



Philippine Electricity
Market Corporation

WESM COMPLIANCE BULLETIN

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23.0	09-May-2025	Interim Guidelines for Market Offer Revision Monitoring (MORM)

**Enforcement and Compliance Office
Philippine Electricity Market Corporation**

09 May 2025

This Wholesale Electricity Spot Market (WESM) Compliance Bulletin is an occasional publication that is prepared and published by the Enforcement and Compliance Office of the Philippine Electricity Market Corporation. The purpose of the WESM Compliance Bulletin is only to provide information and guidance to the participants of the WESM on their obligations in the WESM as well as on various matters relating to enforcement and compliance. This document is not intended as a source of obligation or as authority on relevant WESM Rules and market manuals, and as such, is not binding on the WESM participants or any other person or entity. While the ECO strives to make this document complete and accurate, the actual contents may be incomplete or inaccurate. WESM participants and other readers are encouraged to refer to the official issuance of the WESM Rules, and its amendments and manuals for details.

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GUIDELINES FOR MARKET OFFER REVISION MONITORING

1. Introduction

The Must Offer Rule requires the WESM Member-Generators to not only submit their available capacity to the market but also to revise their offers, as needed. This ensures their bids consistently reflect real-time available capacity, particularly when prior offers no longer align with current capacity or conditions.

Monitoring Offer Submissions and Offer Revisions under the Must Offer Rule

To ensure full compliance with the Must-Offer Rule, the ECO also conducts regular monitoring of the circuit breaker status of the generator-trading participants. Under the WESM Rules Clause 3.5.11.5, each generation company is mandated to revise market offers prior to gate closure if they no longer represent a reasonable estimate of the status¹ of the generating unit for a dispatch interval (e.g., generator circuit breaker status, outage, etc.). This means that the submitted offers or nominations must be reflective of: (a) the available capacity; and (b) its actual operational status as it forms part of the data and information used in the market optimization. Through monitoring of breaker status, among other ways, the ECO can cross-check the availability or non-availability of the plant vis-à-vis the offer submitted in the Market Management System (MMS).

It is important to note that the failure to update or revise market offers, when required by the rules, plays a critical role in upholding the Must Offer Rule, even though such omissions may not be immediately detected by the system alongside Offered Capacity Compliance (OCC). Ensuring that a Market Participant's actual capacity is accurately and faithfully represented in trading activities within the WESM is a fundamental aspect of this requirement. By adhering to the broader principles of the Must Offer Rule, the Market Participants contribute to maintaining transparency and reliability in market operations, as their submitted offers should reflect their true available capacity. This, in turn, guarantees that market transactions are conducted based on up-to-date information, reinforcing efficiency and integrity within the system.

Transitional Approach to Integrated Compliance Monitoring Process

While dedicated monitoring mechanisms – such as the MMS-Compliance Monitoring (CMON) Module and the Compliance Post Evaluation and Monitoring System (CPEMS) – are implemented to oversee offer submissions, the mandatory revision of offers – considering factors like breaker status – is currently tracked using separate or alternative methods. Nonetheless, as discussed, both aspects of offer submission via the MMS fall within the scope and framework of the Must Offer Rule.

The ECO plans to integrate in the future the flagging and monitoring processes for both offer submission and offer revision including the breaker status monitoring into one monitoring system, aligning the established parameters to optimize workflow and improve efficiency. Until enhancements are implemented, these guidelines provide practical alternatives for communication of flaggings and submission of responses.

2. Objectives

- To be oriented about the interim setup of Market Offer Revision Monitoring (**MORM**) procedures
- To be guided on the type of documents and forms that may be submitted to ECO
- To be guided on how to accomplish and submit the necessary forms relating to MORM – Breaker Status Monitoring (**BSM**)
- To ensure accurate and complete monitoring of the Must-Offer Rule, timely monitoring of breaker status data, and address potential Anti-Competitive Behavior (ACB) within specified timeframes.

¹ “**Status.** The actual operating condition of a *generation unit* or *facility*, including its current commitment state, generation level, and Automatic Generation Control (AGC) activation status.” (Emphasis Supplied) WESM Rules, Glossary

3. Guidelines and Procedures

3.1. Probable Breach Flagging

RESPONSIBLE	DESCRIPTION	FREQUENCY AND TIMELINE	FORM
ECO	<ul style="list-style-type: none"> If there is a non-zero offer or nomination while in an offline status, as determined by the Market Operator Breach flagging is per Resource ID 	<p>DAILY</p> <p>D+2 <i>Example:</i></p> <p>Probable Breach for 26-May-2025 transaction will be flagged on 28-May-2025</p> <p>Transactions scheduled for release on weekends or holidays shall be consolidated and processed collectively on the next working day.</p>	Non-Compliance Notice (NCN) Form (see section 3.3 below)

3.2. Non-Compliance Notice (NCN)

RESPONSIBLE	DESCRIPTION	FREQUENCY AND TIMELINE	FORM
ECO	<ul style="list-style-type: none"> Transmittal of the Probable Breach Flagging Results to Trading Participant (TP) (in excel form). One set of flagging results will contain: <ul style="list-style-type: none"> Summary Report - Flagging (per trading interval) Detailed Report - Detailed information on probable breach flagging for breaker status, recorded at 5-minute intervals. 	<p>DAILY</p> <p>D+2 (Same timeline as 3.1)</p> <p>Transactions scheduled for release on weekends or holidays shall be consolidated and processed collectively on the next working day.</p>	NCN Form (see section 3.3 below)

3.3. Response to NCN

RESPONSIBLE	DESCRIPTION	FREQUENCY AND TIMELINE	FORM
TP	<ul style="list-style-type: none"> Verification of the NCN received from ECO Providing response by accomplishing the NCN 	<p>DAILY</p> <p>Within five (5) business days (BD²) from receipt of NCN.</p>	NCN-MORM (BSM) Reply

In responding to the probable breach flaggings, Table 3.3.1 outlines the event categories along with their respective that serves as a guide for the trading participants. The various categories, as outlined below should not necessarily and automatically mean that they are exempting or justifying circumstances. Table 3.3.1 serves as a framework a guide in classifying the events, as they occur, to help both the WESM Participants and the ECO understand and assess the events, incidents, and related occurrences during the monitoring activity. Each reason, explanation, and/or justification

² BD: "Business Day. Any day on which the spot market is open for business." Glossary, WESM Rules. Note: WESM is open 24/7; thus BD may also mean calendar days.

provided to ECO pursuant to Clause 7.2.4.2 of the WESM Rules³ shall nonetheless be assessed on a case-to-case basis for purposes of determining the occurrence of breach.

Table 3.3.1 Event Categories Guide

EVENT CATEGORY	DESCRIPTION	SUPPORTING DOCUMENTS
Market System Constraints	This applies to incidents caused by constraints or limitations related to the Market Management System (MMS) interface	<ul style="list-style-type: none"> • Screenshot of MMS Error Prompt/Notice • Logs or data showing the constraint/s
Data Validation-Inconsistent Data	This applies to situations when the system snapshot data from the MMS shows a different circuit breaker status reading.	<ul style="list-style-type: none"> • Plant records of the circuit breaker status (logbooks or screenshots, etc.) • Revenue meter • Evidence of operation or non-operation of the plant to indicate generation or non-generation of outputs • If applicable, communications to and from Market Operator, System Operator, or PEMC regarding data error observed or noted during the operations.
Offer-based Configuration	Modelled in the Market Management System based on Offers/Nominations only.	<ul style="list-style-type: none"> • Submitted Registration form on Modelling of Generator Status in MMS to the Market Operator. • Proof of registration with the MO and official acknowledgement from the MO
Start-up Procedures	This applies to generating units undergoing start-up procedures whose offers or nominations are submitted prior to grid synchronization or delayed start-up.	<ul style="list-style-type: none"> • Plant operator Logs • Load profile
Shutdown Procedures	This applies to generating units undergoing early shutdown due to operational limitations or identified risk to prevent damage.	<ul style="list-style-type: none"> • Plant operator Logs • Load profile
Outage	This applies to all types of planned or unplanned outages; includes intervals when unit is undergoing offline testing or while on shutdown as part of maintenance activities	<ul style="list-style-type: none"> • Notices to and from NGCP confirming schedule of outage, and other related notices • Plant operator logs, incident reports and other plant data and documents showing occurrence of transmission failure or issuance of instructions, procedures carried out in the power plant to respond to failure or instructions. • Significant event report submitted to relevant government agencies

³ 7.2.4.2 The **monitoring and determination of breach** by the *Enforcement and Compliance Office* under Clause 7.2.4.1 shall be made **on the basis of available information**, including but not limited to:

(a) Market and dispatch data and reports from the *Market Operator* and the *System Operator*;

(b) **Information contained in non-compliance reports** submitted by the *WESM Member* pursuant to Clause 7.2.2.2 and other reports submitted by the *WESM Member* to *Governance Arm* and to the *Market Operator* pursuant to these *WESM Rules* and relevant *Market Manuals*; and

(c) Data and reports from the *DOE*, *ERC*, or other government agencies that have jurisdiction over the *WESM Member* or over its operations, if such data and reports have been made available to the *Enforcement and Compliance Office*.

The *Enforcement and Compliance Office* shall ensure that the **necessary verification or assessment of compliance or non-compliance is performed**, and that due process is observed in the conduct of compliance monitoring and assessment. Upon finding of breach by the *Enforcement and Compliance Office*, penalties shall immediately be imposed by the *Enforcement and Compliance Office* on the concerned *WESM Member* through issuance of notice of specified penalty by the *PEMC* pursuant to Clause 7.2.5.2. x x x" (Emphasis supplied)

EVENT CATEGORY	DESCRIPTION	SUPPORTING DOCUMENTS
Transmission-Related Constraints	Grid or substation failures or activities that affected the operations of the generating unit, such as when tripped or was curtailed as a direct result of the transmission equipment failure or problem	<ul style="list-style-type: none"> Plant operator logs, incident reports and other plant data and document showing occurrence of transmission failure or issuance of instructions, procedures carried out in the power plant to respond to failure or instructions Notices from the National Grid Corporation of the Philippines (NGCP) confirming the schedule and details of the constraint.
Distribution-Line Related Constraints	This applies to distribution line failures or activities that affected the operations of the embedded generating unit, such as when the unit tripped or was curtailed as a direct result of the distribution equipment failure.	<ul style="list-style-type: none"> Communications to and from the Distribution Utility/Electric Cooperative Plant operator logs, incident reports and other plant data and documents showing occurrence of transmission failure or issuance of instructions, procedures carried out in the power plant to respond to failure or instructions. Significant event report submitted to relevant government agencies
Derating-Plant Equipment-Related Maintenance (Plant Test)	This applies to power plants which are on a prolonged testing and commissioning phase	<ul style="list-style-type: none"> Notices to and from System Operator and other agencies on conduct of tests. Test-related documents, e.g., protocols, test profiles, etc. Plant operator logs and similar documents showing conduct of tests.
Errors or Negligence	Incidents affecting the offer, nomination or capacity arising from errors, inadvertence, or negligence. This may include trader's or operator's errors, software errors or malfunction, interface failures (not attributable to MMS), communication link failures, and other errors or circumstance that resulted in failure to submit offers or to submission of erroneous data.	<ul style="list-style-type: none"> Plant operator/trader logs, incident reports, and other plant or trading document that shows occurrence of error and measures taken to rectify the same Significant event reports submitted to relevant government agencies.
Other Causes	Events or incidents that are not otherwise covered in the identified event categories provided	Any pertinent records or information

3.4. Validation and Assessment

RESPONSIBLE	DESCRIPTION	FREQUENCY AND TIMELINE	FORM
ECO	<ul style="list-style-type: none"> Validation of the responses, inputs, and supporting documents submitted by TPs Assessment of the reason, explanation, or justification 	<p>DAILY</p> <p>Anytime within the billing period as the data/information, or response is made available.</p>	Consolidated MORM Assessment Table

3.5. Issuance of Compliance Monitoring and Assessment Reports (CMAR)

RESPONSIBLE	DESCRIPTION	FREQUENCY AND TIMELINE	FORM
ECO	Finalization of CMA-MORM Findings <ul style="list-style-type: none"> Issuance of the CMAR and, if a breach is identified, the corresponding Notice of Specified Penalty (NSP) shall likewise be issued to the concerned TP. 	MONTHLY Be issued not later than the 15th day of the month following the month subject of the monitoring. <i>E.g., CMAR for July 2025 Billing Period will be issued not later than 15 August 2025</i>	<ul style="list-style-type: none"> CMAR CMAR + NSP

3.6. Penalty Imposition

RESPONSIBLE	DESCRIPTION	FREQUENCY AND TIMELINE	FORM
ECO	Issuance to TPs of the Notice of Specified Penalty (NSP) indicating the count of breach and the corresponding penalty level and amount.	AS APPLICABLE Same timeline as Section 3.5	NSP

4. Procedures on Accomplishing the NCN for Market Offer Revision Monitoring

4.1. Upon issuance of the NCN via the SFTP, you will receive a file that contains:

Filename	Description
NCN_FTPUSERNAME_PLANTSHORTNAME_MORM(BSM)_YYYYMMDD	A non-compliance notice containing flagging for relevant intervals with open breaker status while having a non-zero bid offer/nomination.

4.2. Accomplish the NCN-MORM(BSM),

Complete the necessary information in the columns listed below under *Summary Report Tab* of the NCN-MORM(BSM) as follows:

- Reason:** Specify the category of the event, which may include categories as listed in Table 3.3.1
- Brief Description:** Provide a concise description of the event that caused the non-compliance.
- Supporting Documents:** Indicate the filename of any supporting documents that substantiate the response.

Plant Name	Time Interval	Date	Trading Hour	Offered Capacity (MW)	Reason	Brief Description	Supporting Documents
01RESOURCE_G01	2025-03-28 10:00:00	2025-03-28	10	13			

Figure 1.0 – Sample NCN-MORM(BSM)

4.3. Submit your responses via the SFTP

- Consolidate files by creating a single ZIP file that includes the following:
 - The accomplished NCN-MORM(BSM).
 - Any supporting documents that substantiate your response.
- Name your response file appropriately using the same naming convention:
 - NCN_ FTPUSERNAME_PLANTSHORTNAME_MORM(BSM)_YYYYMMDD_ **REP**

5. Mode of Transmittals

During the interim CMA for MORM, the forms (as identified) above will be retrieved and/or transmitted through a secure File Transfer Protocol (SFTP) facility. Please refer below the *Work Instructions for Submission for MORM Documents via FTP* for detailed steps/procedures.

6. Effectivity of Interim Guidelines

These Interim Guidelines will remain in effect until ECO issues a new or revised version, aligning with any future changes or developments. These may arise from rule amendments, regulatory directives/issuances, or development or enhancement of monitoring system or tool aimed at improving the existing processes and procedures.

PEMC WORK INSTRUCTIONS FOR SUBMISSION FOR MORM DOCUMENTS VIA FTP (INTERIM SETUP)

For this issue of the Work Instruction, the Trading Participant (TP) will be guided on the following:

- Documents and forms to be submitted to Enforcement and Compliance Office (ECO)
- Facility for the submission of reply and documents
- Procedure for uploading of files
- Additional or revision of reports submitted

1.0 Documents

There are two types of documents that will be used on the monitoring:

- a. Inbound Document (Non-Compliance Notice MORM (BSM))
- b. Outbound Documents (Inbound to PEMC-ECO)

Table 2.0 Document Types

DOCUMENT	DESCRIPTION	SENDER	FORM
Inbound Document			
Non-Compliance Notice MORM (BSM)	<ul style="list-style-type: none"> Excel file that contains the list of all flagged intervals in one day for a particular facility or resource. 	PEMC-ECO	Non-Compliance Notice (NCN) Form
Outbound Document			
Non-Compliance Notice MORM (BSM) Reply	<p>These must be zipped or compressed containing the following:</p> <p>Accomplished Non-Compliance Notice MORM(BSM) (ANCN)</p> <ul style="list-style-type: none"> A response or reply supported or substantiated by relevant documents to prove that a significant event/reason for a specific interval has caused the open breaker status <p>Supporting Documents (SD)</p> <ul style="list-style-type: none"> These refer to electronic copies of plant operator records, correspondences and relevant data or information that will show proof or evidence that external factors have affected the plant's performance, and which led to open breaker status. 	Trading Participants	Accomplished Non-Compliance Notice Form and Any relevant supporting documents

2.0 Document Format and Filename

The documents shall be submitted in electronic files in the following format:

Table 3.0 Format and Filename

Document	Filename		File Format
	Naming Convention	Sample	
NCN-MORM (BSM) Reply	NCN_FTPUSERNAME_PLANTSHORTNAME_MORM(BSM)_YYYYMMDD_REP	NCN_APRIGEN_TIWI_MORM(BSM)_20250625_REP	Accomplished Non-Compliance Notice and SD – zip/rar

3.0 Schedule of Submissions

The documents shall be submitted within the timeline set below:

Table 3.0 Timeline

Document	Responsible	Deadline	Example
NCN-MORM (BSM)	PEMC-ECO	D+2 (2 days following the day of probable breach)	26 May 2025 flagging/s: Release – 28 May 2025
ANCN and SD	Trading Participant	Within 5 business days from Receipt of Notice	26 May 2025 flagging/s: Replies and supporting documents must be submitted no later than 01 June 2025.

4.0 Facility for the Submission of Documents

The documents shall be submitted through PEMC-Secured File Transfer Protocol (SFTP) website:

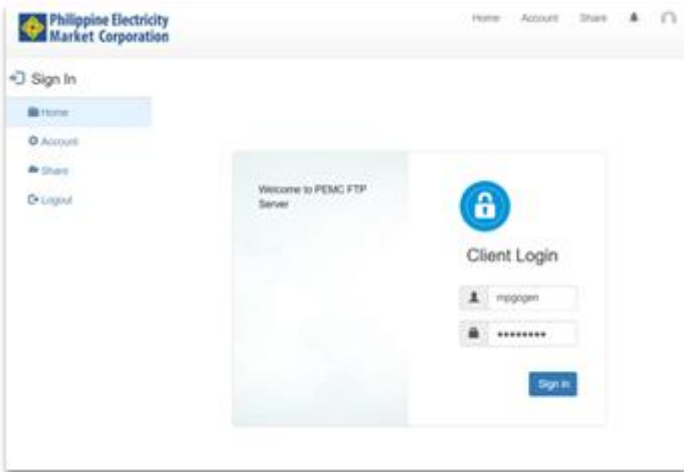
For Retrieval of NCN: <https://ftp-out.wesm.ph/login>

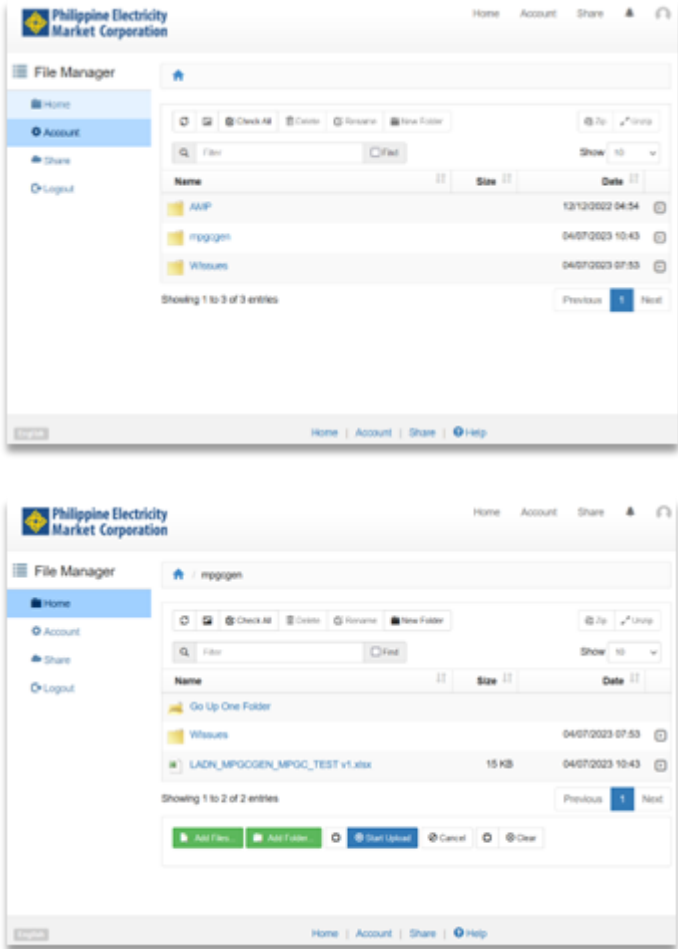
For Submission of MORM (BSM) Reply: <https://ftp-in.wesm.ph/login>

5.0 Log-in Credentials

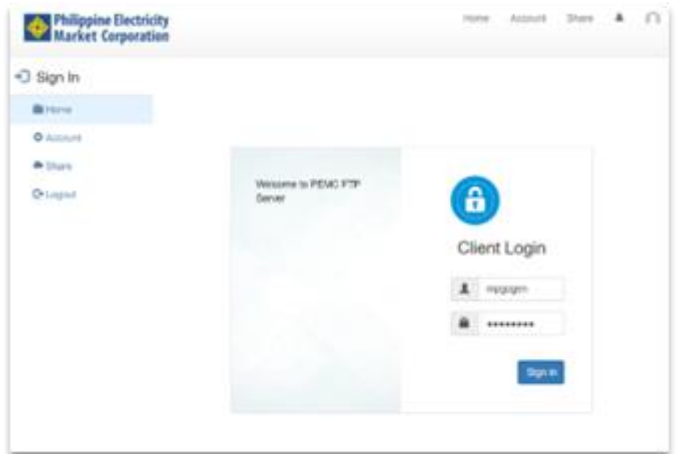
- Each Trading Participant is assigned a unique account with log-in which includes a default username and password.
- For further assistance in account creation and password reset, please get in touch with PEMC-ECO at eco@wesm.ph or eco-cmd@wesm.ph

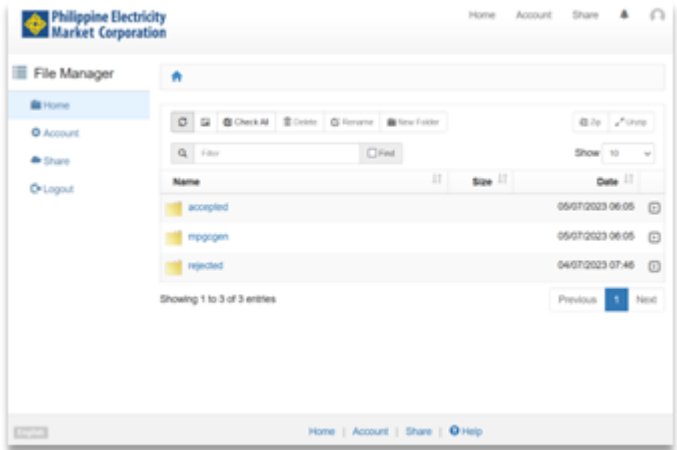
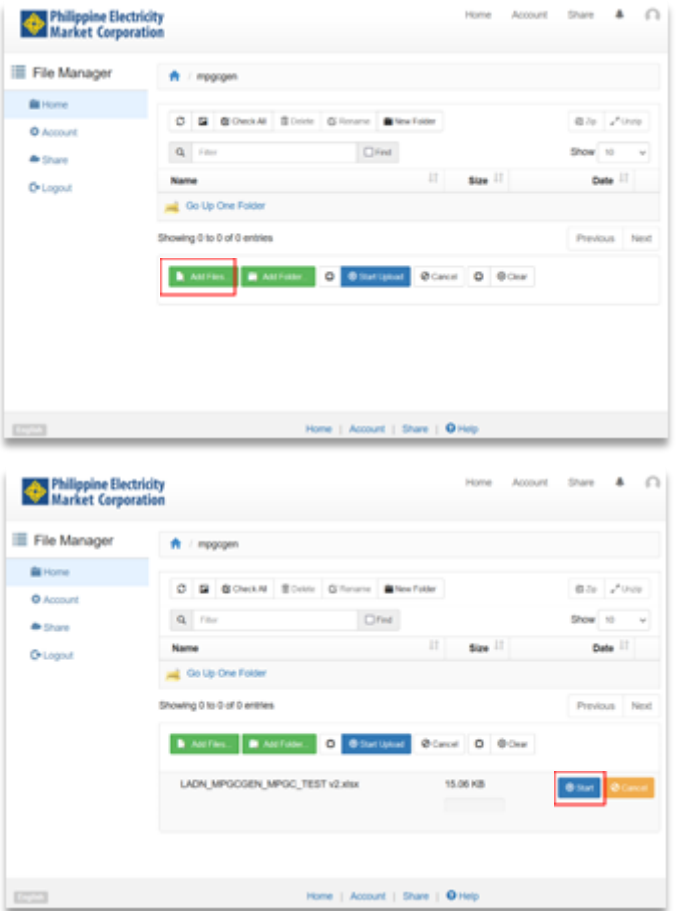
6.0 Procedure for Retrieving Files

Steps	Screenshot
<p>Log in to PEMC FTP website at https://ftp-out.wesm.ph/login</p> <p>Log-in credentials (username and password) are assigned for each WESM TP. These details will be provided upon request. For further assistance, please get in touch with the PEMC-ECO.</p>	

Steps	Screenshot
<p>Upon successful login, the main window will be displayed.</p> <p>Under the username folder, the ASPs shall be able to view and download the NCN from PEMC-ECO.</p>	

7.0 Procedure of Uploading of Files

Steps	Screenshot
<p>Log in to PEMC FTP website at https://ftp-in.wesm.ph/login.</p> <p>Log-in credentials (username and password) are assigned for each TP. These details will be provided upon request. For further assistance, please get in touch with the PEMC-ECO.</p>	

Steps	Screenshot
<p>Upon successful login, the main window will be displayed, which contains three folders, as follows:</p> <ul style="list-style-type: none"> Accepted – which contains all successfully uploaded files. Rejected – which contains files with incorrect filename format' Username Folder (ex. mpgcgen) - this is where the files will be uploaded/ This folder should be empty at all times. 	
<p>To upload a file, select the Username folder and then click the “Add files” button or use the “Drag and Drop” option.</p> <p>The Drag & Drop upload feature is also available on other browsers (e.g., Mozilla Firefox, Google Chrome)</p> <p>Once the file(s) to be submitted has been added, click the Start button to start uploading the file/s.</p>	

8.0 Addition or Revision of Submissions

- The TP may submit additional supporting documents to support the new or revised information.
- Any documents submitted to ECO may be revised within the timeline referred to in Sec. 3 of this document, if there are corrections, amendments, or additional information that need to be made.
- The additional or revised document shall be submitted in the same manner described in Sec. 7.
- The filename shall indicate that it is revised by adding a suffix “**Rev**”.

Note: To ensure receipt of the revised submissions, please coordinate with ECO about the revision either through email or text message.