4 Compliance Monitoring and Assessment Reports	6.4.1	<u>6.4 Compliance Monitoring and Assessment Reports</u> <u>6.4.1 The Enforcement and Compliance Office shall issue the monthly Compliance Monitoring and Assessment Report to each Ancillary Services Provider that has been issued a Non-Compliance Notice, which report shall:</u> a. contain or provide, among others, a finding whether the concerned Ancillary Service Provider is compliant with the Market Rules or Market Manuals; b. contain the penalty amount as computed under Section 8; c. be issued to the concerned Ancillary Services Provider 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: a. findings b. penalty amounts c. finding and penalty per reserve facility d. timeline for the issuance of report
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.5 Request for Reconsideration or Appeal and Implementation of Enforcement Actions	6.5.1	<u>6.5 Request for Reconsideration or Appeal and Implementation of Enforcement Actions</u> <u>The filing of any request for reconsideration or appeal concerning compliance with the Reserve Offer Capacity Compliance as well as the procedure for the implementation of enforcement actions shall be governed by the relevant provisions of the WESM Enforcement and Compliance Manual.</u>	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



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Title	Section	Proposed Amendment	Rationale
SECTION 6 – Monitoring of Compliance with Reserve Offer Capacity Compliance 6.6 Reporting Results	6.6.1	<u>6.6 Reporting Results</u> <u>6.6.1 The Enforcement and Compliance Office shall submit a consolidated monthly report to the Department of Energy, Energy Regulatory Commission, PEM Board, and Compliance Committee, containing the status of the compliance of each Ancillary Service Provider with the Reserve Offer Capacity Compliance.</u>	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.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.1 Monitoring of Reserve Conformance Standards	7.1.1	<u>SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards</u> <u>7.1 Monitoring of Reserve Conformance Standards</u> <u>7.1.1 The Enforcement and Compliance Office shall, based on the data or information received from the Market Operator or System Operator, determine, evaluate, and assess the compliance of the Ancillary Services Providers with the Reserve Conformance Standards set forth in Section 5 hereof.</u>	To monitor compliance with RCS based on the actual raw data that may be obtained from MMS, MO, or SO
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.1 Monitoring of Reserve Conformance Standards	7.1.2	<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>	
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards	7.2.1	<u>7.2 Flagging of Breach of Reserve Conformance Standards</u> <u>7.2.1 The Market Operator shall, through a dedicated monitoring facility, flag a breach of the Reserve Conformance Standards by the Ancillary Services</u>	For MO to flag probable breach based on market data via MMS – consistent with Clause 3.8.7.3 of the WESM Rules.



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Title	Section	Proposed Amendment	Rationale
7.2 Flagging of Breach of Reserve Conformance Standards		<u>Provider based on the parameters set in Section 5, and shall notify the System Operator, the Ancillary Services Provider, and the Enforcement and Compliance Office of the same.</u>	“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 transmit the generated data to ECO for its monitoring and enforcement.”
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.2	<u>7.2.2 The Market Operator and the System Operator shall provide copies of the data or information to the Enforcement and Compliance Office which will be used by the latter as basis for the validation or confirmation of breach of the Reserve Conformance in accordance with the procedures set out in Section 7.5. The Enforcement and Compliance Office shall generate monitoring results for reconciliation with the results generated by the Market Operator.</u>	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 transmit the generated data to ECO for its monitoring and enforcement.”
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.3	<u>7.2.3 The Market Operator shall consolidate the initial monitoring results relating to compliance with the Reserve Conformance Standards for the relevant billing period on or before the end of the month of the covered billing period. It shall then confer with the System Operator and the Enforcement and Compliance Office its findings referred to in Section 7.2.1. They shall endeavor to reconcile and/or confirm the results of monitoring within five (5) calendar days after the end of the billing period.</u>	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.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.4	<u>7.2.4 If the performance of a reserve facility of an Ancillary Services Provider affects both its compliance under the Ancillary Services Procurement Agreement and the Reserve Market, the System Operator and the Market Operator 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 reserve market compliance.</u>	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.



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Title	Section	Proposed Amendment	Rationale
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.5	<u>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 Ancillary Services Provider, the same shall be determined based on the scheduled capacity for reserves under the Ancillary Services Procurement Agreement and the Reserve Market.</u>	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 determined with certainty and accuracy, in which case, the adjustments and penalty shall be pro-rated based on scheduled capacity.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.6	<u>7.2.6 If no feedback or confirmation is received from the System Operator or no reconciliation is made after the lapse of the period set in Section 7.2.3, the Market Operator shall proceed with the finalization of the monitoring breach of the reserve conformance standards.</u>	To avoid delay/s in the issuance of preliminary settlement statement.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.7	<u>7.2.7 The finding of breach of reserve conformance standards, as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the Ancillary Services Provider for the intervals found in breach for which purpose, the Market Operator 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).</u>	To provide the effect of initial determination of breach of RCS
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount Due from the System Operator After Monitoring	7.3.1	<u>7.3 Settlement Amount Due from the System Operator After Monitoring</u> <u>7.3.1 Upon reconciliation or confirmation of the results of the monitoring of the Reserve Conformance Standards following the procedure referred to in Section 7.2, the Market Operator shall –</u> <u>a. calculate the settlement amount due from the System Operator taking into account the finding of breach of the reserve conformance standards</u>	Notice of Breach to be sent by MO to: a. Its billing and settlement unit – for adjustment b. ECO – for validation / verification purposes



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		<p><u>on or before the due date for the issuance of preliminary settlement statements, as set in the <i>Billing and Settlement Manual</i>. 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</u></p> <p>b. <u>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.</u></p>	
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount for the System Operator After Monitoring	7.3.2	<p><u>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 the reserve amount due, and thus, not paid to the <i>Ancillary Services Providers</i> as a consequence of the <i>breach</i>.</u></p>	To set minimum requirements as to the content of the Notice of Breach – for completeness, transparency, calculation or re-calculation, and validation / verification purposes
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	<p><u>7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers</u></p> <p><u>7.4.1 The <i>Ancillary Service Provider</i> may file a <i>Request for Reassessment</i> with <i>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>.</u></p>	<p>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.</p> <p>To allow online filing – for expediency and convenience of the parties.</p>



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Title	Section	Proposed Amendment	Rationale
		<u>The Request for Reassessment with Notice of Claim shall be filed online or through a facility that may be developed by the Enforcement and Compliance Office for this purpose.</u>	
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	<u>7.4.2 The Request for Reassessment with Notice of Claim shall indicate the following:</u> a. <u>Date of receipt of the Preliminary Settlement Statement from the Market Operator;</u> b. <u>The specific intervals, resource unit/s, and the type of reserve covered by the request;</u> c. <u>The ground/s for reassessment;</u> d. <u>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;</u> e. <u>Data, information, records, or documents to support the request or claim; and</u> f. <u>The amount being claimed and sought to be adjusted in favor of the Ancillary Service Provider.</u>	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.
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers	7.4.3	<u>7.4.3 The Request for Reassessment with Notice of Claim shall be accompanied by a certification under oath attesting to the authenticity of the documents submitted in relation thereto. A scanned copy of the notarized certification may be submitted in lieu of the printed copy as an integral part of the request. However, the Enforcement and Compliance Office may, as it deems necessary, request a printed copy of such notarized certification or any documents filed in relation thereto.</u>	Ensure authentication of claims Allow submission of scanned copy of notarized certification – 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



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Title	Section	Proposed Amendment	Rationale
		<u>The Enforcement and Compliance Office shall, for this purpose, establish or prescribe a format or template that may be accomplished by the Ancillary Services Provider in filing the said request.</u>	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
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4 Request for Reassessment with Notice of Claim by Ancillary Service Providers	7.4.4	<u>7.4.4 The filing of Request for Reassessment with Notice of Claim 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.</u>	To discourage delay in filling the request and to avoid unfounded claims for adjustments in settlement amounts
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.1	<u>7.5 Validation and Assessment</u> <u>7.5.1 Upon receipt of the Request for Reassessment with Notice of Claim, the Enforcement and Compliance Office shall validate and assess the findings of breach or claim of Ancillary Services Provider.</u>	To immediately proceed with the verification once the RRA/NC is proven to be complete in form and in substance
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.2	<u>7.5.2 The Enforcement and Compliance Office, during verification and assessment, may also consult the Market Operator, the System Operator, or the Metering Service Provider, as necessary, to ascertain the truthfulness of the claim or allegations of the Ancillary Services Provider. The Enforcement and Compliance Office shall perform the recalculation, as may be appropriate.</u>	To allow ECO to exhaust all possible means to verify / validate, if necessary, as part of due process
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.3	<u>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 August Billing Period, the validation and assessment shall be completed on or before 25 September.</u>	To set a reasonable time within which the assessment must be completed by ECO



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Title	Section	Proposed Amendment	Rationale
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.1	<p><u>7.6 Compliance Monitoring and Assessment Reports</u></p> <p><u>7.6.1 If Notice of Probable Breach is received by Enforcement and Compliance Office, and no Request for Reassessment with Notice of Claim is filed by the concerned Ancillary Services Provider within the allowable period to file the same under Section 7.4.1, the Enforcement and Compliance Office shall issue a Compliance Monitoring and Assessment Report based on its monitoring and assessment, and after reconciliation of the findings with the Market Operator. The said report and a Notice of Specified Penalty shall be issued not later than the end of the month following the covered monitoring period. For instance, if the Notice of Probable Breach pertains to the August Billing Period, the compliance monitoring and assessment report shall be issued on or before 30 September.</u></p>	<p>Provide a presumption of regularity and correctness in 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</p> <p>If no RRA/NC is filed, ECO will issue the CMAR and the NSP</p>
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.2	<p><u>7.6.2 The Enforcement and Compliance Office shall, after due validation and assessment conducted in relation to the Request for Reassessment with Notice of Claim, prepare the Compliance Monitoring and Assessment Report which shall:</u></p> <p><u>a. contain or provide, among others, a finding whether the concerned Ancillary Service Provider is compliant with the Market Rules or Market Manuals;</u></p> <p><u>b. contain the amount to be adjusted or revised, if any, in the settlement for the particular billing period;</u></p> <p><u>c. be issued to the concerned Ancillary Services Provider with respect to each reserve facility or plant that is subject of monitoring, as applicable; and</u></p>	<p>If RRA/NC is filed and the validation/assessment is completed, CMAR will be issued. This section provides for the contents of CMAR</p>



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		d. <u>be issued within five (5) calendar days from completion of validation and assessment as prescribed under Section 7.5.3.</u>	
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.3	<u>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 Report</i> shall likewise be accompanied by the following:</u> a. <u>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.</u> b. <u>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.</u>	If RRA/NC is filed and the validation/assessment is completed, and there is a finding of BREACH, ECO will 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 Assessment Reports	7.6.4	<u>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>.</u>	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
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards	7.6.5	<u>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</i>, <i>Market Operator</i>, and <i>System Operator</i>.</u>	Specified the recipients of the CMAR and relevant notices



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Title	Section	Proposed Amendment	Rationale
7.6 Compliance Monitoring and Assessment Reports			
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards	7.6.6	<u>7.6.6 No request for reconsideration or appeal of the findings concerning compliance with the Reserve Conformance Standards shall be filed with, or entertained by, the Enforcement and Compliance Office.</u>	No RR/Appeal is allowed because the RRA/NC is by nature, a request for reconsideration already
7.6 Compliance Monitoring and Assessment Reports			
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards	7.7.1	<u>7.7 Action on Notice of Reserve Amount Adjustment</u> <u>7.7.1 The Market Operator shall reflect in the settlement statement the adjustments as specified in the Notice of Reserve Amount Adjustment received from the Enforcement and Compliance Office under Section 7.6.4 hereof.</u>	To refer to the relevant provisions of the Billing and Settlement Manual pertaining to the timeline and procedures for adjustments in the settlement statements
7.7 Action on Notice of Reserve Amount Adjustment			
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards	7.7.2	<u>7.7.2 The reserve amount adjustment shall be accounted for, and reflected in, the immediately succeeding Preliminary Statement, provided that the Notice of Reserve Amount Adjustment is received by the Market Operator at least four (4) calendar days prior to the issuance of that Preliminary Statement; otherwise, the same shall be deferred until the next billing period. For instance, the Notice of Reserve Amount Adjustment is received by the Market Operator 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 Notice is received on 31 August 2023, the same will be accounted for in the Preliminary Statement to be issued on 02 October.</u>	
7.7 Action on Notice of Reserve Amount Adjustment			



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SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 Action on Notice of Reserve Amount Adjustment	7.7.3	<u>7.7.3 The Market Operator shall, for monitoring purposes, notify the Enforcement and Compliance Office of the status of implementation of the Notice of Reserve Amount Adjustments including other information relevant to the enforcement of the reserve conformance standards on a monthly basis.</u>	To determine if enforcement actions are implemented based on the procedures set in the Manual
SECTION 7 – Monitoring of Compliance with Reserve Conformance Standards 7.8 Reporting Results	7.8.1	<u>7.8 Reporting Results</u> <u>The Enforcement and Compliance Office shall submit a consolidated monthly report to the Department of Energy, Energy Regulatory Commission, PEM Board, and Compliance Committee, containing the status of the compliance of each Ancillary Service Provider with the Reserve Conformance Standards.</u>	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;”
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.1	<u>SECTION 8 – Penalties and Sanctions</u> <u>8.1 Enforcement Actions</u> <u>8.1.1 The Penalty amount shall be computed for each billing period or applicable period in case of Breach of Reserve Conformance Standards or Reserve Offer Capacity Compliance.</u>	To provide for appropriate sanction as a result of finding of breach <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	<u>8.1.2 Penalties or Sanctions. In determining the penalty or sanction for a Breach committed by the Ancillary Services Provider, the following shall be considered –</u> <u>a. By Reserve Facility. Where an obligation is required to be performed for each registered Reserve Facility, one count of breach is committed for each Reserve Facility for which an obligation is not performed. For</u>	For clarity: Sanctions are imposed on a: (1) per reserve facility basis [per resource ID] (2) frequency of occurrence <i>For review of the Market Surveillance Committee</i>

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Title	Section	Proposed Amendment	Rationale											
		<p><u>generating units and customer facilities, the identification of the Reserve Facility shall be in accordance with how such is represented in the market network model prevailing at the time the Breach occurred. Thus, for a generating plant that is represented by its component units or by blocks or by aggregated units, a Breach is determined for each unit, or block, or aggregated units that is found in breach.</u></p> <p>b. <u>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.</u></p> <p>c. <u>By Occurrence. The persistence of the Ancillary Services Providers in committing non-compliance, intentional or otherwise, in terms of frequency or number of times that the non-compliance or Breach occurred in a particular Billing Period 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.</u></p> <table><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><tr><td><u>1 - 864 dispatch intervals over the Billing Period</u></td><td>□</td><td></td><td></td></tr></table>	Frequency	Penalty Level			Level 1	Level 2	Level 3	<u>1 - 864 dispatch intervals over the Billing Period</u>	□			
Frequency	Penalty Level													
	Level 1	Level 2	Level 3											
<u>1 - 864 dispatch intervals over the Billing Period</u>	□													



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Title	Section	Proposed Amendment					Rationale
			<u>More than 864 dispatch intervals over the <i>Billing Period</i></u>		<input type="checkbox"/>		
			<u>More than 1,440 dispatch intervals over the <i>Billing Period</i></u>		<input type="checkbox"/>	<input type="checkbox"/>	
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (c)	<u>(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.</u>					Frequency is based on the number of times the breach is committed within the <i>Billing Period</i> . <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (c)	<u>(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.</u>					Allow resetting of count every billing period. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (c)	<u>(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.</u>					Allows Level 2 (financial penalty) and 3 (suspension) imposition at the same time. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (c)	<u>(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 applicable period shall nonetheless be considered in the annual performance evaluation pursuant to Section 8.1.2 (e) (iii) of this Manual.</u>					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. <i>For review of the Market Surveillance Committee</i>



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Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	d. <u>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.</u>	Penalty: A. Pre-set amount for ROCC B. Formula-based for RCS <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (d)	<u>(i) For Breach of Reserve Offer Capacity Compliance.</u> <u>Level 1: The amount of One Thousand Pesos (PHP 1,000) for each count of Breach.</u> <u>Level 2: The amount of Two Thousand Pesos (PHP 2,000) for each count of Breach.</u>	Pre-set amount for breach of ROCC: P1,000/breach – Level 1 P2,000/breach – Level 2 <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (d)	<u>(ii) For Breach of Reserve Conformance Standards</u> <u>Level 1: The amount that may be computed based on the following:</u> $\text{Penalty Amount}_{p,r,a} = 50\% \text{ of } \frac{1}{n} (SC_{p,i} * AR_{c,r,a})$ <u>Where:</u>	<i>For review of the Market Surveillance Committee</i>

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Title	Section	Proposed Amendment	Rationale								
		<div><div><div><u>n</u></div><div>Refers to the number of dispatch intervals within a settlement interval, which is 12 for a five-minute market</div></div><div><div><u>SC_{p,i}</u></div><div>Refers to the scheduled capacity of the Ancillary Services Provider p for dispatch interval i</div></div><div><div><u>AR_{c,r,a}</u></div><div>refers to the Applicable Rate for type of contract c for reserve category r in reserve region a</div></div></div> <div><div>Applicable rate:</div><table><tr><th><u>Reserve Category</u></th><th><u>Applicable Rate</u></th></tr><tr><td><u>Regulating Reserve</u></td><td><u>PHP 3.00/kWh</u></td></tr><tr><td><u>Contingency Reserve</u></td><td><u>PHP 2.25/kWh</u></td></tr><tr><td><u>Dispatchable Reserve</u></td><td><u>PHP 1.25/kWh</u></td></tr></table></div> <div><div><u>Level 2: Two (2) times the amount of the penalty computed in Level 1.</u></div></div>	<u>Reserve Category</u>	<u>Applicable Rate</u>	<u>Regulating Reserve</u>	<u>PHP 3.00/kWh</u>	<u>Contingency Reserve</u>	<u>PHP 2.25/kWh</u>	<u>Dispatchable Reserve</u>	<u>PHP 1.25/kWh</u>	
<u>Reserve Category</u>	<u>Applicable Rate</u>										
<u>Regulating Reserve</u>	<u>PHP 3.00/kWh</u>										
<u>Contingency Reserve</u>	<u>PHP 2.25/kWh</u>										
<u>Dispatchable Reserve</u>	<u>PHP 1.25/kWh</u>										



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Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	e. <u>Suspension</u> <u>(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.</u>	Level 3: Suspension (applicable to both RCS and ROCC) <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	<u>(ii) The penalty of suspension would disallow the Generation Company to trade its ancillary services capacity in the Reserve Market for a period of one month counting from the implementation of the Notice of Specified Penalty by the Market Operator 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 Generation Company with respect to its energy offers in the WESM.</u>	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 <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	<u>(iii) The penalty of suspension will be applied if either of the two (2) types of Breach reaches Level 3 penalty. For instance, the Ancillary Services Provider was imposed a Level 3 penalty for Breach of the rule on Reserve Offer Capacity Compliance but only Level 2 penalty for Breach of the Reserve Conformance Standards, a Level 3 penalty shall nonetheless be applied.</u>	To provide that ASP may be suspended for breach of either rule, i.e., ROCC or RCS. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	<u>(iv) If the penalty of suspension will affect the contractual obligations of the System Operator based on the ancillary services procurement agreement with the Ancillary Services Providers, or would, in any way, impair the obligations of an existing contract, the System Operator shall inform the Market Operator and the Enforcement and Compliance Office thereof. Upon assessment and/or confirmation of the possible impairment of a contract, the issuance of a notice of suspension shall be issued with such qualification that the suspension will be implemented only in regard to its participation in the Reserve Market.</u>	To provide provision on the implementation qualified suspension <i>For review of the Market Surveillance Committee</i>



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Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	<u>(v) If the notice of suspension is qualified in accordance with the preceding paragraph, the Ancillary Services Provider may submit offers for reserve through the market participant interface only to the extent permitted under its day-ahead ancillary service schedule as provided to it by the System Operator based on their ancillary services procurement agreement.</u>	To provide provision on the implementation of qualified suspension <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (e)	<u>(vi) Any reserve schedules resulting from the reserve offer submission by Ancillary Services Provider despite being suspended from reserve market shall not be accounted for in the settlement of the reserve trading amounts during the effectivity of the suspension.</u>	For clarity on the effect if ever a suspended ASP still offers in reserve market and there is a resulting schedule – such will not be accounted for in the settlement. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2	<u>f. Deregistration</u> <u>The penalty of deregistration as Ancillary Services Provider shall be imposed under any of the following conditions:</u> <u>(i) If the Ancillary Services Provider has previously been found in breach with at least Level 2 penalty and the breach at the same level of penalty has been committed for at least three (3) months, consecutive or not. 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>	Sanction for a breach committed in such frequency that indicate inability to participate in the reserve market as ASP. <i>For review of the Market Surveillance Committee</i>



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Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (f)	<u>(ii) If the facility registered as Ancillary Services Provider has been unavailable due to forced or unplanned outage exceeding ninety (90) consecutive days.</u>	Sanction for a breach committed in such frequency that indicate inability to participate in the reserve market as ASP. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (f)	<u>(iii) If the Ancillary Services Provider fails to pass the Annual Ancillary Services Performance Evaluation taking into account the compliance monitoring results for a period of one (1) year from the date of participation of the Ancillary Services Provider in the Reserve Market.</u> <u>For this purpose, the Market Operator and the Enforcement and Compliance Office, in consultation with the System Operator, shall formulate guidelines and procedures for conducting the Annual Ancillary Services Performance Evaluation.</u>	Sanction for a breach committed in such frequency that indicate inability to participate in the reserve market as ASP. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.1 Enforcement Actions	8.1.2 (f)	<u>A former Ancillary Services Provider whose facility was deregistered under the provisions of this Manual may re-register or reapply for membership in the WESM as Ancillary Services Provider, provided that all the requirements for registration provided under the relevant Market Manual are fully complied with.</u>	To allow participation in the reserve market through re-application subject to the requirements of the rules/manual. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.1	<u>8.2 Notice of Specified Penalty</u> <u>8.2.1 A Notice of Specified Penalty shall be served on the concerned Ancillary Services Provider upon issuance of the Compliance Monitoring and Assessment Report by the Enforcement and Compliance Office or within the timeline specified under Section 6.4.1 (d) and Section 7.6.2 (d).</u>	To notify ASP of the findings and consequence of breach through issuance of NSP. CMAR and NSP are issued simultaneously. <i>For review of the Market Surveillance Committee</i>



Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol and Proposed New Manual on Ancillary Services Monitoring regarding Reserve Market Compliance and Related Enforcement Actions

B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.2	<u>8.2.2 A Notice of Specified Penalty required to be issued in accordance with this Manual shall be issued and signed by the President of the WESM Governance Arm in accordance with Section 3.3.5 of this Manual.</u>	For consistency with the relevant provision of Penalty Manual and EC Manual <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.3	<u>8.2.3 The following shall also be furnished a copy of the Notice of Specified Penalty –</u> a. <u>The finance unit of the WESM Governance Arm</u> b. <u>The Market Operator</u> c. <u>The System Operator</u>	Other recipients of NSP for information and/or implementation of NSP, as necessary <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.4	<u>8.2.4 The Notice of Specified Penalty shall be implemented within (5) business days from receipt thereof from the WESM Governance Arm:</u> a. <u>The finance unit of the WESM Governance Arm with respect to the billing and collection of financial penalty by sending the invoice, billing statement or its equivalent to the Ancillary Services Provider; and</u> b. <u>The Market Operator or System Operator with respect to the other enforcement actions such as, but not limited to, suspension or deregistration of the Ancillary Services Providers.</u>	To set timeline for the implementation of the NSP by WGA-Finance (thru collection) and by MO/SO (e.g., suspension / deregistration) <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.5	<u>8.2.5 The concerned Ancillary Services Provider shall pay the Penalty amount as billed within fifteen (15) business days from receipt of the billing statement from the WESM Governance Arm.</u>	To set timeline for payment of penalty by ASP <i>For review of the Market Surveillance Committee</i>



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.6	<u>8.2.6 If the penalty imposed upon the Ancillary Service Provider is suspension or deregistration, a clear statement to that effect shall be indicated in the Notice of Specified Penalty. It shall serve as the authority of the Market Operator or the System Operator to implement the procedures that would give effect to the sanctions as a consequence of a finding of Breach.</u>	To ensure clarity on the penalty details. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.7	<u>8.2.7 The Market Operator shall issue a notice of suspension or deregistration to the concerned Ancillary 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>	 <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.2 Notice of Specified Penalty	8.2.8	<u>8.2.8 All notices required to be issued by the WESM Governance Arm shall be sent through personal service, private courier, postal mail, electronic mail or such other acceptable, speedy, and effective form of communication. The WESM Governance Arm shall ensure that all notices are received or acknowledged by the intended recipients.</u>	To consider possible effective means of sending notices including online transmittal provided that WGA ensures receipt / acknowledgment by recipients. <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.3 Remedial Measures	8.3.1	<u>8.3 Remedial Measures</u> <u>8.3.1 An Ancillary Services Provider may be required to implement remedial measures by the Enforcement and Compliance Office, the Compliance Committee, or the PEM Board to mitigate or prevent the adverse impact of Breach or to prevent recurrence of the Breach. The relevant provisions on remedial measures under Section 7.14 of the Enforcement and Compliance Manual shall, to the extent applicable, apply to Ancillary Services Providers.</u>	To allow immediate actions as may be necessary under the circumstances, or containment of what could otherwise be more detrimental to the market <i>For review of the Market Surveillance Committee</i>



Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol
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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.3 Remedial Measures	8.3.2	<u>8.3.2 The Enforcement and Compliance Office, in coordination with the System Operator or the Market Operator, shall monitor the compliance by the concerned Ancillary Services Provider of the remedial measures required of it.</u>	To check if remedial measures are implemented <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.4 Non-payment of Penalties or Non-Compliance with Remedial Measures	8.4.1	<u>8.4 Non-payment of Penalties or Non-Compliance with Remedial Measures</u> <u>8.4.1 A penalty interest shall be additionally imposed upon the concerned Ancillary Services Provider in case of non-payment by the Ancillary Services Providers of the financial penalties imposed on it as a consequence of a Breach.</u> <u>For this purpose, the prevailing legal interest rate shall apply in computing the additional penalty and shall be computed from the date the payment becomes due up to the actual payment of penalty.</u>	To deter possible non-compliance with notices or non-payment of penalty imposed as a consequence of breach <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.4 Non-payment of Penalties or Non-Compliance with Remedial Measures	8.4.2	<u>8.4.2 A penalty of One Hundred Thousand Pesos (PHP 100,000) shall be imposed in case of non-compliance by an Ancillary Services Provider with the remedial measures required to be implemented by it under a Notice of Specified Penalty or other notices issued under Section 7.4 of this Manual.</u>	To deter possible non-performance of remedial measures that are deemed necessary under the circumstances <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.4 Non-payment of Penalties or Non-Compliance with Remedial Measures	8.4.3	<u>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 WESM Governance Arm upon failure to pay the financial penalty on the due date or to comply with the required remedial measures.</u>	To allow automatic imposition of penalty or penalty interest based on fact of non-payment or non-performance of remedial measures <i>For review of the Market Surveillance Committee</i>



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 8 – Penalties and Sanctions 8.5 Enforcement Action Monitoring Report	8.5.1	<u>8.5 Enforcement Action Monitoring Report</u> <u>8.5.1 The Enforcement and Compliance Office 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.</u>	For monitoring record of compliances <i>For review of the Market Surveillance Committee</i>
SECTION 8 – Penalties and Sanctions 8.5 Enforcement Action Monitoring Report	8.5.2	<u>8.5.2 To the extent practicable, the WESM Governance Arm shall endeavor to develop a process, tool, or system, that would promote practical and seamless interface among the Enforcement and Compliance Office, the Market Operator, the System Operator, and the Ancillary Services Provider with respect to monitoring of enforcement actions imposed as a consequence of Breach, as well as the status of their implementation.</u>	To allow efficient and effective monitoring and recording of compliances and implementation of enforcement actions <i>For review of the Market Surveillance Committee</i>
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.1 Amendments	9.1.1	<u>SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity</u> <u>9.1 Amendments</u> <u>9.1.1 Amendments to this Manual may be initiated by the WESM Governance Committees, the Enforcement and Compliance Office, the Market Operator, the System Operator or any other WESM Member 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 Market Surveillance Committee pursuant to Clause 7.2.5.5 of the WESM Rules.</u>	For consistency with the rules change process of RCC and MSC, as prescribed by the Market Rules and Manuals



Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol
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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.1 Amendments	9.1.2	<u>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 –</u> a. <u>Amendments to the EPIRA and its Implementing Rules and Regulations affecting enforcement and compliance in the WESM;</u> b. <u>Amendments to the Market Rules affecting enforcement and compliance in the WESM;</u> c. <u>Issuances of the Energy Regulatory Commission concerning enforcement of the WESM Rules; or</u> d. <u>Issuances of the Department of Energy affecting enforcement and compliance in the WESM.</u>	For guidance as to the cause/s or basis for amendment
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.1 Amendments	9.1.3	<u>9.1.3 Amendments to this Manual shall be approved and promulgated by the Department of Energy.</u>	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.”
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.2 Effectivity and Publication	9.2.1	<u>9.2 Effectivity and Publication</u> <u>9.2.1 This Ancillary Services Monitoring Manual shall become effective upon approval of the Department of Energy and fifteen (15) days following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.</u>	Standard requirement



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B. New WESM Manual on Ancillary Services Monitoring			
Title	Section	Proposed Amendment	Rationale
SECTION 9 – Amendment, Repealing Clause, Publication and Effectivity 9.2 Effectivity and Publication	9.2.2	<u>9.2.2 This Manual shall likewise be published on the market information website.</u>	Standard requirement
SECTION 10 - APPENDICES		<u>SECTION 10 - APPENDICES</u> <u>Appendix I – Process Flowchart for Reserve Offer Capacity Compliance Monitoring*</u> <u>Appendix II – Process Flowchart for Reserve Conformance Standards Monitoring*</u> <u>Appendix III - Sample Penalty Computation for Reserve Offer Capacity Compliance (ROCC) and Reserve Conformance Standards (RCS)*</u> <i>*see in following pages</i>	For ease of reference and understanding of process / procedures for monitoring



Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol and Proposed New Manual on Ancillary Services Monitoring regarding Reserve Market Compliance and Related Enforcement Actions

C. WESM Manual on Dispatch Protocol				
Title	Section	Original Provision	Proposed Amendment	Rationale
SECTION 15 Scheduling and Dispatch of Reserves 15.3 Responsibilities	15.3.1	The Market Operator is responsible for monitoring and preparing report on the compliance of each reserve provider in the WESM. The compliance monitoring report shall be submitted to the Enforcement and Compliance Office based on the provisions of Section 21 of this Manual.	The Market Operator is responsible for monitoring and preparing report on the compliance of each reserve provider in the WESM. The compliance monitoring report shall be submitted <u>implementing the procedures in WESM Clauses 3.8.7.1 and 3.8.7.2 through a system and transmitting the generated data</u> to the Enforcement and Compliance Office based on the provisions of Section 21 of this <u>the Ancillary Services Monitoring</u> Manual.	For consistency with WESM Rules Clauses 3.8.7.1 to 3.8.7.3
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	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 section in view of the development of ASM Manual which covers the monitoring of ancillary services provision



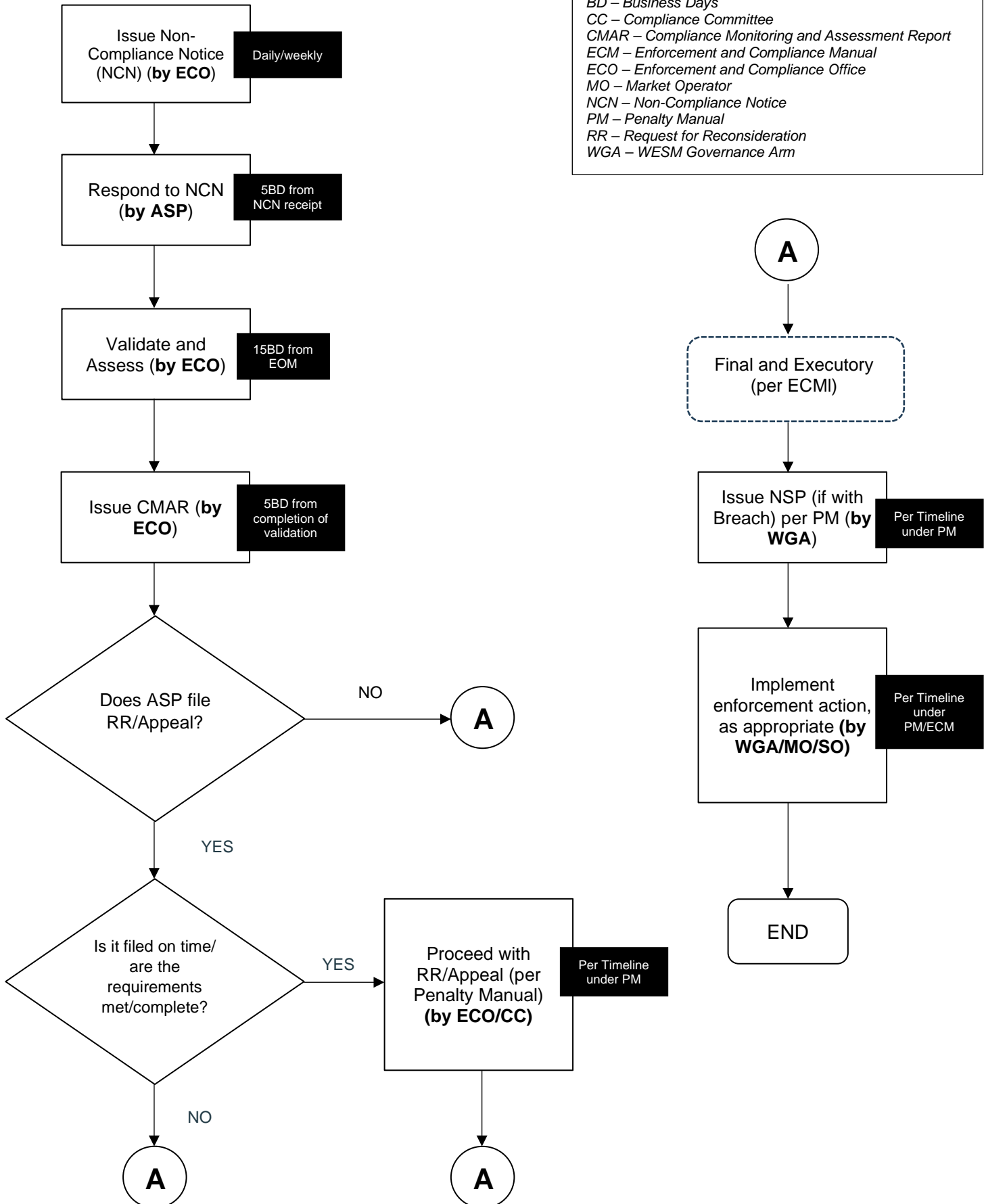
Proposed Urgent Amendments to the WESM Rules and WESM Manual on Dispatch Protocol
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C. WESM Manual on Dispatch Protocol				
Title	Section	Original Provision	Proposed Amendment	Rationale
SECTION 22 – Amendment, Publication, and Effectivity		SECTION 22 AMENDMENT, PUBLICATION AND EFFECTIVITY 22.1 Amendments xxx 22.2 Publication xxx 22.3 Effectivity xxx	SECTION 22 <u>21</u> AMENDMENT, PUBLICATION AND EFFECTIVITY 22.1 <u>21.1</u> Amendments xxx 22.2 <u>21.2</u> Publication xxx 22.3 <u>21.3</u> Effectivity xxx	Renumbering due to removal of section on Monitoring the Effective Provision of Ancillary Services
SECTION 23 APPENDIX		SECTION 23 APPENDIX	SECTION 23 <u>22</u> APPENDIX	Renumbering due to removal of section on Monitoring the Effective Provision of Ancillary Services

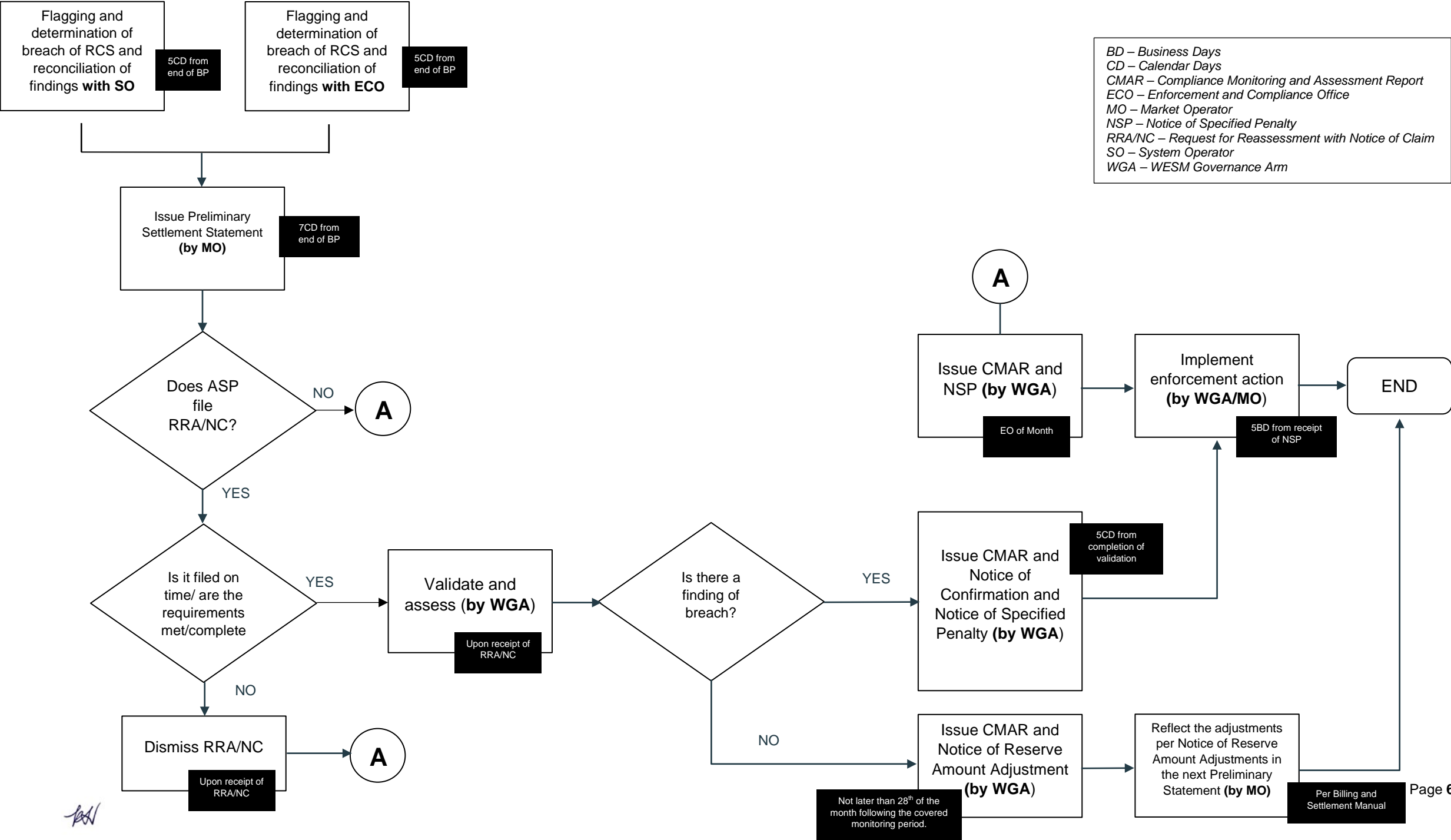


APPENDIX I: PROCESS FLOWCHART FOR RESERVE OFFER CAPACITY COMPLIANCE

ASP – Ancillary Service Provider
 BD – Business Days
 CC – Compliance Committee
 CMAR – Compliance Monitoring and Assessment Report
 ECM – Enforcement and Compliance Manual
 ECO – Enforcement and Compliance Office
 MO – Market Operator
 NCN – Non-Compliance Notice
 PM – Penalty Manual
 RR – Request for Reconsideration
 WGA – WESM Governance Arm



APPENDIX III-A: SAMPLE PENALTY COMPUTATION FOR RESERVE OFFER CAPACITY COMPLIANCE (ROCC)



APPENDIX III-A: SAMPLE PENALTY COMPUTATION FOR RESERVE OFFER CAPACITY COMPLIANCE (ROCC)

A. Involving One Reserve Type

Assumption 1: All intervals indicated here are found in breach of ROCC.
The total count of breaches for October billing period is less than 864 intervals.
The reserve type for which the breach of ROCC is found is Contingency Reserve (CR)

Billing Period	Resource ID	Delivery Date	Reserve Type	Registered Ancillary Service, MW	Reserve Offer,MW	Finding	Total Breach Count	Penalty Level	Penalty Amount, PhP	Running Total, PhP
October	01RESOURCE_G01	10/11/2023 0:00	CR	100	0	Breach	1	Level 1	₱1,000.00	₱1,000.00
October	01RESOURCE_G01	10/11/2023 0:05	CR	100	0	Breach	2	Level 1	₱1,000.00	₱2,000.00
October	01RESOURCE_G01	10/11/2023 0:10	CR	100	0	Breach	3	Level 1	₱1,000.00	₱3,000.00
October	01RESOURCE_G01	10/11/2023 0:15	CR	100	0	Breach	4	Level 1	₱1,000.00	₱4,000.00
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
October	01RESOURCE_G01	10/11/2023 4:25	CR	100	0	Breach	54	Level 1	₱1,000.00	₱54,000.00
October	01RESOURCE_G01	10/11/2023 4:30	CR	100	0	Breach	55	Level 1	₱1,000.00	₱55,000.00

Assumption 2: All intervals indicated here are found in breach of ROCC.
The total count of breaches for October billing period exceeded 864 intervals.
The reserve type for which the breach of ROCC is found is Contingency Reserve (CR)

Billing Period	Resource ID	Delivery Date	Reserve Type	Registered Ancillary Service, MW	Reserve Offer,MW	Finding	Total Breach Count	Penalty Level	Penalty Amount, PhP	Running Total, PhP
October	01RESOURCE_G01	10/11/2023 0:00	CR	100	0	Breach	1	Level 1	₱1,000.00	₱1,000.00
October	01RESOURCE_G01	10/11/2023 0:05	CR	100	0	Breach	2	Level 1	₱1,000.00	₱2,000.00
October	01RESOURCE_G01	10/11/2023 0:10	CR	100	0	Breach	3	Level 1	₱1,000.00	₱3,000.00
October	01RESOURCE_G01	10/11/2023 0:15	CR	100	0	Breach	4	Level 1	₱1,000.00	₱4,000.00
October	01RESOURCE_G01	10/11/2023 0:20	CR	100	0	Breach	5	Level 1	₱1,000.00	₱5,000.00
October	01RESOURCE_G01	10/11/2023 0:25	CR	100	0	Breach	6	Level 1	₱1,000.00	₱6,000.00
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
October	01RESOURCE_G01	10/14/2023 0:15	CR	100	0	Breach	868	Level 2	₱2,000.00	₱872,000.00
October	01RESOURCE_G01	10/14/2023 0:20	CR	100	0	Breach	869	Level 2	₱2,000.00	₱874,000.00
October	01RESOURCE_G01	10/14/2023 0:25	CR	100	0	Breach	870	Level 2	₱2,000.00	₱876,000.00

PS

APPENDIX III-A: SAMPLE PENALTY COMPUTATION FOR RESERVE OFFER CAPACITY COMPLIANCE (ROCC)

B. Involving Two Reserve Types

Assumption 1: All intervals indicated here are found in breach of ROCC.
The reserve types for which the breach of ROCC is found are Contingency Reserve (CR) and Regulating Reserves (RR).
All the breaches were committed during the billing month of October.
The total count of breaches for each reserve type is less than 864 intervals.

Billing Period	Resource ID	Delivery Date	Reserve Type	Registered Ancillary Service, MW	Reserve Offer,MW	Finding	Total CR Breach Count	Total RR Breach Count	CR Penalty Level	RR Penalty Level	CR Penalty Amount, PhP	RR Penalty Amount, PhP	CR Running Total, PhP	RR Running Total, PhP	Total Penalty Amount, PhP
October	01RESOURCE_G01	10/11/2023 0:00	CR	100	0	Breach	1	0	Level 1	n/a	₱1,000.00	₱0.00	₱1,000.00	₱0.00	₱1,000.00
October	01RESOURCE_G01	10/11/2023 0:05	CR	100	0	Breach	2	0	Level 1	n/a	₱1,000.00	₱0.00	₱2,000.00	₱0.00	₱2,000.00
October	01RESOURCE_G01	10/11/2023 0:10	CR	100	0	Breach	3	0	Level 1	n/a	₱1,000.00	₱0.00	₱3,000.00	₱0.00	₱3,000.00
October	01RESOURCE_G01	10/11/2023 0:15	CR	100	0	Breach	4	0	Level 1	n/a	₱1,000.00	₱0.00	₱4,000.00	₱0.00	₱4,000.00
October	01RESOURCE_G01	10/11/2023 0:20	CR	100	0	Breach	5	0	Level 1	n/a	₱1,000.00	₱0.00	₱5,000.00	₱0.00	₱5,000.00
October	01RESOURCE_G01	10/11/2023 0:25	CR	100	0	Breach	6	0	Level 1	n/a	₱1,000.00	₱0.00	₱6,000.00	₱0.00	₱6,000.00
October	01RESOURCE_G01	10/11/2023 0:30	CR	100	0	Breach	7	0	Level 1	n/a	₱1,000.00	₱0.00	₱7,000.00	₱0.00	₱7,000.00
October	01RESOURCE_G01	10/11/2023 0:35	CR	100	0	Breach	8	0	Level 1	n/a	₱1,000.00	₱0.00	₱8,000.00	₱0.00	₱8,000.00
October	01RESOURCE_G01	10/11/2023 0:40	CR	100	0	Breach	9	0	Level 1	n/a	₱1,000.00	₱0.00	₱9,000.00	₱0.00	₱9,000.00
October	01RESOURCE_G01	10/11/2023 0:45	CR	100	0	Breach	10	0	Level 1	n/a	₱1,000.00	₱0.00	₱10,000.00	₱0.00	₱10,000.00
October	01RESOURCE_G01	10/11/2023 0:50	CR	100	0	Breach	11	0	Level 1	n/a	₱1,000.00	₱0.00	₱11,000.00	₱0.00	₱11,000.00
October	01RESOURCE_G01	10/11/2023 0:55	CR	100	0	Breach	12	0	Level 1	n/a	₱1,000.00	₱0.00	₱12,000.00	₱0.00	₱12,000.00
October	01RESOURCE_G01	10/11/2023 1:00	RR	100	0	Breach	12	1	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱1,000.00	₱13,000.00
October	01RESOURCE_G01	10/11/2023 1:05	RR	100	0	Breach	12	2	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱2,000.00	₱14,000.00
October	01RESOURCE_G01	10/11/2023 1:10	RR	100	0	Breach	12	3	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱3,000.00	₱15,000.00
October	01RESOURCE_G01	10/11/2023 1:15	RR	100	0	Breach	12	4	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱4,000.00	₱16,000.00
October	01RESOURCE_G01	10/11/2023 1:20	RR	100	0	Breach	12	5	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱5,000.00	₱17,000.00
October	01RESOURCE_G01	10/11/2023 1:25	RR	100	0	Breach	12	6	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱6,000.00	₱18,000.00
October	01RESOURCE_G01	10/11/2023 1:30	RR	100	0	Breach	12	7	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱7,000.00	₱19,000.00
October	01RESOURCE_G01	10/11/2023 1:35	RR	100	0	Breach	12	8	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱8,000.00	₱20,000.00
October	01RESOURCE_G01	10/11/2023 1:40	RR	100	0	Breach	12	9	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱9,000.00	₱21,000.00
October	01RESOURCE_G01	10/11/2023 1:45	RR	100	0	Breach	12	10	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱10,000.00	₱22,000.00
October	01RESOURCE_G01	10/11/2023 1:50	RR	100	0	Breach	12	11	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱11,000.00	₱23,000.00
October	01RESOURCE_G01	10/11/2023 1:55	RR	100	0	Breach	12	12	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱12,000.00	₱24,000.00



APPENDIX III-A: SAMPLE PENALTY COMPUTATION FOR RESERVE OFFER CAPACITY COMPLIANCE (ROCC)

Assumption 2: All intervals indicated here are found in breach of ROCC.

The reserve types for which the breach of ROCC is found are Contingency Reserve (CR) and Regulating Reserves (RR).

All the breaches were committed during the billing month of October.

The total count of breaches for each reserve type is: (a) RR = less than 864 intervals; and (b) CR = more than 864 intervals.

Billing Period	Resource ID	Delivery Date	Reserve Type	Registered Ancillary Service, MW	Reserve Offer,MW	Finding	Total CR Breach Count	Total RR Breach Count	CR Penalty Level	RR Penalty Level	CR Penalty Amount, PhP	RR Penalty Amount, PhP	CR Running Total, PhP	RR Running Total, PhP	Total Penalty Amount, PhP
October	01RESOURCE_G01	10/11/2023 0:00	CR	100	0	Breach	1	0	Level 1	n/a	₱1,000.00	₱0.00	₱1,000.00	₱0.00	₱1,000.00
October	01RESOURCE_G01	10/11/2023 0:05	CR	100	0	Breach	2	0	Level 1	n/a	₱1,000.00	₱0.00	₱2,000.00	₱0.00	₱2,000.00
October	01RESOURCE_G01	10/11/2023 0:10	CR	100	0	Breach	3	0	Level 1	n/a	₱1,000.00	₱0.00	₱3,000.00	₱0.00	₱3,000.00
October	01RESOURCE_G01	10/11/2023 0:15	CR	100	0	Breach	4	0	Level 1	n/a	₱1,000.00	₱0.00	₱4,000.00	₱0.00	₱4,000.00
October	01RESOURCE_G01	10/11/2023 0:20	CR	100	0	Breach	5	0	Level 1	n/a	₱1,000.00	₱0.00	₱5,000.00	₱0.00	₱5,000.00
October	01RESOURCE_G01	10/11/2023 0:25	CR	100	0	Breach	6	0	Level 1	n/a	₱1,000.00	₱0.00	₱6,000.00	₱0.00	₱6,000.00
October	01RESOURCE_G01	10/11/2023 0:30	CR	100	0	Breach	7	0	Level 1	n/a	₱1,000.00	₱0.00	₱7,000.00	₱0.00	₱7,000.00
October	01RESOURCE_G01	10/11/2023 0:35	CR	100	0	Breach	8	0	Level 1	n/a	₱1,000.00	₱0.00	₱8,000.00	₱0.00	₱8,000.00
October	01RESOURCE_G01	10/11/2023 0:40	CR	100	0	Breach	9	0	Level 1	n/a	₱1,000.00	₱0.00	₱9,000.00	₱0.00	₱9,000.00
October	01RESOURCE_G01	10/11/2023 0:45	CR	100	0	Breach	10	0	Level 1	n/a	₱1,000.00	₱0.00	₱10,000.00	₱0.00	₱10,000.00
October	01RESOURCE_G01	10/11/2023 0:50	CR	100	0	Breach	11	0	Level 1	n/a	₱1,000.00	₱0.00	₱11,000.00	₱0.00	₱11,000.00
October	01RESOURCE_G01	10/11/2023 0:55	CR	100	0	Breach	12	0	Level 1	n/a	₱1,000.00	₱0.00	₱12,000.00	₱0.00	₱12,000.00
October	01RESOURCE_G01	10/11/2023 1:00	RR	100	0	Breach	12	1	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱1,000.00	₱13,000.00
October	01RESOURCE_G01	10/11/2023 1:05	RR	100	0	Breach	12	2	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱2,000.00	₱14,000.00
October	01RESOURCE_G01	10/11/2023 1:10	RR	100	0	Breach	12	3	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱3,000.00	₱15,000.00
October	01RESOURCE_G01	10/11/2023 1:15	RR	100	0	Breach	12	4	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱4,000.00	₱16,000.00
October	01RESOURCE_G01	10/11/2023 1:20	RR	100	0	Breach	12	5	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱5,000.00	₱17,000.00
October	01RESOURCE_G01	10/11/2023 1:25	RR	100	0	Breach	12	6	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱6,000.00	₱18,000.00
October	01RESOURCE_G01	10/11/2023 1:30	RR	100	0	Breach	12	7	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱7,000.00	₱19,000.00
October	01RESOURCE_G01	10/11/2023 1:35	RR	100	0	Breach	12	8	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱8,000.00	₱20,000.00
October	01RESOURCE_G01	10/11/2023 1:40	RR	100	0	Breach	12	9	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱9,000.00	₱21,000.00
October	01RESOURCE_G01	10/11/2023 1:45	RR	100	0	Breach	12	10	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱10,000.00	₱22,000.00
October	01RESOURCE_G01	10/11/2023 1:50	RR	100	0	Breach	12	11	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱11,000.00	₱23,000.00
October	01RESOURCE_G01	10/11/2023 1:55	RR	100	0	Breach	12	12	n/a	Level 1	₱0.00	₱1,000.00	₱12,000.00	₱12,000.00	₱24,000.00
October	01RESOURCE_G01	10/11/2023 2:00	CR	100	0	Breach	13	12	Level 1	n/a	₱1,000.00	₱0.00	₱13,000.00	₱12,000.00	₱25,000.00
October	01RESOURCE_G01	10/11/2023 2:05	CR	100	0	Breach	14	12	Level 1	n/a	₱1,000.00	₱0.00	₱14,000.00	₱12,000.00	₱26,000.00
October	01RESOURCE_G01	10/11/2023 2:10	CR	100	0	Breach	15	12	Level 1	n/a	₱1,000.00	₱0.00	₱15,000.00	₱12,000.00	₱27,000.00
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
October	01RESOURCE_G01	10/14/2023 1:15	CR	100	0	Breach	868	12	Level 2	n/a	₱2,000.00	₱0.00	₱872,000.00	₱12,000.00	₱884,000.00
October	01RESOURCE_G01	10/14/2023 1:20	CR	100	0	Breach	869	12	Level 2	n/a	₱2,000.00	₱0.00	₱874,000.00	₱12,000.00	₱886,000.00
October	01RESOURCE_G01	10/14/2023 1:25	CR	100	0	Breach	870	12	Level 2	n/a	₱2,000.00	₱0.00	₱876,000.00	₱12,000.00	₱888,000.00
October	01RESOURCE_G01	10/14/2023 1:30	CR	100	0	Breach	871	12	Level 2	n/a	₱2,000.00	₱0.00	₱878,000.00	₱12,000.00	₱890,000.00

APPENDIX III-B: SAMPLE PENALTY COMPUTATION FOR RESERVE CONFORMANCE STANDARDS (RCS)

A. Involving One Reserve Type

Assumption 1: All intervals indicated here are found in breach of RCS.
The total count of breaches for October billing period is 864 intervals.
The reserve type for which the breach of RCS is found is Contingency Reserve (CR)

Billing Period	Resource ID	Delivery Date	Reserve Type	Applicable Rate, PhP / kWh	Scheduled Capacity, MW	Finding	Penalty Amount, PhP*	Running Total, PhP	Breach Count (Running Total)	Penalty Level
October	01RESOURCE_G01	10/11/2023 0:00	CR	2.25	86	Breach	₱8,062.50	₱8,062.50	1	Level 1
October	01RESOURCE_G01	10/11/2023 0:05	CR	2.25	86	Breach	₱8,062.50	₱16,125.00	2	Level 1
October	01RESOURCE_G01	10/11/2023 0:10	CR	2.25	86	Breach	₱8,062.50	₱24,187.50	3	Level 1
October	01RESOURCE_G01	10/11/2023 0:15	CR	2.25	86	Breach	₱8,062.50	₱32,250.00	4	Level 1
October	01RESOURCE_G01	10/11/2023 0:20	CR	2.25	86	Breach	₱8,062.50	₱40,312.50	5	Level 1
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
October	01RESOURCE_G01	10/13/2023 23:55	CR	2.25	86	Breach	₱8,062.50	₱6,966,000.00	864	Level 1

Assumption 2: All intervals indicated here are found in breach of RCS.
The total count of breaches for the October billing period **exceeded** 864 intervals.
The reserve type for which the breach of RCS is found is Contingency Reserve (CR)

Billing Period	Resource ID	Delivery Date	Reserve Type	Applicable Rate, PhP / kWh	Scheduled Capacity, MW	Finding	Penalty Amount, PhP	Running Total, PhP	Breach Count (Running Total)	Penalty Level
October	01RESOURCE_G01	10/11/2023 0:00	CR	2.25	86	Breach	₱8,062.50	₱8,062.50	1	Level 1
October	01RESOURCE_G01	10/11/2023 0:05	CR	2.25	86	Breach	₱8,062.50	₱16,125.00	2	Level 1
October	01RESOURCE_G01	10/11/2023 0:10	CR	2.25	86	Breach	₱8,062.50	₱24,187.50	3	Level 1
October	01RESOURCE_G01	10/11/2023 0:15	CR	2.25	86	Breach	₱8,062.50	₱32,250.00	4	Level 1
October	01RESOURCE_G01	10/11/2023 0:20	CR	2.25	86	Breach	₱8,062.50	₱40,312.50	5	Level 1
October	01RESOURCE_G01	10/11/2023 0:25	CR	2.25	86	Breach	₱8,062.50	₱48,375.00	6	Level 1
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
October	01RESOURCE_G01	10/13/2023 23:55	CR	2.25	86	Breach	₱8,062.50	₱6,966,000.00	864	Level 1
October	01RESOURCE_G01	10/14/2023 0:00	CR	2.25	86	Breach	₱16,125.00	₱6,982,125.00	865	Level 2
October	01RESOURCE_G01	10/14/2023 0:05	CR	2.25	86	Breach	₱16,125.00	₱6,998,250.00	866	Level 2

*Note: Formula for Penalty Amount: $Penalty\ Amount = \frac{1}{12} \left(\frac{Scheduled\ Capacity\ in\ MW \times Applicable\ Rate\ in\ kWh \times 1000}{2} \right)$

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APPENDIX III-B: SAMPLE PENALTY COMPUTATION FOR RESERVE CONFORMANCE STANDARDS (RCS)

B. Involving Two (2) Reserve Types

Assumption 1: All intervals indicated here are found in breach of RCS.
The reserve types for which the breach of RCS is found are Contingency Reserve (CR) and Regulating Reserves (RR).
All the breaches were committed during the billing month of October.
The total count of breaches for each reserve type is less than 864 intervals.

Billing Period	Resource ID	Delivery Date	Reserve Type	Applicable Rate, PhP / kWh	Scheduled Capacity, MW	Finding	Total CR Breach Count	Total RR Breach Count	CR Penalty Level	RR Penalty Level	CR Penalty Amount, PhP	CR Running Total, PhP	RR Penalty Amount, PhP	RR Running Total, PhP
October	01RESOURCE_G01	10/11/2023 0:00	CR	2.25	86	Breach	1	0	Level 1	Level 1	₱8,062.50	₱8,062.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:05	CR	2.25	86	Breach	2	0	Level 1	Level 1	₱8,062.50	₱16,125.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:10	CR	2.25	86	Breach	3	0	Level 1	Level 1	₱8,062.50	₱24,187.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:15	CR	2.25	86	Breach	4	0	Level 1	Level 1	₱8,062.50	₱32,250.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:20	CR	2.25	86	Breach	5	0	Level 1	Level 1	₱8,062.50	₱40,312.50	₱0.00	₱0.00
:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
October	01RESOURCE_G01	10/11/2023 0:55	CR	2.25	86	Breach	12	0	Level 1	Level 1	₱8,062.50	₱96,750.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 1:00	RR	3	86	Breach	12	1	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱10,750.00
October	01RESOURCE_G01	10/11/2023 1:05	RR	3	86	Breach	12	2	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱21,500.00
October	01RESOURCE_G01	10/11/2023 1:10	RR	3	86	Breach	12	3	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱32,250.00
October	01RESOURCE_G01	10/11/2023 1:15	RR	3	86	Breach	12	4	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱43,000.00
October	01RESOURCE_G01	10/11/2023 1:20	RR	3	86	Breach	12	5	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱53,750.00
:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
October	01RESOURCE_G01	10/11/2023 2:55	RR	3	86	Breach	12	24	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱258,000.00
Total														₱354,750.00

Assumption 2: All intervals indicated here are found in breach of RCS.
The reserve types for which the breach of RCS is found are Contingency Reserve (CR) and Regulating Reserves (RR).
All the breaches were committed for the billing month of October.
The total count of breaches for each reserve type is: (a) RR = less than 864 intervals; and (b) CR = more than 864 intervals.

Billing Period	Resource ID	Delivery Date	Reserve Type	Applicable Rate, PhP / kWh	Scheduled Capacity, MW	Finding	Total CR Breach Count	Total RR Breach Count	CR Penalty Level	RR Penalty Level	CR Penalty Amount, PhP	CR Running Total, PhP	RR Penalty Amount, PhP	RR Running Total, PhP
October	01RESOURCE_G01	10/11/2023 0:00	CR	2.25	86	Breach	1	0	Level 1	Level 1	₱8,062.50	₱8,062.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:05	CR	2.25	86	Breach	2	0	Level 1	Level 1	₱8,062.50	₱16,125.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:10	CR	2.25	86	Breach	3	0	Level 1	Level 1	₱8,062.50	₱24,187.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:15	CR	2.25	86	Breach	4	0	Level 1	Level 1	₱8,062.50	₱32,250.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:20	CR	2.25	86	Breach	5	0	Level 1	Level 1	₱8,062.50	₱40,312.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:25	CR	2.25	86	Breach	6	0	Level 1	Level 1	₱8,062.50	₱48,375.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:30	CR	2.25	86	Breach	7	0	Level 1	Level 1	₱8,062.50	₱56,437.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:35	CR	2.25	86	Breach	8	0	Level 1	Level 1	₱8,062.50	₱64,500.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:40	CR	2.25	86	Breach	9	0	Level 1	Level 1	₱8,062.50	₱72,562.50	₱0.00	₱0.00

APPENDIX III-B: SAMPLE PENALTY COMPUTATION FOR RESERVE CONFORMANCE STANDARDS (RCS)

Billing Period	Resource ID	Delivery Date	Reserve Type	Applicable Rate, PhP / kWh	Scheduled Capacity, MW	Finding	Total CR Breach Count	Total RR Breach Count	CR Penalty Level	RR Penalty Level	CR Penalty Amount, PhP	CR Running Total, PhP	RR Penalty Amount, PhP	RR Running Total, PhP
October	01RESOURCE_G01	10/11/2023 0:45	CR	2.25	86	Breach	10	0	Level 1	Level 1	₱8,062.50	₱80,625.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:50	CR	2.25	86	Breach	11	0	Level 1	Level 1	₱8,062.50	₱88,687.50	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 0:55	CR	2.25	86	Breach	12	0	Level 1	Level 1	₱8,062.50	₱96,750.00	₱0.00	₱0.00
October	01RESOURCE_G01	10/11/2023 1:00	RR	3	86	Breach	12	1	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱10,750.00
October	01RESOURCE_G01	10/11/2023 1:05	RR	3	86	Breach	12	2	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱21,500.00
October	01RESOURCE_G01	10/11/2023 1:10	RR	3	86	Breach	12	3	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱32,250.00
October	01RESOURCE_G01	10/11/2023 1:15	RR	3	86	Breach	12	4	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱43,000.00
October	01RESOURCE_G01	10/11/2023 1:20	RR	3	86	Breach	12	5	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱53,750.00
October	01RESOURCE_G01	10/11/2023 1:25	RR	3	86	Breach	12	6	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱64,500.00
October	01RESOURCE_G01	10/11/2023 1:30	RR	3	86	Breach	12	7	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱75,250.00
October	01RESOURCE_G01	10/11/2023 1:35	RR	3	86	Breach	12	8	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱86,000.00
October	01RESOURCE_G01	10/11/2023 1:40	RR	3	86	Breach	12	9	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱96,750.00
October	01RESOURCE_G01	10/11/2023 1:45	RR	3	86	Breach	12	10	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱107,500.00
October	01RESOURCE_G01	10/11/2023 1:50	RR	3	86	Breach	12	11	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱118,250.00
October	01RESOURCE_G01	10/11/2023 1:55	RR	3	86	Breach	12	12	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱129,000.00
October	01RESOURCE_G01	10/11/2023 2:00	RR	3	86	Breach	12	13	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱139,750.00
October	01RESOURCE_G01	10/11/2023 2:05	RR	3	86	Breach	12	14	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱150,500.00
October	01RESOURCE_G01	10/11/2023 2:10	RR	3	86	Breach	12	15	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱161,250.00
October	01RESOURCE_G01	10/11/2023 2:15	RR	3	86	Breach	12	16	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱172,000.00
October	01RESOURCE_G01	10/11/2023 2:20	RR	3	86	Breach	12	17	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱182,750.00
October	01RESOURCE_G01	10/11/2023 2:25	RR	3	86	Breach	12	18	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱193,500.00
October	01RESOURCE_G01	10/11/2023 2:30	RR	3	86	Breach	12	19	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱204,250.00
October	01RESOURCE_G01	10/11/2023 2:35	RR	3	86	Breach	12	20	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱215,000.00
October	01RESOURCE_G01	10/11/2023 2:40	RR	3	86	Breach	12	21	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱225,750.00
October	01RESOURCE_G01	10/11/2023 2:45	RR	3	86	Breach	12	22	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱236,500.00
October	01RESOURCE_G01	10/11/2023 2:50	RR	3	86	Breach	12	23	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱247,250.00
October	01RESOURCE_G01	10/11/2023 2:55	RR	3	86	Breach	12	24	Level 1	Level 1	₱0.00	₱96,750.00	₱10,750.00	₱258,000.00
October	01RESOURCE_G01	10/11/2023 3:00	CR	2.25	86	Breach	13	24	Level 1	Level 1	₱8,062.50	₱104,812.50	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/11/2023 3:05	CR	2.25	86	Breach	14	24	Level 1	Level 1	₱8,062.50	₱112,875.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/11/2023 3:10	CR	2.25	86	Breach	15	24	Level 1	Level 1	₱8,062.50	₱120,937.50	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/11/2023 3:15	CR	2.25	86	Breach	16	24	Level 1	Level 1	₱8,062.50	₱129,000.00	₱0.00	₱258,000.00
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October	01RESOURCE_G01	10/14/2023 1:50	CR	2.25	86	Breach	863	24	Level 1	Level 1	₱8,062.50	₱6,957,937.50	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 1:55	CR	2.25	86	Breach	864	24	Level 1	Level 1	₱8,062.50	₱6,966,000.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 2:00	CR	2.25	86	Breach	865	24	Level 2	Level 1	₱16,125.00	₱6,982,125.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 2:05	CR	2.25	86	Breach	866	24	Level 2	Level 1	₱16,125.00	₱6,998,250.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 2:10	CR	2.25	86	Breach	867	24	Level 2	Level 1	₱16,125.00	₱7,014,375.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 2:15	CR	2.25	86	Breach	868	24	Level 2	Level 1	₱16,125.00	₱7,030,500.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 2:20	CR	2.25	86	Breach	869	24	Level 2	Level 1	₱16,125.00	₱7,046,625.00	₱0.00	₱258,000.00
October	01RESOURCE_G01	10/14/2023 2:25	CR	2.25	86	Breach	870	24	Level 2	Level 1	₱16,125.00	₱7,062,750.00	₱0.00	₱258,000.00
Total														₱7,320,750.00

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