



MEETING MINUTES

Subject/Purpose : 244th RCC (Regular) Meeting
 Date & Time : 14 March 2025, 9:00 AM to 12:00 PM
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ATTENDEES

	Name	Designation/Position	Department/ Company
1.	Rachel Angela P. Anosan	Chairperson, Independent	RCC
2.	Jesusito G. Morillos	Member, Independent	RCC
3.	Jordan Rel C. Orillaza	Member, Independent	RCC
4.	Emmanuel Genesis T. Andal	Member, Independent	RCC
5.	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
6.	Michael Valer G. Mariano	Member (Alternate), Generation Sector	RCC
7.	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
8.	Jayson A. Francisco	Member (Principal), Generation Sector	RCC
9.	Mark D. Habana	Member (Principal), Generation Sector	RCC
10.	Michelle S. Tuazon	Member (Alternate), Generation Sector	RCC
11.	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
12.	Virgilio C. Fortich, Jr.	Member (Principal), Distribution Sector	RCC
13.	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
14.	Alfredo C. Sanaga, Jr.	Member (Alternate), Distribution Sector	RCC
15.	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
16.	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
17.	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
18.	Kristoffer Monico S. Ng	Member (Alternate), Market Operator	RCC
19.	John Paul O. Castro	DOE Observer	DOE
20.	Chrismah Joy D. Quinones	DOE Observer	DOE
21.	Jane May M. Mea	DOE Observer	DOE
22.	Karen A. Varquez	Secretariat	PEMC
23.	Divine Gayle C. Cruz	Secretariat	PEMC
24.	Mary Rose L. Bisnar	Secretariat	PEMC
25.	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
26.	Jake Jerald M. Gines	Market Assessment Group (MAG)	PEMC
27.	Pamela Denise B. Canete	Market Assessment Group (MAG)	PEMC
28.	Ruben L. Sibayan	Market Assessment Group (MAG)	PEMC
29.	Andrea J. Mendiola	Chief Legal Officer	PEMC
30.	Gabriel R. Marmeto	Legal	PEMC
31.	Joshua Joy F. Co	Legal	PEMC



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	Name	Designation/Position	Department/ Company
32.	Ma. Hazel M. Gubaton-Lopez	Chief Enforcement and Compliance Officer (ECO)	PEMC
33.	Josephine C. Corpuz	Enforcement and Compliance Office (ECO)	PEMC
34.	Marvin Jay A. Masanda	Enforcement and Compliance Office (ECO)	PEMC
35.	Vince Luigi B. Maliwanag	Enforcement and Compliance Office (ECO)	PEMC
36.	Nylle Gregory P. Bague	Enforcement and Compliance Office (ECO)	PEMC
37.	Hilary Romeli C. Florendo	Enforcement and Compliance Office (ECO)	PEMC
38.	Marie Liezelle E. Macabenta	Enforcement and Compliance Office (ECO)	PEMC
39.	Kassandra Fleur Elaine D. Parnacio	Enforcement and Compliance Office (ECO)	PEMC
40.	Mark Anthony C. Andrada	Enforcement and Compliance Office (ECO)	PEMC
41.	Angelica G. Alejan	Enforcement and Compliance Office (ECO)	PEMC
42.	John Patrick D. Yanga	Enforcement and Compliance Office (ECO)	PEMC
43.	Jace A. Tesaluna	Enforcement and Compliance Office (ECO)	PEMC
44.	Dianne Kate C. Langit	Enforcement and Compliance Office (ECO)	PEMC
45.	Darlene C. Dublar	Enforcement and Compliance Office (ECO)	PEMC
46.	Paolo C. Alegre	Enforcement and Compliance Office (ECO)	PEMC
47.	Jhezreel John G. Caramat	Enforcement and Compliance Office (ECO)	PEMC
48.	Richard Wayne C. De Chavez	Enforcement and Compliance Office (ECO)	PEMC
49.	Jeffrey B. Torejo	Enforcement and Compliance Office (ECO)	PEMC
50.	Ma. Pauline S. Figueroa	Enforcement and Compliance Office (ECO)	PEMC
51.	Gabbor M. Dichoso	Enforcement and Compliance Office (ECO)	PEMC
52.	Gabriel Macky A. Cadang	Enforcement and Compliance Office (ECO)	PEMC
53.	Carl Angelo B. Dela Cruz	Enforcement and Compliance Office (ECO)	PEMC
54.	Daryl Andrew M. Llanes	Commenter	SMCGP
55.	Krizzaline A. Landicho	Commenter	SMCGP
56.	Kathleen Heloise B. Formoso	Commenter	SMCGP
57.	Rolando P. Ponsica Jr.	Commenter	SMCGP
58.	Richard O. Arcenal	Commenter	SPC/SIPC
59.	Krizzia Alyanna G. Angeles	Commenter	SPC/SIPC
60.	Jereme Ann V. Peñafiel	Commenter	SPC/SIPC
61.	Ma. Leticia L. Sapina	Commenter	MERALCO
62.	Joebet Isaac V. Del Rosario	Commenter	MERALCO



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	Name	Designation/Position	Department/ Company
63.	Joseph Bryan C. Estrada	Commenter	MERALCO
64.	Vida Gumera Toque	Commenter	SNAP
65.	Willard Madarang	Commenter	SNAP
66.	Shara Camille Landicho	Commenter	SNAP
67.	Cristian Botis	Commenter	SNAP
68.	Glynn Gayman	Commenter	APC
69.	Gelli Anna D. Santiago	Commenter	NGCP
70.	Ritzel Ann De Los Reyes	Commenter	ACEN
71.	Ylis Dela Cruz	Commenter	ACEN
72.	Yanna J. Viernes	Commenter	ACEN
73.	Jhunna T. Ramos	Commenter	ACEN
74.	Arra Balmores	Commenter	ACEN
75.	Josell F. Co	Commenter	ACEN
76.	Eryl Jansen D. Gregana	Commenter	ACEN
77.	Yna Marasigan	Commenter	ACEN



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1.0 Call to Order

The meeting was called to order at 9:02 AM.

2.0 Determination of Quorum

The quorum was determined with thirteen (13) principal members and three (3) alternate members present.

3.0 Adoption of Agenda

Ms. Divine Gayle C. Cruz (Secretariat) presented the revised proposed agenda, with the addition of Agenda 7.1 *"Highlights of PEM Audit Committee (PAC) Audit Report"*.

The RCC adopted the revised proposed agenda.

4.0 Draft Minutes of Previous Meetings

Ms. Cruz presented the draft minutes of the 243rd RCC (Regular) Meeting held on 21 February 2025. The draft was transmitted to the RCC on 11 March 2025 and was edited based on comments received.

The RCC provisionally approved the draft, as presented. The Secretariat shall route the draft via Adobe Sign, for RCC's signature.

5.0 Matters Arising from Previous Meetings

5.1 Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions

- Continuation of Deliberation
- Presenter/s: Ms. Kassandra Fleur Alain D. Parnacio (Proponent – PEMC-ECO)
- Action Requested: For deliberation and approval
- Material/s: Annex A – Matrix of Proposed Amendments

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Proceedings:

The deliberation of the proposal was continued with the following commenters present in the meeting:

1. ACEN Corporation (ACEN)
2. Aboitiz Power Corporation (APC)
3. Millenium Energy Inc./Panasia Energy Inc. (MEI/PEI)
4. Manila Electric Company (MERALCO)
5. National Grid Corporation of the Philippines (NGCP)
6. San Miguel Global Power Holdings Corp. (SMCGP)
7. SN Aboitiz Power Group (SNAP)
8. SPC Power Corporation/SPC Island Power Corporation (SPC/SIPC)

Ms. Cruz provided a recap on the deliberations held during the previous meeting and an update on new comments received, as follows:

- The RCC to continue deliberations from Section 5.6.2 with the comments of SMCGP, regarding the concern about deviations in the accuracy of plant meters and discrepancies between the System Operator's frequency meter;
- On 24 February 2025, the Secretariat received comments from NGCP on Section 5.2.1 of ASMM; and
- PEMC (Proponent) submitted proposed wordings for Section 5.5.4 of ASMM.

Ms. Kassandra Fleur Elaine D. Parnacio (PEMC) facilitated the continuation of the discussion of PEMC's responses to the comments received (Full responses to all submitted comments are provided in Annex A).

Salient points of the discussions are as follows:

- **On Section 5.2.1 (Provision of Data for Monitoring and Reporting):** PEMC concurred with NGCP's comment to designate the Market Operator as the source of generator status data. The Market Operator has no objection with the comment.
- **On Section 5.5.4 (Reserve Conformance Standards for Dispatchable Reserve):** Based on comments received, PEMC proposed additional conditions by which a dispatchable reserve facility may be considered in breach of the reserve conformance standards (RCS), as follows:

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Proposed Amendment (PEM Board-approved as Urgent Amendment)	Proponent's proposed revision
<p><u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules.</u></p>	<p>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have <u>Dispatchable Reserve Schedules.</u> <u>subject to the following conditions:</u></p> <p><u>a. Any breach of the reserve conformance standards for the preceding intervals shall only commence from the interval immediately following the last actual provision of energy or delivery of the dispatchable reserve as called by the System Operator on the same trading day, if applicable.</u></p> <p><u>b. The Ancillary Services Provider shall not be considered in breach if it can prove that its reserve facility was actually available during the preceding intervals prior to being called to run as dispatchable reserve.</u></p>

- Ms. Parnacio expounded on the proposed revision using the illustrations below:

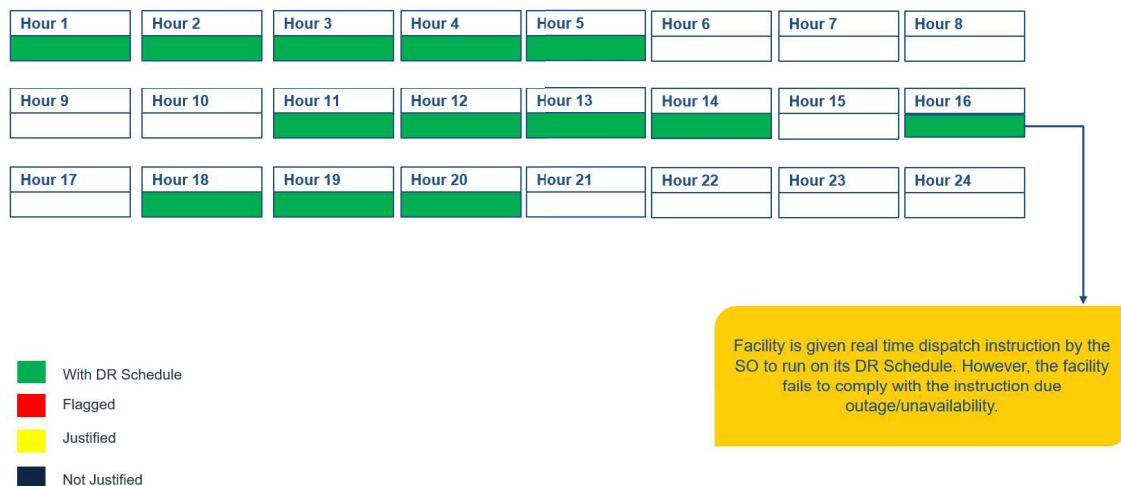
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Illustration for Section 5.5.4

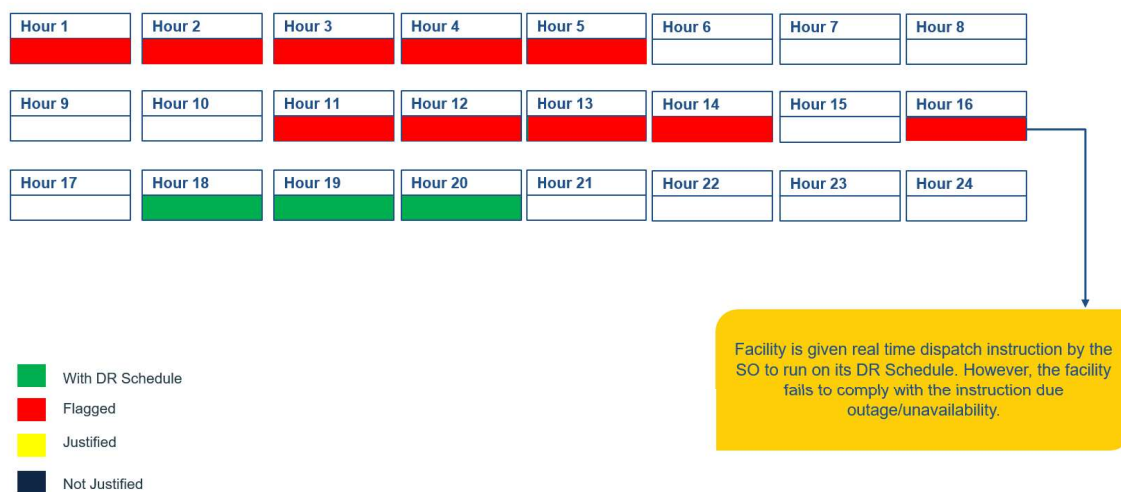
Application – Flagging of intervals that precede non-compliance to dispatch instruction for DR Facilities



Philippine Electricity
Market Corporation

Illustration for Section 5.5.4

Application – Flagging of intervals that precede non-compliance to dispatch instruction for DR Facilities



Philippine Electricity
Market Corporation

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Illustration for Section 5.5.4

Application – Flagging of intervals that precede non-compliance to dispatch instruction for DR Facilities

Hour 1	Hour 2	Hour 3	Hour 4	Hour 5	Hour 6	Hour 7	Hour 8
Justified	Justified	Justified	Justified	Justified			
Hour 9	Hour 10	Hour 11	Hour 12	Hour 13	Hour 14	Hour 15	Hour 16
		Justified	Justified	Justified	Justified		Not Justified
Hour 17	Hour 18	Hour 19	Hour 20	Hour 21	Hour 22	Hour 23	Hour 24
	With DR Schedule	With DR Schedule	With DR Schedule				

■ With DR Schedule
■ Flagged
■ Justified
■ Not Justified

During validation and assessment, there is still energy injection until 1350H and the logbook showed that the outage started at 1501H due to boiler tube leak, Hour 1 to Hour 14 will be justified during validation

Philippine Electricity Market Corporation

Ms. Parnacio clarified that if a dispatchable reserve facility was not able to comply with the System Operator's instruction during Hour 16, all preceding dispatch intervals within the same trading day when it was able to deliver (i.e., Hours 1-5 and 11-14) will be flagged as non-compliant and will be issued a Non-compliance Notice. During validation and assessment, the facility has the opportunity to provide evidence that it had energy injections during the preceding 'non-compliant' dispatch intervals, thus they are considered justified, leaving Hour 16 as the only dispatch interval in breach.

- Mr. Darryl Lon A. Ortiz (RCC-System Operator) observed that the example in the illustration is on an hourly basis, but the reserve real-time dispatch schedules are for every 5 minutes. Based on this, he inquired if a facility will still be flagged as non-compliant if it was able to start-up to synchronize and operate in 15 minutes, but it became unavailable on the 20th minute. Ms. Parnacio acknowledged that although the illustration is per hour, ECO's monitoring and flagging will still be on a per 5-minute basis. Thus in Mr. Ortiz's scenario, that facility will still be flagged as non-compliant.
- Mr. Jayson Francisco (RCC-Generation) asked if the ECO has been implementing the approach of validation and assessment as explained by Ms. Parnacio since the prevailing Ancillary Services Monitoring Manual took effect, to which Ms. Parnacio answered to the affirmative.

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- To further explain the subject provision, Mr. Paolo C. Alegre (PEMC) clarified that the ECO verifies all preceding intervals within the same trading day, whether the dispatchable reserve facility had evidence of energy injection or not during those preceding intervals. The ECO acknowledges that there will never be a continuous dispatchable reserve schedule for a whole day with co-optimized scheduling.
- Mr. Glynn Gayman (Commenter-APC) inquired about the look-back mechanism, specifically whether an ASP would be deemed “unavailable” for adhering to a 0 MW System Operator instruction or dispatch. He sought assurance that plant records and outage reports would sufficiently prove the ASP’s “availability” – thus, compliance to the pertinent RCS code. Ms. Parnacio confirmed the admissibility of the plant logbooks and outage reports but also explained that ECO cross-references the Dispatch Instruction Reports and available market data (e.g., real-time dispatch instructions, time of last energy injection, etc.) for further verification

Ms. Rachel Angela P. Anosan (RCC-Chairperson) suggested rewording the provision to clarify that the parameter is the System Operator’s dispatch instruction.

- **On Section 5.6.2 (Calculation of a reserve facility’s response accuracy via governor control mode):**
 - With regards SMCGP’s concern raised during the previous meeting regarding instances when there were deviations in the accuracy of plant meters due to discrepancies with the System Operator’s frequency meter, Ms. Parnacio explained that this could be addressed through the ECO’s validation process. There is a need to establish first whether the issue is with data variance in the frequency or meter reading. If there is indeed a data variance, the facility needs to provide a proper documentation of data on a per second basis of actual MW generated as well as a confirmation from the System Operator regarding the discrepancy. Based on these data, the ECO shall recalculate that facility’s RCS results.
 - ECO concurred with APC’s proposed re-wording of the provision to clarify that the monitoring duration to determine the Highest Actual MW Output, as the case may be, is the MW output obtained *within the 20 seconds* from the lowest frequency that occurred during a Frequency-driven Event, and not just the actual MW output after 20 seconds. The same principle holds for determining the Lowest Actual MW Output. Ms. Parnacio stated that the re-wording accurately captures the intended meaning of the provision and is consistent with how it is currently implemented.
 - SPC/SIPC and ACEN accepted ECO’s response on the use of rated capacity for the calculation of Static Gain, which is a result of extensive deliberations in the RCC during



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previous meetings and, per the System Operator, is aligned with international best practices.

- On ACEN's suggestion to add in the provision that any excess capacity higher than the Reserve Schedule to comply with re-dispatch instructions should be tagged as 'MOT run' and shall be entitled to additional compensation, ECO responded that such cases are already addressed in Sections 10.1 and 10.2 of the Billing and Settlement Manual, specifically on the provisions related to constrain-on generators.
- **On Section 5.7.2 (Measuring Reserve Response Compliance of Generators on Automatic Generation Control)**
 - ACEN suggested that an additional provision be added to exempt battery energy storage systems (BESS) that reached their State of Charge (SOC) limitations as this limitation is inherent with batteries. Ms. Parnacio stated ECO's response that rather than granting a blanket exemption, ECO shall consider SOC limitations on a case-by-case basis during its assessment process.
 - Ms. Anosan inquired if the ECO does not consider specifying that SOC limitation shall indeed be considered. Ms. Parnacio responded that the ECO is currently considering SOC limitations, but they are still studying monitoring for BESS for both dispatch and reserve conformance standards. After which, the ECO will incorporate more specific rules for BESS. Atty. Ma. Hazel Gubaton-Lopez (PEMC) added that the ECO needs to establish the fact of the SOC limitation (analogous to establishing that a cellphone has low battery), which will have an effect on the reserve schedule such that the plant can no longer deliver. However, at this time, it is still not clear whether the SOC limitation is already considered in the optimization. If the BESS already reached its SOC limitation, then it should not be given a reserve schedule in the first place.
- **On Section 7.3.3, as renumbered (Settlement Amount Due from the System Operator after Monitoring)**

MERALCO inquired if a non-compliant Ancillary Service Provider which the ECO failed to flag as in breach during the prescribed period can still be penalized. ECO responded that Sections 7.1.1, 7.1.2 and 7.1.7 of the Enforcement and Compliance Manual (ECM) can be applied for situations of any missed flagging of non-compliance. Ms. Gubaton-Lopez also added that there is already a provision in the Ancillary Service Monitoring Manual stating that the ECM and the Penalty Manual are suppletory and shall be applied as appropriate. She recognized that MERALCO's concern is valid and added that it is indeed possible for ECO to miss flagging

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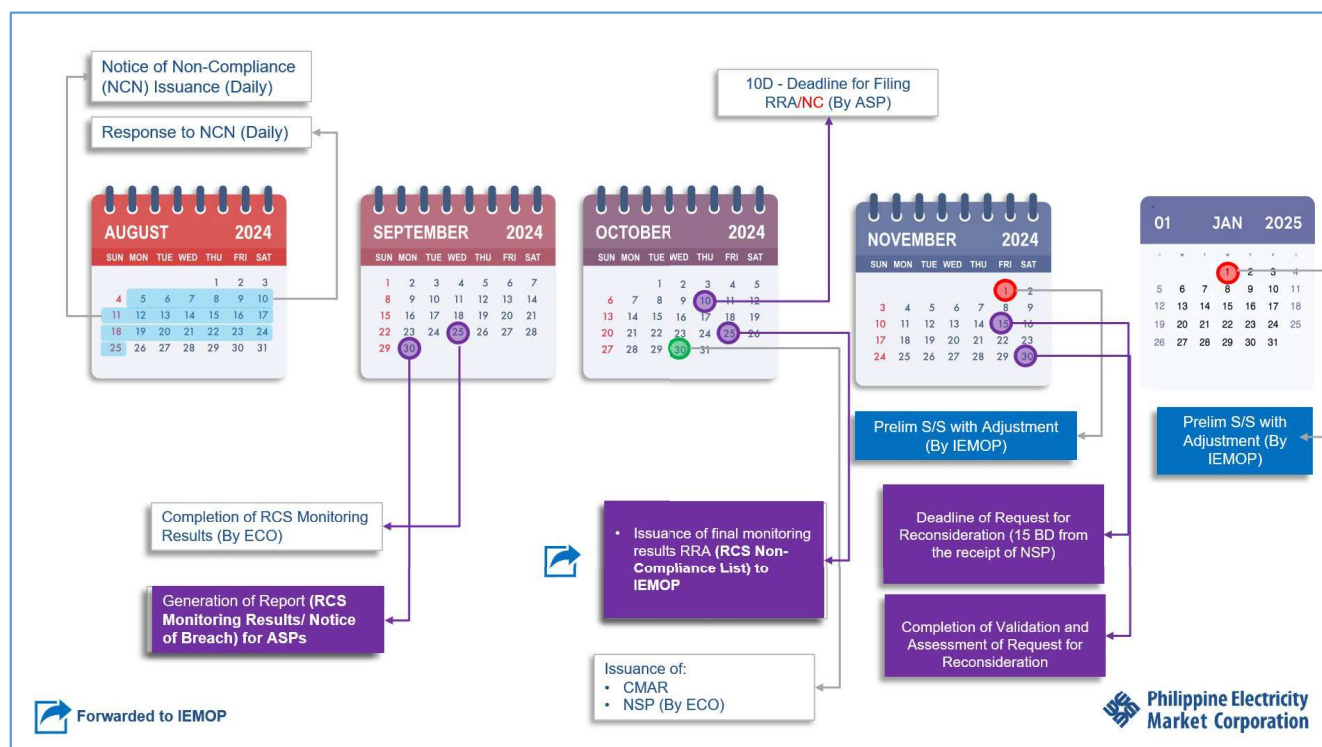


non-compliances due to lack of data. In such cases, the ECO can issue a separate proceeding for those missed intervals by virtue of the stated provisions in the ECM.

Given the ECO's response, Ms. Anosan suggested expressly specifying in the ASMM when the relevant provisions from the ECM will apply.

- **On Section 7.5.2 (under Revalidation and Reassessment)**

SPC/SIPC inquired if the results of the Request for Reassessment (RRA) can still be elevated to a Motion for Reconsideration or dispute by the concerned ASP. ECO responded that no further requests for reconsideration will be entertained after the Reassessment of RCS findings has been made. ECO responded that allowing reconsideration will result to a 30 to 40-day delay in implementing the Reserve Trading Amount (RTA) adjustment and will just undermine the proposed streamlined process to address the less efficient two-layer settlement mechanism from the original proposal. The illustration below shows the timeline if the Request for Reconsideration is allowed:



Ms. Parnacio explained that in the above scenario, the RTA adjustments for the August 2024 billing period were yet to be reflected in the January 2025 settlement statement.

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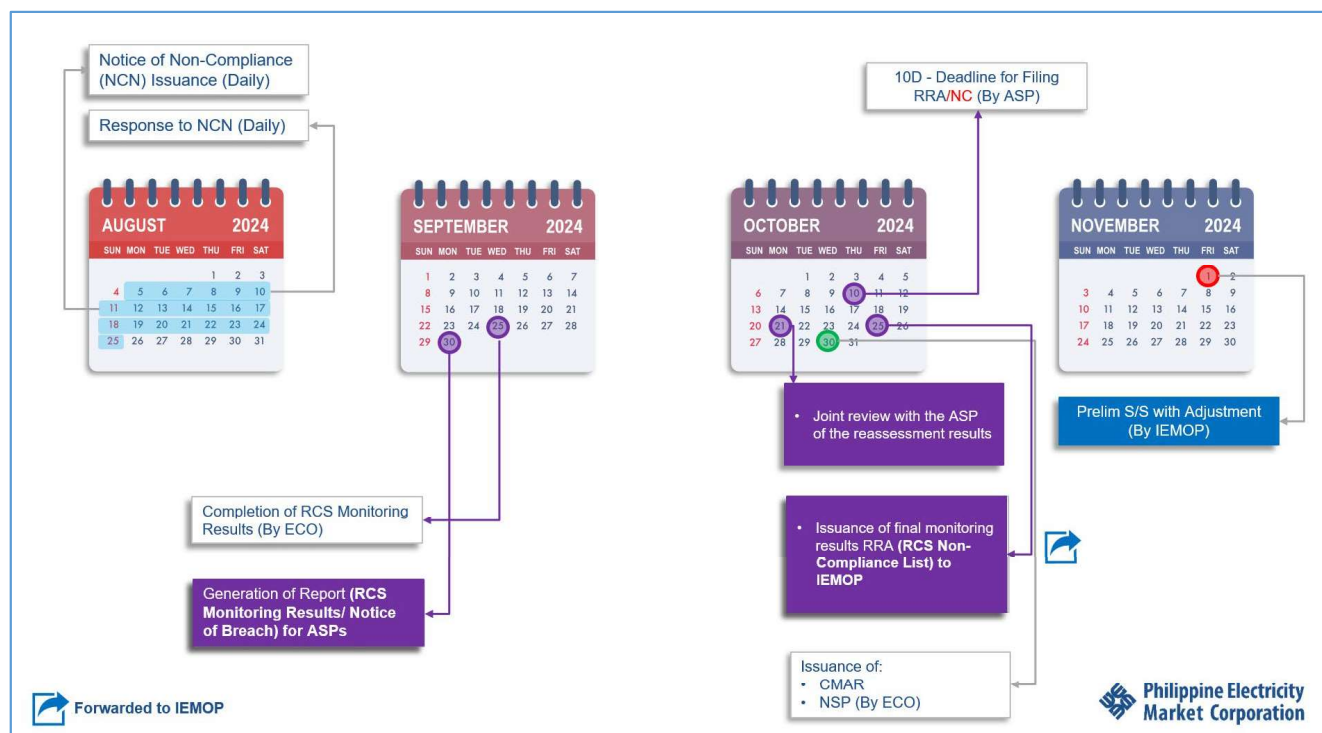
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As a counterproposal, ECO introduced a joint review process of the Reassessment between ECO and the concerned ASP to be reflected in Section 7.5.2, as follows:

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, and facilitate a joint review with the *Ancillary Services Provider* of the reassessment results, prior to issuance of the final monitoring results to serve as the basis for the Reserve Trading Amount adjustments. Provided that, should no confirmation or feedback be received from the *Ancillary Services Provider* within three (3) business days from receipt of the results, the same shall be deemed confirmed, and the *Enforcement and Compliance Office* shall be authorized to submit *Reserve Conformance Standards Non-Compliance List* to the Market Operator pursuant to Section 7.6.7 of this Manual.

Ms. Parnacio showed through the illustration below that with a joint ECO-ASP review process, RTA adjustments arising from the August 2024 billing period can already be reflected in the November 2024 settlement statement.



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Ms. Anosan inquired whether ECO has already discussed its proposed joint review process with the Market Operator and System Operator since inputs from both entities may be necessary during said joint review. Otherwise, if the timeline is not sufficient to obtain necessary input from either one entity or both, the proposed process might not be feasible at all. Ms. Parnacio responded that the ECO has not yet discussed this with either. However, Mr. Kristoffer Monico S. Ng (RCC-Market Operator) stated that from the Market Operator's point of view, they are more amenable towards ECO's proposal since it will not impact IEMOP's current settlement timeline. However, further discussions may be necessary on what further actions may be needed from the Market Operator during the joint review.

Ms. Parnacio further clarified that the ECO-ASP joint review of the RRA results is similar with the Motion for Reconsideration process, with the difference that the resolution through the joint review is faster. She reiterated that after the joint review, no further process will be done, and ECO will already forward the results to the Market Operator as basis of settlement. On the Market Operator's concern on any necessary confirmations from them during the joint review, she explained that the ECO can already coordinate with the Market Operator even during the initial phase (i.e., during verification and assessment) which is prior to the period of the joint review.

Mr. Francisco inquired if the ECO shall be providing the results of the ASP's RRA before the last day of ECO's proposed joint review (21st day of the month in the illustration). Ms. Parnacio responded that the ECO has not yet firmed up its process if it can already provide the results immediately after completing its review of each RRA for ASPs. In this case, Mr. Francisco suggested to define the timeline when ASPs will be notified of the results of the RRA so they would know on the part of the ASPs which intervals from the reassessment result shall be subjected for a joint review with ECO (i.e., a date between 10th and 21st day of the month) or if a joint review is not necessary at all.

Ms. Gubaton-Lopez commented that the ECO's counterproposal intends to strictly comply with the Market Operator's timeline for processing preliminary settlement statement starting on 25th of the month, such that the results of its review of RRAs and the joint review with the ASP should be taken into account in the preliminary statement. The reason why the ECO did not propose a definite timeline to notify ASPs on the results of its evaluation of RRAs is to consider those ASPs who submitted their RRA earlier, say, even before the 10th of the month. For such early submissions, the ECO can already start its evaluation and provide the results early, affording the ASP more time to further review the ECO's evaluation. For complex cases, the ECO conducts conferences with the ASPs to facilitate efficient review of the RRA.

To this, Mr. Francisco recommended crafting a procedure that provides a sufficient time for ASPs to review the ECO's RRA results and prepare for a possible joint review of the RRA.



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Given that the subject process is the final review phase after which no further appeals can be made by the ASPs, Ms. Anosan recommended providing very clear rules on how ASPs can exercise the joint review. She recommended specifying definite end dates on the joint review process. ECO provided a proposed rewording based on the comments, for RCC consideration:

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, and facilitate a joint review with the *Ancillary Services Provider* of the reassessment results, prior to issuance of the final monitoring results to serve as the basis for the Reserve Trading Amount adjustments which shall not be later than 21st day of the month in which the Request for Reassessment is filed. Provided that, should no confirmation or feedback be received from the *Ancillary Services Provider* within three (3) *business days* from receipt of the results, the same shall be deemed confirmed, and the *Enforcement and Compliance Office* shall be authorized to submit *Reserve Conformance Standards Non-Compliance List* to the Market Operator pursuant to Section 7.6.7 of this Manual.

Agreements:

- The RCC to review the amendments again in the next RCC meeting with a summary of the points discussed based on the two major topics of the proposal (RCS and timeline), for final approval.
- The Secretariat to finalize the matrix of the proposal.
- The Secretariat to draft the corresponding RCC resolution.

6.0 New Business

6.1 RCC Work Plan for CY 2025

- Presenter/s: Ms. Mary Rose L. Bisnar (Secretariat)
- Action Requested: For discussion and approval
- Material/s: Annex B – Secretariat's Presentation Material

Proceedings:

Ms. Mary Rose L. Bisnar (Secretariat) presented the draft RCC Work Plan for CY 2025 which included the following:



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- (i) List of Current Rules Change Proposal and its status; and
- (ii) List of PEMC or WESM Governance Committee Possible Rules Change Proposals.

During the meeting, the following matters were raised:

1. Processing of Rules Change Proposals for major market developments (e.g., Capacity Market)
 - The Secretariat clarified that before the RCC can participate in the processing of necessary rules changes related to major market developments or substantial changes in market design, the DOE must first promulgate an overarching policy. Upon the DOE directive, relevant entities (e.g., PEMC, IEMOP) will develop implementing process and procedures that would be subjected to the rules change process.
2. Rules Change Proposals on the Improvement to the Renewable Energy Market (REM) Rules
 - The Secretariat confirmed that proposals to change the REM Rules is the responsibility of the REM Governance Committee, thus should be deleted from the RCC Work Plan.

Agreements:

- ✓ The Secretariat shall email the draft 2025 RCC Work Plan, for RCC's further review and approval.
- ✓ The RCC noted submission of the work plan to the PEM Board by 31 March 2025 and will review the draft 2025 RCC Work Plan.

7.0 Other Matters

7.1 Highlights of PEM Audit Committee (PAC) Audit Report

- Presenter/s: Ms. Pamela Denise B. Cañete (PAC Secretariat)
- Action Requested: For information
- Material/s: Annex C – PAC Audit Report on the 1st Renewable Energy Registrar (RER) Operations

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Proceedings:

Ms. Pamela Denise B. Cañete (PAC Secretariat) presented the highlights of the PAC Audit Report on the 1st Renewable Energy Registrar (RER) Operations which was conducted by PEMC Internal Audit Department (IAD). The audit is divided into two tasks:

- Task 1 – RE Registrar Process and Compliance Review, which covers the RER's compliance with its obligations in the RE Market Rules and Manuals, relevant Circulars, Orders and other issuances of the DOE and ERC and existing Internal Business Procedures; and
- Task 2 – Philippine Renewable Energy Market System (PREMS) Enhancement Audit, which covers the enhancement made to the PREMS during covered period.

Ms. Cañete highlighted that, during the audit period, there were nine findings and six recommendations identified for Task 1, while two findings and two recommendations identified for Task 2. Of these, one finding and one recommendation were completed by PEMC which are to (1) address the inadequate control of REM documented information and (2) ensure that all published REM documents have appropriate identification and description, respectively. The rest of the audit findings and recommendations were endorsed to IEMOP as the new RE registrar effective 26 December 2024.

Overall, PEMC as the RER was found to be compliant with its duties, responsibilities, and obligations pursuant to Clause 1.2 of the REM Rules.

The RCC noted the report.

7.2 Update on Proposed Amendments

- Presenter/s: Mr. Divine Gayle C. Cruz (Secretariat)
- Action Requested: For information
- Material/s: Annex B – Secretariat's Presentation Material

Proceedings:

In addition to the updates on the proposed amendments outlined in the table below, Ms. Cruz highlighted that the commenting period of the *Proposed Amendment to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report* will conclude on 10 April 2025. The Secretariat proposed for the RCC to request a presentation from the Market Operator and the System Operator on their process on reconciliation of discrepancies in Dispatch Instruction Reports. This would provide the RCC a

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common context and reference on the reconciliation process to aid in the Committee’s deliberation.

Ms. Cruz provided the following status updates on the proposals:

Status	Topic
Proposed Amendments awaiting DOE’s approval	1. Interruptible Load Program 2. Enforcement and Compliance Manual in alignment with Penalty Manual 3. Rules Change Process
General Amendments under RCC Evaluation or Finalization	1. Dispatch Schedules below Minimum Stable Load 2. Further revision to the Urgent Amendment to the Ancillary Service Monitoring Manual 3. Must-Offer Rule (MOR) 4. Energy Storage System (ESS) 5. Validation Process of Reported Discrepancies in the Dispatch Instruction Report (DIR)
Urgent Amendment approved by the PEM Board	1. Dispatch Schedules below Minimum Stable Load 2. Further revisions to the Urgent Amendment on Ancillary Services Monitoring Manual
Deferred	1. Energy Storage System (ESS) – <i>pending issuance of ERC Rules on ESS</i> 2. <i>No Outstanding Balance</i> 3. <i>Electric Retail Aggregation Program</i>

Agreements:

The RCC noted the updates on the proposed amendments and agreed to request the Market Operator and the System Operator to present during the next RCC meeting their processes on reconciliation of discrepancies in Dispatch Instruction Reports.

7.3 DOE Updates

There are no updates from the DOE.

7.4 Schedule of Activities

Ms. Cruz informed the body about the schedule of activities, as follows:



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Activity	Date
RCC Meetings	11 April 2025 16 May 2025
BRC Meeting	17 March 2025 (Tentative)
PEM Board Meetings	26 March 2025 (Tentative)

RCC agenda items will be presented by Ms. Anosan during the BRC and PEM Board meetings.

Recognizing that the next RCC Meeting schedule would coincide with Good Friday on 18 April 2025, the RCC agreed to hold the meeting on 11 April 2025, as proposed by the Secretariat.

The RCC also noted that this revised schedule may conflict with the DOE Ancillary Services – Technical Working Group (AS-TWG) Meeting, which some RCC members attend.

Agreements:

The RCC noted the schedule of activities.

8.0 Adjournment

The meeting was adjourned at 12:06 PM.

Prepared by:



DIVINE/GAYLE C. CRUZ
 Rules Review Manager
 Market Assessment Group

Reviewed by:



KAREN ALVARQUEZ
 Senior Manager, Rules Review Division
 Market Assessment Group

Noted by:



BIENVENIDO C. MENDOZA JR.
 Chief Market Assessment Officer






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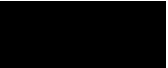
Approved by:



 RAFAEL A. P. ANOSAN
 Chairperson, Independent



 JESUSITO G. MORALLOS
 Member, Independent



 JORDAN REL C. ORILLAZA
 Member, Independent

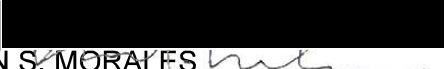

 EMMANUEL GENESIS T. ANDAL
 Member, Independent

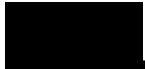

 DIANE Y R. BANZON
 Member, Generation Sector
 Masinloc Power Partners Co. Ltd. (MPPCL)



 JAYSON A. FRANCISCO
 Member, Generation Sector
 Aboitiz Power Corp. (APC)

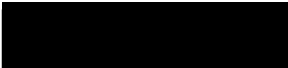

 CARMEN UDIO
 Member, Generation Sector
 Millennium Energy, Inc./Panasia Energy, Inc.
 (MEI/PEI)



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



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


 VIctor FORTICH, JR.
 Member, Distribution Sector
 Cebu III Electric Cooperative, Inc. (CEBECO II)


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


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



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


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

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

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Section 2 – Definition, References, and Interpretation 2.1 Definitions	g. Enforcement Related Notices -	Notice of Probable Breach – 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.	Notice of Probable Breach – A notice issued by the <u>Market Operator Enforcement and Compliance Office</u> to the <u>Ancillary Service Providers</u> . It specifies the <i>dispatch intervals</i> in which a probable breach of <i>Reserve Conformance Standards</i> is identified. It also specifies the amount adjusted or to be adjusted from the reserve trading amounts due from the System Operator as a result of probable breach flagging <u>after due assessment and verification.</u>	The Notice of Breach, currently issued alongside IEMOP's Preliminary Settlement Statement, will now be issued by ECO upon finding of breach of RCS, aligning it with the proposed elimination of outright deductions/adjustment s after the RCS Monitoring Results. No deductions will be effected until the Request for Readjustment (RRA; as remedy of ASP) has been availed of and/or completed. The Notice of Breach, which serves as				

¹ Mark-ups in black – proposed amendments approved in August 2024 (ORCP-WM-24-06); mark-ups in blue – proposed amendments approved in December 2024 (ORCP-WM-24-06B)



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				notification to the ASPs of the results, and as trigger, as well, for filing RRA, will retain its purpose. With the current proposal, the ECO will issue the Notice of Breach based on its RCS Monitoring Results.				
Section 2 – Definition, References, and Interpretation 2.1 Definitions	g. Enforcement Related Notices -	Notice of Reserve Amount Adjustment – A notice issued by the <i>WESM Governance Arm</i> to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> that serves as a directive to, and basis of the <i>Market Operator</i> to cause the revision or adjustment in the settlement statement on account of the findings of the <i>Enforcement and Compliance Office</i> concerning compliance with the <i>Reserve Conformance Standards</i> .	Notice of Reserve Amount Adjustment – A notice issued by the <i>WESM Governance Arm</i> to the <i>Market Operator</i>, the <i>System Operator</i>, and the <i>Ancillary Services Provider</i> that serves as a directive to, and basis of the <i>Market Operator</i> to cause the revision or adjustment in the settlement statement on account of the findings of the <i>Enforcement and Compliance Office</i> concerning compliance with the <i>Reserve Conformance Standards</i>.	For deletion. As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of reserve amount adjustments will be necessary after revalidation/ reassessment, as initial RCS monitoring results did not trigger any deductions.				



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Section 2 – Definition, References, and Interpretation 2.1 Definitions	g. Enforcement Related Notices -	Notice of Confirmation of Breach – A notice issued to the <i>Market Operator</i> , the <i>System Operator</i> , and the <i>Ancillary Services Provider</i> by the <i>WESM Governance Arm</i> after due assessment and verification by the <i>Enforcement and Compliance Office</i> which contains confirmation of the finding/s of breach as initially flagged by the <i>Market Operator</i> .	Notice of Confirmation of Breach – 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, assessed, and reported by the Enforcement and Compliance Office to the Market Operator.	For deletion. As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of breach confirmation will be necessary after revalidation/reassessm ent, as initial RCS monitoring results did not trigger any deductions.				
	i.	(NEW)	<u>i. Rated Capacity - The full-load continuous gross capacity of a unit under the specified conditions, as calculated from the electric generator nameplate based on the rated Power Factor.</u>	Reference: <ul style="list-style-type: none">PGC (2016 Ed.)Resolution No. 17, Series of 2023 “A Resolution Adopting the 2023 Revised Rules for the Issuance of				



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				<i>Certificates of Compliance (COCs) For Generation Facilities"</i>				
Section 2 – Definition, References, and Interpretation 2.1 Definitions	i.	i. Request for Reassessment with Notice of Claim – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i> , accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings.	i. j. Request for Reassessment with Notice of Claim – refers to a request of an <i>Ancillary Service Provider</i> for an independent or separate evaluation, validation, and assessment of its claim relative to a finding of breach of <i>Reserve Conformance Standards</i>, accompanied by a request to recalculate and/or adjust the settlement amount on account of the reassessed findings. j. k. Reserve - xxx	The proposed revision removes the phrase <i>'With Notice of Claim'</i> since deductions are deferred until the RRA process is completed. Consequently, ASPs seeking reassessment, under the current proposal, are merely requesting reconsideration of breach findings, without claiming payment adjustments or add-backs. Renumbering due to insertion of new term	MEI&PEI: Why is the requested action called “independent or separate” evaluation, validation, and assessment of the claim when the same will still be conducted by ECO as provided for in Section 7.5.1? We suggest to remove the words independent and separate.	MEI&PEI: Request for Reassessment-with Notice of Claim – refers to a request of an Ancillary Service Provider for an independent or separate another round of evaluation, validation, and assessment of its claim relative to a finding of breach of Reserve Conformance Standards, accompanied by a	ECO: We agree to remove the words "separate" and "independent" from the definition. Historically, the definition was based on the original ASMM version, where the System Operator (SO) should provide its own assessment to the Market Operator (MO) for consolidation. The term "independent evaluation"	Approved the proposed wordings of ECO



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						request to recalculate and/or adjust the settlement amount on account of the reassessed findings. <u>based on supporting data, information, records and documents that it provided to ECO.</u>	<p>referred to ECO's separate assessment of the SO's findings, if reassessment was requested by ASP. However, following the revisions to the ASMM, the SO's initial findings are no longer submitted to MO, thereby rendering the concept of a separate and independent review obsolete/ inapplicable.</p> <p>Concur <i>with modification</i>:</p> <p>Request for Reassessment – refers to a request of an Ancillary Service Provider for an independent</p>	



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							or separate review, re-evaluation, revalidation, and re-assessment of its claim relative to a the initial finding of breach of <i>Reserve Conformance Standards</i> .	
Section 2 – Definition, References, and Interpretation	k.	k. Reserve Amount Adjustment – the amount to be debited or credited to/from a <i>WESM Member</i> as a line-item adjustment to the <i>reserve trading amount</i> in connection with the results of the monitoring and assessment of the compliance of the <i>Ancillary Services Providers</i> with the <i>reserve conformance standards</i> .	k I. Reserve Amount Adjustment – the amount to be debited or credited to from a <i>WESM Member</i> as a line-item adjustment to or deduction from the <i>reserve trading amount</i> in connection with the final results or findings of breach of the monitoring and assessment of the compliance of the Reserve Conformance Standards the <i>Ancillary Services Providers</i> with the reserve conformance standards . + m. Reserve Conformance Standards - xxx	The term “final” is added to signify that the proceedings have completed the initial RCS monitoring and assessment, as well as any subsequent revalidation or reassessment. Only thereafter will IEMOP apply the reserve amount adjustment in the Preliminary Settlement Statement,	SPC/SIPC: Are the results of the Request for Reassessment can be further elevated to Motion for Reconsideration or Notice of Dispute by the Ancillary Service Providers?	SPC/SIPC: I. Reserve Amount Adjustment – the amount to be debited or credited to from a <i>WESM Member</i> as a line-item adjustment to or deduction from the <i>reserve trading amount</i> in connection with the final results or findings of breach of the monitoring and	Pursuant to ASMM Section 7.6.8, once a Reassessment has been conducted on RCS findings in response to the filing of RRA, no further requests for reconsideration or appeal will be entertained. Also, dispute resolution is a separate process, exclusively	RCC agreed with the proponent's comment to retain the definition since the concern is procedural Deliberation of the concern on the timeline will be on the correct provision



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				based on the finalized results. Renumbering due to insertion of new term.		assessment of the compliance of the Reserve Conformance Standards the Ancillary Services Providers with the reserve conformance standards. <u>which can be further subjected to Motion for Reconsideration or Notice of Dispute by the Ancillary Service Providers.</u>	applicable to market transaction-related disputes. Allowing the Request for Reconsideration (RR) would have the following implications: <ul style="list-style-type: none">A 30-40 day delay in implementing the Reserve Trading Amount (RTA) Adjustment.A reversion to the two-layer settlement mechanism, which could undermine the streamlined process	



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							<p>introduced in the recent urgent ASMM amendment.</p> <p>Counterproposal:</p> <p>We propose incorporating a final review process where ECO and the Ancillary Service Provider (ASP) jointly review the results prior to release of the RRA results.</p> <p>As the subject provision (Sec. 2.1 [k]) pertains to a definition of terms, whereas the recommendation is procedural in nature, we</p>	



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							alternatively suggest placing the proposed revision in Section 7.5.2 , which reads: “7.5.2 The <i>Enforcement and Compliance Office</i> , during verification and assessment, may also consult the <i>Market Operator</i> , the <i>System Operator</i> , or the <i>Metering Service Provider</i> , as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Ancillary Services Provider</i> . The <i>Enforcement and Compliance Office</i>	



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							shall perform the recalculation, as may be appropriate, <u>and facilitate a joint review with the Ancillary Services Provider of the reassessment results, prior to issuance of the final monitoring results to serve as the basis for the Reserve Trading Amount adjustments. Provided that, should no confirmation or feedback be received from the Ancillary Services Provider</u>	



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							<u>within three (3) business days from receipt of the results, the same shall be deemed confirmed, and the Enforcement and Compliance Office shall be authorized to submit Reserve Conformance Standards Non-Compliance List to the Market Operator pursuant to Section 7.6.7 of this Manual.”</u>	
Section 2 – Definition, References, and Interpretation	n.	(new)	<u>n. Reserve Conformance Standards Non-Compliance List – contains a list of all intervals with breach of the Reserve Conformance Standards occurring within a specified billing period.</u>	To include in the “Definition of Terms” the type of report required for submission to IEMOP after				



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2.1 Definitions			<u>including date and dispatch interval with breach, affected resource unit, reserve type and other relevant details pertaining to the non-compliance.</u>	considering RRA results and final RCS monitoring findings, serving as the basis for definitive one-time settlement adjustments.				
Section 2 – Definition, References, and Interpretation 2.1 Definitions		m. Reserve Facility - xxx n. Reserve Offer - xxx o. Reserve Offer Capacity Compliance - xxx p. Reserve Schedule - xxx q. WESM Reserve Market - xxx	m. o. Reserve Facility - xxx n. p. Reserve Offer - xxx o. q. Reserve Offer Capacity Compliance - xxx p. r. Reserve Schedule - xxx q. s. WESM Reserve Market - xxx	Renumbering of the succeeding terms in the “Definition of Terms” in view of the inserted / new defined term.				
Section 3 – Responsibilities 3.1 Market Operator	3.1.1	The <i>Market Operator</i> shall establish a procedure for the monitoring or flagging of <i>breach</i> 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.	The <i>Market Operator</i> shall establish a procedure for the <u>timely gathering and provision of available market data to the WESM Governance Arm that are necessary for the monitoring of compliance</u> monitoring or flagging of breach in accordance with the <i>Reserve Conformance Standards</i> and the rule pertaining to <i>Reserve Offer Capacity</i>	In reference to revision in Section 7.2 where the responsibility of flagging the probable breach is removed from MO. ECO will <u>flag</u> the breach, validate, assess, and <u>report</u> the results to MO.				



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			Compliance through the use of an appropriate facility.	MO will instead be in charge of the timely collection and gathering of data, and provision thereof to PEMC for the Reserve Market compliance monitoring purposes.				
Section 3 Responsibilities 3.4 Ancillary Services Provider	3.4.1	3.4.1 Ancillary Services Providers shall submit to the System Operator the following real-time data for purposes of monitoring compliance with the Reserve Conformance Standards. a. Generator mode of operations b. Dead band setting	3.4.1 Ancillary Services Providers shall submit to the System Operator the following real-time data for purposes of monitoring compliance with the Reserve Conformance Standards. a. Generator mode of operations b. Dead band setting <u>c. Speed droop characteristic</u>	Deletion of the term “real-time” to describe the required data of the System Operator from the Ancillary Services Providers that will be used for monitoring compliance with the Reserve Conformance Standards. Addition of Speed Droop characteristic to the required data from the Ancillary Services Providers (ASPs) in				



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				reference to Section 5.3.3 and 5.4.4.													
SECTION 5 – Reserve Conformance Standards 5.2 Provision of Data for Monitoring and Reporting	5.2.1	<p>The System Operator shall submit to the Market Operator data and reports that may be necessary in initially determining probable breach, such as but not limited to the following:</p> <table><tr><th>Data</th><th>Timeline of Provision</th></tr><tr><td>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)</td><td>Real-Time</td></tr></table>	Data	Timeline of Provision	Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)	Real-Time	<p>The System Operator shall submit to and shall submit to the WESM Governance Arm data and reports that may be necessary in initially determining probable breach, such as but not limited to the following:</p> <table><tr><th>Data</th><th>Timeline of Provision</th><th>Source</th></tr><tr><td>Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode,</td><td>Real-Time D+1</td><td>Market Operator</td></tr></table>	Data	Timeline of Provision	Source	Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode,	Real-Time D+1	Market Operator	<p>Ensuring all relevant data are considered to achieve more precise and reliable results, and to avoid any discrepancies. This approach also helps to effectively monitor and identify any potential breaches of regulations or market rules.</p> <p>Final BCQ-MO provision from monthly to every 15th of the month, as agreed with MO.</p>	<p>APC:</p> <p>The proposed additional data in the table found in Clause 5.2.1 should already be available to the Market Operator based on the submission of the Trading Participant to the Market Operator based on the Reserve Market Registration</p>	<p>ECO:</p> <p>This provision is consistent with the additional requirement under Section 5.6.2, which specifies that the rated capacity may be based on: (a) WESM registration records; and (b) declared capacity during testing, which may differ from the plant's nameplate rating.</p>	Approved to retain the provision
Data	Timeline of Provision																
Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode, Manual Dispatch Instruction)	Real-Time																
Data	Timeline of Provision	Source															
Generator mode of operation (e.g., Automatic Generation Control, Governor Control Mode,	Real-Time D+1	Market Operator															



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		<u>Dead band settings</u>	<u>Real-Time</u>	Manual Dispatch Instruction)			Additional data are added for clarity and consistency and to reflect current practice.	compliance particularly data indicated in the AS Certification. In line with this, to avoid possible confusion, the prevailing source of this data should be the data from the MO (instead of the SO) having processed the WESM registration data based on the original and authentic records (i.e. COC - also reliant on NGCP dox such as the GUCT). As observed at one instance, the data		The primary source of information shall be MO, unless the ASP requests a change. We recommend retaining this provision.	
		<u>Speed droop</u>	<u>Real-Time</u>	Deadband settings	<u>Real Time As necessar y</u>	<u>Market Operato r</u>					
		<u>Generator Status</u>	<u>Real-Time</u>	(<u>Based on certification</u>)							
		<u>Dispatch instructions</u>	<u>By 1200H of the next day for all instructions of the current trading day</u>	Speed droop <u>characteristic</u>	<u>Real Time As necessar y</u>	<u>Market Operato r</u>					
		<u>Outages</u>	<u>By 1200H of the next day for all instructions of the current trading day</u>	(<u>Based on certification</u>)							
		<u>Power System Frequency</u>	<u>Real-Time</u>	<u>Rated Capacity</u>	<u>As necessar y</u>	<u>System Operato r</u>					
		<u>Control Dead band</u>	<u>Real-Time</u>	Generator Status	<u>Real Time D+1</u>	<u>System Operato r</u>					
				Dispatch instructions	<u>By 1200H of the next day for all instruction s of the current trading day</u>	<u>System Operato r</u>					
					<u>D+1</u>						



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			Outages	By 1200H of the next day for all instructions of the current trading day	<u>System Operator</u>	For clarity.	provided by the SO to PEMC is not consistent with the said available records.	
				D+1				
			Power System Frequency	Real Time	<u>System Operator</u>			
			Control Dead band	Real Time				
			Desired MW/AGC Command	D+1	<u>System Operator</u>			
			Certified Capacity (Based on certification)	As necessary	<u>Market Operator</u>			
			Day-Ahead Ancillary Service Schedule (DAASS)	D-1	<u>System Operator</u>			
			BCQ-SO	D+1	<u>System</u>		Suggestion to add “D-1” to	
								ECO: We concur to include the notation "D-1" in the footnote, signifying the day preceding the relevant trading day.
								RCC approved the addition of “D-1” in the footnote



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		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>Operator</u>		mean day prior the concerned trading day.			
			<u>Final BCQ-MO</u>	<u>Every 15th of the following month</u>	<u>Market Operator</u>					
			<u>Actual MW Output</u>	<u>D+1</u>	<u>System Operator</u>					
			<u>Reserve Type (Based on certification)</u>	<u>As necessary</u>	<u>Market Operator</u>					
			For other data or reports not enumerated in the foregoing table, the <i>Market Operator</i> , <u>the WESM Governance Arm</u> , and the <i>System Operator</i> shall, from time to time, agree on the manner and schedule of submission.				<u>SPC/SIPC:</u> For clarity on the following Timeline of Provision: 1. D-1. 2. D. 3. D+1.	<u>SPC/SIPC:</u> <u>Add Footnote] “D-1” – Previous Day; “D” – Day; “D+1” – Next Day</u>		RCC approved the addition of “D-1” in the footnote
			<u>[Add Footnote] “D” - Day; “D+1”: Next Day</u>				<u>MEI&PEI:</u> Please clarify why the Market Operator is the source of data regarding generation mode of operation,		ECO: The mode of operation data is one of the inputs provided by the ASP via the MMS during the reserve offer submission process. As part of	



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					deadband settings and speed droop characteristic, whereas these data are submitted by the Ancillary Services Providers to the System Operator in accordance with Section 3.4.1.		the data exchange protocol, the MO shall submit reserve market data, including mode of operation data, to PEMC. We propose retaining the original provision. (Related Rule Section 3.4.1)	
					NGCP: Propose to designate the Market Operator as the source of generator status data, aligning with current practice.		ECO: We concur to designate the Market Operator as the source of generator status data, aligning with the current practice.	



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							For MO's confirmation.	
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserve	5.3.3	Reserve facilities scheduled to provide regulating reserve shall also ensure that they meet the following requirements during the relevant dispatch interval: a. Dead band is 0.15 Hz or lower if operating on GCM or AGC b. Speed-droop characteristic is 5% or lower; and c. Provision of reserve is sustainable for the entire dispatch interval.	Reserve facilities scheduled to provide regulating reserve shall also ensure that they meet the following requirements <u>based on the certified settings</u> during the relevant dispatch interval: a. Dead band is <u>0 Hz to +/- 0.15 Hz</u> 0.15 Hz or lower if operating on GCM or AGC; b. Speed-droop <u>Speed droop characteristic</u> is 5% or lower <u>and 1% or lower for Battery Energy Storage System if operating on GCM</u> ; and c. Provision of reserve is sustainable for the entire dispatch interval.	To indicate the correct dead band settings for GCM mode and to delete “or AGC” as there is no dead band requirement for AGC operations. No speed droop characteristic requirement for AGC since it is automatically controlled by a Supervisory Control and Data Acquisition (SCADA) from the SO Control Center or manual adjustment of load with specific instructions from the SO.	<u>MEI&PEI:</u> For consistency, Section 15.6.1 of the Dispatch Protocol Manual should also be revised to reflect the proposed amendment.		ECO: For SO's comment. Reference: From DPM Sec. 15.6.1 Reserve facilities scheduled to provide Regulating Reserve shall ensure that their deadband is set within +/- 0.15 Hz.	RCC approved the proposed amendment on Section 15.6 of the WESM DP 15.6 Deadband Settings <u>for GCM</u>



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				To include the speed droop characteristic for Battery Energy Storage System (BESS)				
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserve	5.3.4	A reserve facility providing regulating reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 and 5.7.1 or an average response time as set out in Sections 5.6.3 and 5.7.3 in any dispatch interval during the monitoring period shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following: a) Compliance with the response accuracy for each dispatch interval; and b) Compliance with the response time for each dispatch interval.	A reserve facility providing regulating reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 and 5.7.1 or an average response time as set out in Sections 5.6.3 and 5.7.3 <u>or Percentage (%) of Compliance as set out in sections 5.7.1</u> in any dispatch interval during the monitoring period <u>settlement interval</u> shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following: a) Compliance with the response accuracy for each dispatch interval; and b) Compliance with the response time for each dispatch interval.	To revise the averaging from a monthly period to hourly interval as this proposed approach would calculate the average response accuracy and response time for the reserve facility operating under GCM within each relevant hourly interval, providing a more balanced and granular assessment of compliance. To distinguish hourly averaging of response accuracy and response time (under GCM) from Percentage of				



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				Compliance (under AGC), in relation to the proposed revisions to Section 5.7 "Measuring Reserve Response Compliance of Generators on Automatic Generation Control".				
SECTION 5 – Reserve Conformance Standards 5.3 Reserve Conformance Standards for Regulating Reserve	5.3.5	Considering the provisions of Section 5.3.4, 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 Sections 5.6 and 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards for regulating reserves</i> for that <i>dispatch interval</i> .	Considering the provisions of Section 5.3.4, the relevant <i>reserve facility</i> that fails to meet either: (a) the required response accuracy of at least 80% or 75 <u>90</u> % or (b) the required response time of not more than five (5) or twenty-five (25) seconds, as applicable in accordance with Sections 5.6 and 5.7 at any <i>dispatch interval</i> will be considered breach of the <i>reserve conformance standards for regulating reserves</i> for that <i>dispatch interval</i> .	To be consistent with Section 5.7 and 5.8 90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve facilities operating under AGC	<u>MERALCO:</u> We would like to seek clarification on considering 90% compliance as "standard" for the SO in monitoring reserve facilities under AGC. 1. Who and how was the figure determined? 2. Is it consistent with the		ECO: The response accuracy metric is consistent with the standard practice by the System Operator in Ancillary Service (AS) testing, as well as in monitoring its contracted reserve facilities. While the ideal response is 100%, the 90% threshold is a practical	



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					Philippine Grid Code (PGC)?		benchmark that acknowledges operational realities while ensuring reliability in the grid. This requirement aligns with the Philippine Grid Code (PGC), which defines AGC as a system that adjusts generation to maintain dispatch schedule and its share of frequency regulation (through AGC command). Although the PGC does not specify a 90% compliance level, the SO’s implementation reflects a commitment to	



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							effective grid operations. For confirmation by NGCP-SO.	
					<u>APC:</u> May we know the wisdom behind the lowering of the required response accuracy from 80% or 75% to 80% or 90%? Based on data, will there be enough capacity that can meet this lower threshold?		ECO: The required response accuracy of at least 80% for GCM and 90% for AGC is aligned with the current practices from the System Operator during AS capability testing. Reserve facilities must meet these thresholds to achieve certification. For AGC, the required response	



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							accuracy has actually been tightened from 75% to 90%. Stricter standards can contribute to improve reliability/stability of the grid.	
					<u>MEI&PEI:</u> For clarity, please specify that the required response accuracy of at least 80% is for GCM, while the required response accuracy of at least 90% is for AGC. Similarly, please indicate	<u>MEI&PEI:</u> Considering the provisions of Section 5.3.4, the relevant reserve facility that fails to meet either: (a) the required response accuracy of at least 80% for GCM or 75 90% for AGC , or (b) the required response time of not more than five (5)	ECO: We concur. The revised wording accurately captures the intended meaning.	Approved the proposed wording from the commenter



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					that the required response time of not more than five seconds is for GCM, while the required response time of not more than twenty-five seconds is for AGC.	seconds for GCM or twenty-five (25) seconds for AGC , 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.		
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserve	5.4.4	Reserve facilities scheduled to provide contingency reserve shall also ensure that they meet the following requirements during the relevant dispatch interval: a. Dead band is greater than 0.15 Hz but less than 0.30 Hz if operating on GCM or AGC; b. Speed-droop characteristic is 5% or lower; and c. Provision of reserve is sustainable for the entire dispatch interval.	Reserve facilities scheduled to provide contingency reserve shall also ensure that they meet the following requirements based on the certified settings during the relevant dispatch interval: a. Dead band is greater than 0.15 Hz -0.16 Hz to -0.30 Hz but less than 0.30 Hz -0.15 Hz to -0.30 Hz if operating on GCM or AGC. b. Speed-droop Speed droop characteristic is 5% or lower and 1% or	To indicate the correct dead band settings for GCM mode and to delete “or AGC” as there is no dead band requirement for AGC operations. No speed droop characteristic requirement for AGC since it is automatically controlled by a	MEI&PEI: For consistency, Section 15.6.2 of the Dispatch Protocol Manual should also be revised to reflect the proposed amendment.		ECO: For SO's comment. Reference: From DPM Sec. 15.6.2 Reserve facilities scheduled to provide Contingency Reserve shall	Secretariat's Note: Check harmonization with DPM (the word in between)



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			<u>lower for <i>Battery Energy Storage System, if operating on GCM</i></u> ; and c. Provision of reserve is sustainable for the entire dispatch interval.	Supervisory Control and Data Acquisition (SCADA) from the SO Control Center or manual adjustment of load with specific instructions from the SO. To include the speed droop characteristic for BESS.			ensure that their deadband is set between -0.15 Hz and -0.30 Hz.	
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance Standards for Contingency Reserve	5.4.5	A reserve facility providing contingency reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 and 5.7.1 or an average response time as set out in Sections 5.6.3 and 5.7.3 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: a) Compliance with the response accuracy for each dispatch interval; and b) Compliance with the response time for each dispatch interval.	A reserve facility providing contingency reserve that fails to maintain an average response accuracy as set out in Sections 5.6.1 and 5.7.1 or an average response time as set out in Sections 5.6.3 and 5.7.3 <u>or Percentage (%) of Compliance as set out in sections 5.7.1</u> for the entire monitoring period <u>settlement interval</u> shall be flagged as non-compliant. Once flagged as non-compliant, a reserve facility will be assessed further based on the following:	To revise the averaging from a monthly period to hourly interval as this proposed approach would calculate the average response accuracy and response time for the reserve facility operating under GCM within each relevant hourly interval, providing a more balanced and granular				



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			a) Compliance with the response accuracy for each dispatch interval; and b) Compliance with the response time for each dispatch interval.	assessment of compliance. To distinguish hourly averaging of response accuracy and response time (under GCM) from Percentage of Compliance (under AGC), in relation to the proposed revisions to Section 5.7 "Measuring Reserve Response Compliance of Generators on Automatic Generation Control".				
SECTION 5 – Reserve Conformance Standards 5.4 Reserve Conformance	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 <i>breach</i> of the <i>reserve</i>	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% 90% 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 <i>breach</i> of the	To be consistent with Section 5.7 90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve facilities operating under AGC	<u>MERALCO:</u> Same as our comment in 5.3.5, we would like to seek clarification on considering 90% compliance as "standard" for		ECO: 1. The RCS criteria are derived from the NGCP's Ancillary Service Procurement Plan (ASPP),	



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Standards for Contingency Reserve		<i>conformance standards for contingency reserves for that dispatch interval.</i>	<i>reserve conformance standards for contingency reserves for that dispatch interval.</i>		the SO in monitoring reserve facilities under AGC. 1. Who and how was the figure determined? 2. Is it consistent with the PGC?		which, according to the System Operator, outlines the technical requirements for testing ancillary services. 2. Yes, the PGC establishes the basic rules, requirements, procedures and standards for grid operations, and mentions ASPP in the context of ancillary services.	



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					<u>APC:</u> May we know the wisdom behind the lowering of the required response accuracy from 80% or 75% to 80% or 90%? Based on data, will there be enough capacity that can meet this lower threshold?		ECO: Same as previous response for Section 5.3.5	
					<u>MEI&PEI:</u> For clarity, please specify that the required response accuracy of at least 80% is for GCM, while the	<u>MEI&PEI:</u> Considering the provisions of Section 5.3.4, the relevant reserve facility that fails to meet either: (a) the required response accuracy	ECO: We concur. The revised wording accurately captures the intended meaning.	Approved the proposed wording from the commenter



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					required response accuracy of at least 90% is for AGC. Similarly, please indicate that the required response time of not more than five seconds is for GCM, while the required response time of not more than twenty-five seconds is for AGC.	of at least 80% for GCM or 75% <u>90%</u> for AGC , or (b) the required response time of not more than five (5) seconds for GCM or twenty-five (25) seconds for AGC , 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.		



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SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserve	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.	After synchronization, the dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within fifteen (15) minutes from synchronization <u>and shall generate within the upper and lower dispatch thresholds of +/-1% of the dispatch instruction, or +/- 0.5 MW, whichever is higher. The facility shall sustain and maintain generation in accordance with the active instruction and any succeeding instructions from the System Operator until instructed to shut down.</u> Footnote: (See Illustration 1 of Appendix IV)	To add a criterion that in addition to the requirement for DR to generate within 15 minutes from the SO instruction, the reserve facility must follow a dispatch tolerance of +/- 1% (based on SO's standard practice for monitoring) or +/- 0.5 MW (based on the survey results conducted with DR-ASPs) for the given period and to clearly establish that the facility must sustain/continue to generate to meet the SO instruction until it receives a specific directive to stop generating. (See Illustration 1 in Annex C) Clerical	APC: We suggest that PEMC ECO's flagging process be aligned with the Dispatch Conformance Standards (“DCS”) by introducing a tolerance period/probation ary period. In the DCS framework, a Trading Participant is only flagged for potential breach after exceeding four intervals of non-compliance. However, under the current RCS, a single dispatch interval, despite meeting the	APC: Proposed additional provision, to wit: <u>For purposes of flagging the concerned Ancillary Services Provider, the generating unit shall be flagged for possible breach of the reserve conformance standards if the non-compliance count for a generating unit exceeds four (4) intervals for deviations beyond the error threshold.</u>	ECO: The DCS (for energy) and the RCS (for reserve) serve distinct purposes. While the DCS focuses on energy dispatch, the RCS prioritizes rapid response to frequency deviations in the grid, ensuring grid stability. Due to the time-sensitive nature of grid stability requirements, the RCS takes precedence over the DCS, emphasizing the critical importance of timely reserve response. This is why the rules for RCS are stricter,	Approved to retain the provision



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				revision to specify reference to the relevant illustration in Appendix IV.	other dispatch interval during the synchronization period, not meeting the dispatch threshold is considered a potential breach and will be included in the flagging issued by PEMC ECO.. Given the integrated nature of the energy and reserve markets in the Philippines’ co-optimization framework, we recommend applying similar or identical flagging standards to		as the swift and accurate provision of reserve capacity is crucial to maintaining grid reliability and preventing potential power disruptions. We propose retaining the original provision.	



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					both. This is justified as both markets utilize the same generating units and are exposed to similar operational risks and technical challenges. Consistent standards will ensure fair treatment and competition.			
					<u>ACEN:</u> Addition of paragraph In case the dispatch instruction is sustained even the reserve schedule is already lower	<u>ACEN:</u> After synchronization, the dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within fifteen (15) minutes from synchronization <u>and</u>	ECO: The concerns and proposed rewording in the last paragraph regarding additional compensation are likely addressed by Sections 10.1 and 10.2 of the Billing	Approved to retain the provision



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					than the active dispatch instruction, the MW in excess shall be tagged as an MOT run and shall be subject to Additional Compensation	<u>shall generate within the upper and lower dispatch thresholds of +/-1% of the dispatch instruction, or +/- 0.5 MW, whichever is higher. The facility shall sustain and maintain generation in accordance with the active instruction and any succeeding instructions from the System Operator until instructed to shut down.</u> <u>Any dispatch instruction higher than the Reserve Schedule, the</u>	and Settlement Manual, which provides separate guidelines on this matter.	



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						<i>capacity in excess of the Reserve Schedule shall be tag as MOT run and subject to to Additional Compensation</i>		
SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserve	5.5.4	[NEW]	<u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules.</u>	It covers instances where a facility (that is required to be offline) offers for DR but it is, in fact, not available when called to run. It will only be ascertained during the time that it is asked to run by SO. The dispatchable reserve facility that becomes non-dispatchable real-time or is unable to deliver the MW capacity in real-time due to an	<u>SNAP:</u> We suggest aligning this provision with the current practice of NGCP. If there is an intra-day spot and AS operation (either, spot, RR, CR or DR utilized) utilization, the preceding intervals with DR should no longer		ECO: ECO is currently implementing the suggested procedures during the validation and assessment process. This ensures that assessments consider any evidence of plant operation or availability during the previous intervals.	Review the appropriate wording. (what is proven otherwise).



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				outage or other cause/s of unavailability presupposes that it is not also available in the prior intervals (while it was offline). By being unable to run as DR, it does not serve its purpose, i.e., assuring the grid that it is indeed readily available for dispatch (when needed) in order to replenish the CR whenever a generating unit trips or a loss of a single transmission interconnection occurs.	be tagged as NCs. Furthermore, 1. It is a spot reserve market not a contractual obligation, NC's should be applicable only to the trading intervals that are affected by the outage. 2. It generalizes that whenever a generating unit trips, all preceding intervals of the same trading day that have DR schedules will be tagged as NC regardless if		Note that a reserve facility's unavailability during a specific interval is intended to create a <u>presumption</u> of unavailability in previous intervals, which can be disputed with credible evidence. To clarify this point, we propose the following rewording: “5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time dispatch instruction of the <i>System Operator</i>	



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					<p>it is available or not.</p> <p>3. It includes the part of being unable to provide DR due to loss of a single transmission which is sometimes not a fault on the supplier’s side. If it is indeed the supplier’s side fault, it is unfair to assume that all preceding DR schedules are unable to be delivered.</p> <p>4. It seems illogical to apply the NC retroactively, as</p>		<p>based on the <i>Reserve Schedule</i> due to an outage or unavailability shall be considered in breach of the <i>reserve conformance standards</i> for the <i>dispatch interval</i> that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules. <u>unless proven otherwise by the concerned Ancillary Service Provider.</u></p>	



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					we declare outages to NGCP and ERC whenever we are in an outage state, and a separate standard (reliability standard) applies in this case			
					<u>MERALCO:</u> In our 18 October 2024 submission, we inquired on the treatment of preceding intervals of the same trading day, wherein the dispatchable reserve facility was able to comply to the	<u>MERALCO:</u> <u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall</u>	ECO: Same response as previous.	Review the appropriate wording. (what is proven otherwise).



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					real-time dispatch instruction. In the proponent’s response circulated by the Rules Review Division via email on 14 November 2024, PEMC-ECO responded that “[t]he facility will not be flagged in the preceding intervals”. For clarity, we suggest that PEMC-ECO’s response be reflected in the provision.	<u>be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day where the dispatchable reserve facility has failed to comply with that have Dispatchable Reserve Schedules.</u>		



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					<p><u>SPC/SIPC:</u></p> <p>We can cluster the intervals that can be consider as breach of the reserve conformance standards, let us take the following scenario:</p> <p>Scenario 1: from Hour 0100H to 0300H (all the 5-minute dispatch intervals) had RDS (on its available, dependable or certified DR capacity).</p> <p>the dispatch call was given at</p>	<p><u>SPC/SIPC:</u></p> <p><u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable</u></p>	<p>ECO: Propose to retain original provision:</p>	<p>Review the appropriate wording. (what is proven otherwise).</p>



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					0240H (cut-in should be within 15 minutes or until 0255H), but the DR facility was not able to cut-in, thus non-payment of RTA for hour 0100H to 0300H. Scenario 2: from Hour 0100H to 0255H (all the 5-minute dispatch intervals) had RDS (on its available, dependable or certified DR capacity). the dispatch call was given at 0245H (cut-in	<u>Reserve Schedules. No breach of the reserve conformance standards will be imposed on the following scenarios:</u> <u>1. Whenever the system operator had another dispatch instructions (i.e. cancel the cut-in/synchronization, etc.).</u>	1) This scenario is already addressed in Section 5.5.3 of the ASM Manual, which provides guidance on <u>active or varying</u> instructions issued by the System Operator (SO). Reference: "5.5.3 After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed by the <i>System</i>	



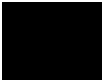
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					<p>should be within 15 minutes or until 0300H), however the SO gave another instructions at 0249H to cancel the cut-in/synchronization, with the above incident/instruction, we suggest that RTA for hour 0100H to 0255H should be paid.</p> <p>Scenario 3: from Hour 0100H to 0300H (all the 5-minute dispatch intervals) had RDS (on its available, dependable or</p>	<p><u>2. The preceding RDS is not dispatched and the succeeding dispatch intervals</u></p>	<p><i>Operator</i> within fifteen (15) minutes from synchronization and shall generate within the upper and lower dispatch thresholds of +/-1% of the dispatch instruction, or +/- 0.5 MW, whichever is higher. The facility shall sustain and maintain generation <u>in accordance with the active instruction and any succeeding instructions</u> from the System</p>	



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					<p>certified capacity).</p> <p>Starting 0305H, the DR facility now has RTD (energy market) participation (on its available, dependable or certified DR capacity), and is able to deliver the RTD and its applicable compliances, thus Payment of RTA for hour 0100H to 0300H (reserve transaction) should be made since the facility is able to prove is availability. Also, RTD</p>	<p><u>are RTD that is compliant with the applicable compliances on energy market.</u></p>	<p>Operator until instructed to shut down.”</p> <p>2) The proposed rewording suggested above may address this issue, as it provides a more comprehensive solution that would cover scenarios where evidence indicates the plant was operating or available, thereby challenging or disputing the presumption of unavailability</p>	



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					transaction should be paid. Scenario 4: Same scenario as Scenario 3 with another revised RDS for Scenario 1 starting at 0500H to 0700H, the dispatch call was given at 0640H (cut-in should be within 15 minutes or until 0755H), but the DR facility this time was not able to cut-in, thus Payment of RTA for hour 0100H to 0300H (reserve transaction)		in previous intervals. “5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time dispatch instruction “x x x <u>unless proven otherwise by the concerned Ancillary Service Provider.</u> ”	



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					should be made since the facility is able to prove is availability. Also, RTD transaction should be paid. But non-payment of RTA for hour 0500H to 0700H.			
					<u>ACEN:</u> Breach of the reserve conformance standards for the preceding intervals shall only start from the succeeding interval from the last compliant interval with Dispatchable reserve	<u>5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in</u>	ECO: The proposed rewording suggested above may address this issue, as it provides a more comprehensive solution that would cover scenarios where evidence indicates the plant was operating or available, thereby challenging or	Review the appropriate wording. (what is proven otherwise).



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					<p>schedule and corresponding instruction from the System Operator.</p> <p>This is aligned with the Implementing Guidelines on our ASPA DR contract.</p>	<p><u>breach of the reserve conformance standards for the dispatch interval that the non-compliance occurs, as well as for all preceding intervals of the same trading day that have Dispatchable Reserve Schedules. The breach of reserve conformance standards for preceding intervals shall only begin from the interval immediately following the last compliant interval with a Dispatchable Reserve Schedule and corresponding instruction from</u></p>	<p>disputing the presumption of unavailability in previous intervals.</p> <p>“5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time dispatch instruction “x x x <u>unless proven otherwise by the concerned Ancillary Service Provider.</u>”</p>	



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						<u>the System Operator.</u>		
					<u>MEI&PEI:</u> Considering the dispatch reserve facility to be outright in breach of the reserve conformance standards in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules may not be valid in	<u>MEI&PEI:</u> <u>A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve conformance standards for the</u>	ECO: The proposed rewording suggested above may address this issue, as it provides a more comprehensive solution that would cover scenarios where evidence indicates the plant was operating or available, thereby challenging or disputing the presumption of	Review the appropriate wording. (what is proven otherwise).



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					some cases. Suppose a reserve facility has RTD DR schedules for intervals 0005H to 1300H. Because of a generator tripping, it was dispatched by SO to provide DR service for intervals 0805H to 0900H. It successfully synchronized to the grid, ramped up to its DR schedule within the allowable time, and maintained its output until ordered by SO to shut down. Again, the	<u>dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules, following the last successful provision of dispatchable reserve service on the same trading day, if any.</u>	unavailability in previous intervals. “5.5.4 A dispatchable <i>reserve facility</i> that fails to comply with the real-time dispatch instruction “x x x <u>unless proven otherwise by the concerned Ancillary Service Provider.”</u> ”	



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					reserve facility was called upon by SO to provide DR service for interval 1205H, but this time, it failed to start up and was declared on forced outage due to plant equipment problem. In this instance, the reserve facility can rightfully be considered in breach of the RCS for interval 1205H and in the preceding intervals 0905H to 1200H. However, the reserve facility should not be considered in			



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					breach of the RCS for intervals 0005H to 0900H, and should be compensated accordingly.			
							<u>ECO:</u> “5.5.4 A dispatchable reserve facility that fails to comply with the real-time dispatch instruction of the System Operator based on the Reserve Schedule due to an outage or unavailability shall be considered in breach of the reserve	



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							conformance standards for the dispatch interval that the non-compliance occurs and in all preceding intervals of the same trading day that have Dispatchable Reserve Schedules-1 <u>subject to the following conditions:</u> <u>a. Any breach of the reserve conformance standards for the preceding intervals shall only commence from the interval immediately</u>	



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							<p><u>following the last actual provision of energy or delivery of the dispatchable reserve as called by the System Operator on the same trading day, if applicable.</u></p> <p><u>b. The Ancillary Services Provider shall not be considered in breach if it can prove that its reserve facility was actually available during the preceding intervals prior to being called to run as dispatchable reserve.</u></p>	



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SECTION 5 – Reserve Conformance Standards 5.5 Reserve Conformance Standards for Dispatchable Reserve	5.5.4	A <i>reserve facility</i> that fails to comply with the provisions set out in Sections 5.5.1, 5.5.2, or 5.5.3 at any <i>dispatch interval</i> shall be considered in breach of the <i>reserve conformance standards</i> for <i>dispatchable reserves</i> for that <i>dispatch interval</i> .	5.5.4 5.5.5 A <i>reserve facility</i> that fails to comply with the provisions set out in Sections 5.5.1, 5.5.2, or 5.5.3 at any <i>dispatch interval</i> shall be considered in breach of the <i>reserve conformance standards</i> for <i>dispatchable reserves</i> for that <i>dispatch interval</i> .	Renumbered to <u>5.5.5</u> due to inserted new provision (<i>see above Sec. 5.5.4</i>)				
Section 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.1	A <i>reserve facility</i> responding to a <i>frequency-driven event</i> through GCM shall maintain a response accuracy of at least 80% for the entire monitoring period.	A <i>reserve facility</i> responding to a <i>frequency-driven event</i> through GCM shall maintain <u>an average</u> response accuracy of at least 80% for the entire monitoring period <u>relevant settlement interval</u> . <u>For purposes of averaging under Sections 5.3.4 and 5.4.5, the response accuracy for a dispatch interval shall be capped at 120%.</u>	To revise the requirement from being measured over the entire monitoring period, to being measured within relevant settlement interval. This provides for a more granular and balanced assessment. Rationale for Capping at 120%: The 120% capping on the average response	<u>SNAP:</u> We suggest aligning the proposed cap with the current practice of NGCP in which response accuracy for a dispatch interval is being capped at 130%	<u>SNAP:</u> A <i>reserve facility</i> responding to a <i>frequency-driven event</i> through GCM shall maintain <u>an average</u> response accuracy of at least 80% for the entire monitoring period <u>relevant settlement interval</u> . <u>For purposes of averaging under Sections 5.3.4 and</u>	ECO: To clarify, there are distinct differences between “capping” and “tolerance” in this context. Specifically, the 120% capping limit applies to the hourly averaging of response accuracy for GCM. This means that if the actual response exceeds 120%, it	Approved to retain the provision



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				accuracy is intended to manage outliers (e.g. overshoot in response accuracy by 200-300%) and setting an upper limit or fixed threshold value of 120% as the reasonable metric in determining accuracy within a settlement interval.		<u>5.4.5, the response accuracy for a dispatch interval shall be capped at 120 130%.</u>	<p>shall be capped at 120% when calculating the hourly average.</p> <p>In contrast, the 130% tolerance level mentioned in Section 5.7.2.2 refers to the allowable range for actual generation of a reserve facility in response to an AGC command. This tolerance level requires the facility to generate within ±0.5 MW or 130% of the Desired Generation (whichever is higher) within 32 seconds.</p> <p>The said 130% tolerance is specific to AGC responses and</p>	



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							serves a different purpose than the 120% capping, which is used to limit response accuracy for dispatch intervals on GCM.	
					<u>MERALCO:</u> 1. In our 18 October 2024 submission, we inquired on the RCS compliance of the reserve facility if it was called to provide energy in the WESM. In the proponent’s response circulated on 14 November 2024, PEMC-ECO stated that		ECO: 1. Operating in accordance with the energy schedule has no impact on RCS because the energy schedule effectively serves as the reference setpoint from which the plant – operating under GCM – is expected to	



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					“[w]hile ASP may be flagged for DCS non-compliance, the provision of ancillary service will be considered an exempt circumstance, taking precedence over DCS requirements”. We would like to reiterate our request for clarification on the impact on RCS compliance if the reserve facility was called to provide energy in the WESM.		automatically respond. However, if a plant has reserve schedules that need to be utilized, its compliance with the energy schedule may be affected, potentially resulting in non-compliance flagging by the DCS. In such cases, prioritizing reserve market compliance provides a valid justification for any energy-related non-	



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					2. We would like to seek clarification on the basis for considering 120% as a “reasonable metric in determining accuracy within a settlement interval”. a. Who and how was the figure determined? b. Why was the cap not set, for example, at 110%?		compliance issues flagged by the DCS. 2. The RCS criteria are derived from the NGCP’s Ancillary Service Procurement Plan (ASPP) which, according to the System Operator, outlines the technical requirements for testing ancillary services. *For confirmation by SO	



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Section 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	5.6.2	<p>A reserve facility's response accuracy via GCM shall be calculated as follows.</p> $\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%$ <p>Where:</p> <p>Actual MW Response Capacity</p> <p>= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p>Expected MW Response Capacity</p> <p>= Static Gain x Frequency Change</p>	<p>A reserve facility's response accuracy via GCM shall be calculated as follows.</p> $\text{Response Accuracy} = \frac{\text{Actual MW Response Capacity}}{\text{Expected MW Response Capacity}} \times 100\%$ <p><u>Footnote: (See Illustration 2 of Appendix IV)</u></p> <p><u>a. When System Frequency falls below the lower deadband:</u></p> <p>Actual MW Response Capacity</p> <p>= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event</p> <p><u>Where: The Highest Actual MW Output is the value obtained 20 seconds after the Lowest frequency that occurred during the Frequency-Driven Event</u></p> <p><u>Frequency Change</u></p>	<p><u>Clerical revision to specify reference to the relevant illustration in Illustration 2 of Appendix IV in Annex C.</u></p> <p>Modification of the formula (i.e., addition of the “lowest” Actual MW output on the formula) for Actual MW Response Capacity to use both the highest and lowest actual MW output values, in order to reflect the correct response accuracy for any given Frequency Driven-Event, whether it requires an upward or downward response from Ancillary Services Providers (ASPs).</p>	<p><u>SMGP:</u></p> <p>We observed FDEs that lasted for more than 30 minutes, and our AS provider facility has varying quantities of reserve schedules during that period. This affects the response accuracy for specific intervals.</p>		<p>ECO:</p> <p>We recognize that this may impact response accuracy, but the recent revision in this section provides a potential solution. Specifically, it allows reserve facilities to operate within their scheduled reserves for ancillary service provision when the Expected MW Response Capacity exceeds the Reserve Schedule, subject to the System Operator's re-</p>	



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		Frequency Change = Worst Frequency Highest/Lowest – Frequency Prior to Frequency-Driven Event Frequency Prior to Frequency-Driven Event = Nominal Frequency ± Dead band Setting <i>Static Gain</i> $= \frac{\text{Scheduled MW Capacity}}{\text{Droop Setting} \times \text{Nominal Frequency}} \times 10$	<u>= Frequency Prior to Frequency-Driven Event - Lowest Frequency During Frequency-Driven Event</u> <u>Frequency Prior to Frequency-Driven Event</u> <u>= Nominal Frequency - Dead band Setting</u> <u>b. When System Frequency breaches the upper deadband:</u> <u>Actual MW Response Capacity</u> <u>= Lowest Actual MW Output – MW Output Prior to Frequency-Driven Event</u> <u>Where: The Lowest Actual MW Output is the value obtained 20 seconds after the highest frequency that occurred during the Frequency-Driven Event</u> Frequency Change	Rationale for the 20 seconds time reference: 20 seconds is a time frame that is typically critical for a reserve facility to respond to control signals being sent from SO's energy management system (EMS). NGCP-SO suggested retaining this practice (20-second horizon) for the Reserve Market to maintain consistency with the assessment of the ASPA based on current practice. NGCP may study this further and consider it for inclusion in another amendment, if warranted. Transposition in the formula for Frequency Change. This is to			dispatch instructions. <i>“In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the Reserve Schedule, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to System Operator's re-dispatch instructions. In such instances,</i>	



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			<p>= Frequency Prior to Frequency-Driven Event - Highest Frequency During Frequency-Driven Event</p> <p>Expected MW Response Capacity</p> <p>= Static Gain x Frequency Change</p> <p>Frequency Change</p> <p>= Worst Frequency</p> <p>Highest/Lowest – Frequency Prior to Frequency Driven Event</p> <p>Frequency Prior to Frequency Driven Event</p> <p>———— = Nominal Frequency ± Dead band Setting</p>	<p>ensure consistency with the sign of the resulting Expected Response with the Actual MW Output and to have a non-negative Response Accuracy.</p> <p>Addition of the word “during” to clarify that the frequency referenced should be the value observed during the frequency-driven event.</p> <p><u>(See Illustration 2 of Appendix IV in Annex C)</u></p> <p>Added for clarity the basis or “reference” in</p>			<p><i>the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.”</i></p> <p>During assessment, ECD will evaluate this on a case-by-case basis, considering the specific facts and circumstances.</p>	



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			<p><i>Static Gain</i> $= \frac{\cancel{\text{Scheduled MW}} \text{ Rated Capacity}}{\text{Droop Setting} \times \text{Nominal Frequency}} \times 10$</p> <p><u>For purposes of computing static gain, the determination of rated capacity shall be established by reference to: (a) the rated capacity as appearing in WESM registration records; or (b) the declared capacity from which the reserve facility was tested during the ancillary services certification. In the event of any discrepancy, the latter shall prevail for this purpose.</u></p> <p><u>If the system frequency breaches the upper deadband threshold, the reserve facility needs to react by decreasing generation to correct the frequency and vice versa. In this case, the Actual MW Response Capacity shall be calculated as the difference between the Highest or Lowest Actual MW Output, as the case may be, and the MW Output prior to the Frequency-Driven Event.</u></p>	<p>obtaining the rated capacity to be used in the formula for static gain.</p> <p>Given that the Expected MW Response Capacity can sometimes exceed both the Certified</p>	<p>Since all AS providers, regardless of technology, share the common purpose of ensuring grid stability, it is suggested to standardize the frequency deviation at 0.02 Hz</p>			



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			<u>The event will qualify as <i>Frequency-Driven Event</i>, for this purpose, if</u> (a) <u>the event lasts for more than five (5) seconds; and</u> (b) <u>the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage systems.</u> <u>In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the Reserve Schedule, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to System Operator's re-dispatch instructions. In such instances, the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.</u>	Capacity and the Reserve Schedule, it is crucial that the <i>Response Accuracy</i> should be calculated using the Reserve Schedule as reference in such cases, acknowledging that the reserve facilities are only required to operate within their reserve schedule when providing ancillary service. <u>(See Illustration 3 of Appendix IV in Annex C)</u>			This approach (0.01 Hz for BESS) aligns with the SO's existing practices and is especially well-suited for BESS due to the intrinsic characteristics of batteries, which allow them to respond swiftly to fluctuations in grid conditions.	
					APC: 1. For clarity, highest/lowest Actual MW should constitute the	APC: A reserve facility's response accuracy via GCM shall be calculated as follows.	ECO: We concur. The revised wording accurately captures the intended meaning of the provision.	



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			Footnote: (See Illustration 3 of Appendix IV)		highest/lowest MW output value. 2. The proposed wording is to make it clear that the monitoring duration is within the 20 seconds from the lowest freq and not just the actual MW output at exactly after 20 seconds.	Response Accuracy= (Actual MW Response Capacity)/(Expected MW Response Capacity) x 100% Footnote: (See Illustration 2 of Appendix IV) <u>a. When System Frequency falls below the lower deadband:</u> Actual MW Response Capacity = Highest Actual MW Output – MW Output Prior to Frequency-Driven Event <u>Where: The Highest Actual MW</u>	This is consistent with the current practice and implementation of the rules. Additionally, the proposed re-wording is supported by the illustrative scenarios presented in Appendix IV (2), specifically Scenarios 1 and 2, which demonstrate the practical application of the proposed revised wordings of the rule.	



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						<p>Output is the <u>highest MW output value obtained within 20 seconds after the Lowest frequency that occurred during the Frequency-Driven Event</u></p> <p><u>Frequency Change</u></p> <p><u>= Frequency Prior to Frequency-Driven Event - Lowest Frequency During Frequency-Driven Event</u></p> <p><u>Frequency Prior to Frequency-Driven Event</u></p> <p><u>= Nominal Frequency - Dead band Setting</u></p>		



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						<p><u>b. When System Frequency breaches the upper deadband:</u></p> <p><u>Actual MW Response Capacity = Lowest Actual MW Output – MW Output Prior to Frequency-Driven Event</u></p> <p><u>Where: The Lowest Actual MW Output is the lowest MW output value obtained within 20 seconds after the highest frequency that occurred during the Frequency-Driven Event</u></p>		



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					<p><u>SPC/SIPC:</u></p> <p>The Static gain formula should have a numerator equal to Reserve Dispatch Schedule (RDS) since the RDS is the basis of Ancillary Service and one of the parameters for the Reserve Trading Amount (RTA) aside from Reserve Dispatch Price (RDP).</p>	<p><u>SPC/SIPC:</u></p> <p>Static gain = [Scheduled MW Rated Capacity (RDS) / (Droop Setting x Nominal Frequency)] x (100%)</p>	<p>ECO:</p> <p>We suggest retaining the original provision. This provision follows extensive discussion during RCC deliberations regarding the use of <i>rated capacity</i> in calculating static gain. As previously explained by SO, the use of rated capacity in static gain calculations aligns with international best practices.</p> <p>For confirmation and comments of SO.</p>	



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					<p>ACEN:</p> <p>Annex A is not aligned with the proposed amendment stated.</p> <p>On Static Gain Calculation,</p> <p>The Scheduled MW Capacity should be considered and not the Rated Capacity in the formula of static gain. Reserve market is a volatile market, thus it is inherent that a plant is may possibly e to have varying MW schedule and initial</p>	<p>ACEN:</p> <p>xxx</p> <p><u>For purposes of computing static gain, the determination of rated capacity shall be established by reference to: (a) the rated capacity as appearing in WESM registration records; or (b) the AS-certified capacity as stated in the AS certificate. In the event of any discrepancy, the latter shall prevail for this purpose.</u></p> <p>xxx</p>	<p>ECO:</p> <p>We suggest retaining the original provision. This provision follows extensive discussion during RCC deliberations regarding the use of <i>rated capacity</i> in calculating static gain. As previously explained by SO, the use of rated capacity in static gain calculations aligns with international best practices.</p> <p>For confirmation and comments of SO.</p>	



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					<p>loading for every dispatch interval, which can be lower than its rated capacity and could affect its capability to comply with the Expected MW Response Capacity.</p> <p>In addition, a plant is only compensated based on its RM scheduled MW, thus it will be unfair to expect a response based on the plant rated capacity. This consideration should also be in parallel with the</p>	<p><u>In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the Reserve Schedule, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to System Operator's re-dispatch instructions. In such instances, the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.</u></p>	<p>Per ECO’s observation during the assessment, it is noted that the SO’s DIR includes remarks such as “MOT”. The SO’s</p>	



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					calculation of the response accuracy which also considers capping with respect to the scheduled capacity (as indicated in Illustration 3). However, if not accepted, another option is replacing the rated capacity with the certified capacity stated in the AS Certification of the plant given by NGCP. It will be more logical to put the accredited capacity since this shows the actual level of	<u>Any dispatch instruction higher than the Reserve Schedule, the capacity in excess of the Reserve Schedule shall be tag as MOT run and subject to to Additional Compensation</u>	detailed reporting of instances where plants are directed to operate beyond reserve schedules is already accounted for in this existing provision. “x x x subject to System Operator's re-dispatch instructions. In such instances, the System Operator shall include details of re-dispatch instructions in its dispatch instruction report.” Furthermore, concerns	



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					MW capability of the plant to provide an ancillary service, unlike the rated capacity that just shows the plant’s installed capacity but not necessarily equal to the MW capability that the plant can provide as an ancillary service. In cases where Expected Response > Reserve Schedule and SO give a dispatch instruction > Reserve Schedule, capacity beyond		regarding additional compensation, as mentioned above, are likely addressed by Sections 10.1 and 10.2 of the Billing and Settlement Manual, which provide separate rule on this matter.	



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					the reserve schedule shall be tagged as MOT run and subject to additional compensation			
					<u>MEI&PEI:</u> In Appendix IV, Illustration 2, Scenario 1, the Highest Actual MW Output is the value corresponding to the lowest frequency that occurred during the frequency-driven event, not the value obtained exactly 20 seconds after. Similarly, in Scenario 2,	<u>MEI&PEI:</u> xxx <u>Where: The Highest Actual MW Output is the value obtained within a 20- second period after the Lowest frequency that occurred during the Frequency- Driven Event</u> xxx <u>Where: The Lowest Actual MW Output is the value</u>	ECO: Same response as above under APC.	



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					the Lowest Actual MW Output is the value corresponding to the highest frequency that occurred during the frequency-driven event, not the value obtained exactly 20 seconds after. The actual MW output instead should be the highest/lowest value obtained within a 20-second period after the lowest/highest frequency, respectively, that occurred.	obtained within a 20-second period after the highest frequency that occurred during the Frequency-Driven Event		



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Section 5 – Reserve Conformance Standards 5.6 Measuring Reserve Response Compliance of Generators on Governor Control Mode	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.	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 relevant settlement interval .	Evaluating the response time during the relevant settlement interval, rather than an entire monitoring period, provides a more accurate and representative assessment of the facility's performance during the provision of Ancillary Service (AS).				
Section 5 – Reserve Conformance Standards 5.7 Measuring Reserve	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.	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% 90% of such AGC commands for the entire monitoring period relevant settlement interval .	Clerical revision to specify reference to the relevant illustration in Appendix IV. 90% compliance is to be consistent with the standard practice of NGCP-SO in monitoring reserve	<u>MERALCO:</u> Similar with our comment in 5.3.5 and 5.4.6, we would like to seek clarification on considering 90% compliance as “standard” for the SO in		ECO: ECO: The response accuracy metric is consistent with the standard practice by the System Operator in Ancillary Service (AS) testing, as well as in	



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Response Compliance of Generators on Automatic Generation Control			<p><u>Percentage (%) of Compliance of a reserve facility/unit operating on AGC is given below:</u></p> $\% \text{ Compliance} = \frac{\text{No. of Compliant AGC Commands}}{\text{No. of AGC Commands}} \times 100$ <p><u>Footnote: (See Illustration 4 of Appendix IV)</u></p>	<p>facilities operating under AGC.</p> <p>To reflect, for clarity, the formula in getting Percentage (%) of Compliance.</p> <p>To revise the requirement from being measured over the entire monitoring period, to being measured within each <u>relevant</u> settlement interval. This provides for a more granular and balanced assessment, as proposed in Sections 5.3.4 and 5.4.5.</p> <p>(See Illustration 4 of Appendix IV in Annex C)</p>	<p>monitoring reserve facilities under AGC.</p> <p>1. Who and how was the figure determined? 2. Is it consistent with the PGC?</p> <p>We note that in the proponent's response circulated on 14 November 2024, PEMC-ECO stated that it "[d]efer[s] to SO for further discussion". We would like to seek SO's response to our inquiry.</p>		<p>monitoring its contracted reserve facilities. While the ideal response is 100%, the 90% threshold is a practical benchmark that acknowledges operational realities while ensuring reliability in the grid.</p> <p>This requirement aligns with the Philippine Grid Code (PGC), which defines AGC as a system that adjusts generation to maintain dispatch schedule and its share of frequency regulation (through AGC command).</p>	



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							Although the PGC does not specify a 90% compliance level, the SO's implementation reflects a commitment to effective grid operations. For confirmation by NGCP-SO.	
Section 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of	5.7.2	A reserve facility is deemed compliant to an AGC command if: Actual MW Generation > (Desired MW Generation – Control Dead band); and Actual MW Generation < (Desired MW Generation + Control Dead band).	A reserve facility is deemed compliant to an AGC command if <u>the following conditions are met:</u> Actual MW Generation > (Desired MW Generation – Control Dead band); and Actual MW Generation < (Desired MW Generation + Control Dead band). <u>5.7.2.1 The Actual Generation of the reserve facility shall reach at least 63% of the Desired Generation within 25 seconds</u>	Adopted from the System Operator's standard practice for monitoring the compliance of their contracted AS Providers with the AGC commands.	<u>MERALCO:</u> In our 18 October 2024 submission, we inquired on the basis for setting: (1) a minimum at 63% of Desired Generation in Section 5.7.2.1, and (2) a range of 90%-130% of Desired Generation or		ECO: Same response as above. For SO's confirmation and response.	



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Generators on Automatic Generation Control			<u>from the time the AGC command is issued.</u> <u>5.7.2.2 Additionally, the Actual Generation of the reserve facility shall reach at least 90% but shall not exceed 130% of the Desired Generation or ± 0.5 MW from the Desired Generation, (whichever requirement is the higher threshold) within 32 seconds from the time AGC command is issued. The facility shall sustain and maintain generation throughout the command in such range set out herein.</u>		+/- 0.5MW from Desired Generation in Section 5.7.2.2. In the proponent’s response circulated on 14 November 2024, PEMC-ECO stated that it “[d]efer[s] to SO for further discussion” and that “[a]s mentioned by SO during consultation, these standard practices and parameters may be found in their ASPP”. We would like to seek further clarification on the following:			



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					1. How were the figures determined? 2. Are these standards for compliance monitoring also consistent with the PGC?			
					<u>ACEN:</u> In case of sustain instruction due to continuous AGC setpoint, SOC technical limitation of BESS shall be considered in calculating the response accuracy. We suggest including the facility SOC limitations as	<u>5.7.2.1 The Actual Generation of the reserve facility shall reach at least 63% of the Desired Generation within 25 seconds from the time the AGC command is issued.</u> <u>5.7.2.2 Additionally, the Actual Generation of the reserve facility shall reach at least</u>	ECO: We suggest retaining the original provision. Rather than granting a blanket exemption or exclusion, the ECO will consider the SOC limitations of BESS on a case-by-case basis. As currently being practiced by ECO, this assessment will involve evaluating:	



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					part of the IEMOP registration. Batteries that have already reached its SOC limitation during an actual dispatch instruction shall not be considered as non-compliant since SOC limitation is inherent to the batteries. If the non-compliance is given during this scenario, the SOC data shall suffice as supporting document in disputing the said non-	<u>90% but shall not exceed 130% of the Desired Generation or ± 0.5 MW from the Desired Generation, (whichever requirement is the higher threshold) within 32 seconds from the time AGC command is issued. The facility shall sustain and maintain generation throughout the command in such range set out herein.</u> <u>5.7.2.3 For BESS, intervals where SOC limitation were reached shall not be included in the AGC</u>	1. SOC limitations during actual dispatch instructions 2. The impact of these limitations on the facility's compliance Ideally, SOC limitations should not result in a reserve schedule. However, if a reserve schedule is issued despite SOC limitations, the ECO will take these limitations into account during the assessment. This would require a thorough and in-depth evaluation during the monitoring and assessment.	



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					compliance, or determining whether a non-compliance occurred at all.	<u>compliance calculation</u>		
Section 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	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.	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.	No longer applicable in view of the proposed revision in 5.7.2.				



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Section 5 – Reserve Conformance Standards 5.7 Measuring Reserve Response Compliance of Generators on Automatic Generation Control	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).	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).	No longer applicable in view of the proposed revision in 5.7.2.																
Section 5 – Reserve Conformance Standards 5.8 Summary Table of	5.8	<div><div><u>5.8 Summary Table of Reserve Conformance Standards for Each Reserve Type</u></div><div><table><tr><th colspan="3">For Regulating Reserves</th></tr><tr><td></td><td>On GCM</td><td>At least 80%</td></tr></table></div></div>	For Regulating Reserves				On GCM	At least 80%	<div><div><u>5.8 Summary Table of Reserve Conformance Standards for Each Reserve Type</u></div><div><table><tr><th colspan="3">For Regulating Reserves</th></tr><tr><td></td><td>On GCM</td><td>At least 80%</td></tr></table></div></div>	For Regulating Reserves				On GCM	At least 80%	To align the reserve conformance standards for each type of reserves set out in Sections 5.3.3 5.4.4, 5.5.3., 5.6.1 and 5.7.	<u>APC:</u> May we know the wisdom behind the lowering of the required response accuracy from		ECO Same response as above.	
For Regulating Reserves																				
	On GCM	At least 80%																		
For Regulating Reserves																				
	On GCM	At least 80%																		



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Reserve Conformance Standards for Each Reserve Type		Response Accuracy	On AGC	At least 75%	Response Accuracy	On AGC	At least 75% 90%		80% or 75% to 80% or 90%?							
		Response Time	On GCM	not more than 5 seconds	Response Time	On GCM	not more than 5 seconds									
			On AGC	not more than 25 seconds		On AGC	not more than 25 seconds <u>At least 63% of the desired generation within 25 seconds; and at least 90% and not more than 130% of the desired generation or 0.5 MW tolerance whichever is higher within 32 seconds</u>									
		Dead band Setting	0.15 Hz or lower		Response Time		On AGC			ACEN:	ACEN:	ECO:				
		Speed droop	5% or lower			BESS should be allowed of State-of-Charge Management (SOcM) in case of sustain dispatch due to continuous AGC setpoint, aligned with ASPA implementing guidelines.				Insertion of one row in the existing table: <table><tr><td>SoC M (for BES S)</td><td>On AGC</td><td>0 Hz to +/- 0.05Hz</td></tr></table>	SoC M (for BES S)			On AGC	0 Hz to +/- 0.05Hz	This section (Summary Table) only aims to consolidate the key parameters outlined in the narrative sections of this Manual for ease of reference. Introducing new parameters, such as the one proposed, would necessitate a comprehensive review and
		SoC M (for BES S)	On AGC	0 Hz to +/- 0.05Hz												
		Sustainability	for the entire <i>dispatch interval</i>													
		For Contingency Reserves			Response Accuracy	On GCM	At least 80%		Response Time	On GCM	not more than 5 seconds	On AGC	not more than 25 seconds			
		Response Accuracy	On AGC	At least 75%												
			Response Time	On GCM		not more than 5 seconds										
On AGC	not more than 25 seconds															



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		Dead band Setting	greater than 0.15 Hz but less than 0.30 Hz	Deadband Setting <u>on GCM</u>	<u>0 Hz to +/-0.15Hz or as per certification</u>				evaluation to ensure accuracy, alignment, and consistency. For SO's comment on the proposed addition.			
		Speed droop	5% or lower		Speed droop <u>characteristic on GCM</u>						5% or lower; <u>and 1% or lower for BESS</u>	
		Sustainability	for the entire <i>dispatch interval</i>								Sustainability	for the entire <i>dispatch interval</i>
		For Dispatchable Reserves									For Contingency 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> .	Response Accuracy	On GCM						At least 80%	
					On AGC						At least 75% <u>90%</u>	
				Synchronization	Within 15 minutes upon advice from the <i>System Operator</i>						Response Time	On GCM
		On AGC	not more than 25 seconds <u>At least 63% of the desired generation</u>									
		Sustainability	After synchronization, the <i>dispatchable reserve facility</i> shall deliver the MW capacity instructed									



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			by the <i>System Operator</i> within 15 minutes		<u>within 25 seconds; and at least 90% and not more than 130% of the desired generation or 0.5 MW tolerance whichever is higher within 32 seconds</u>			
				Deadband Setting on GCM	<u>-0.16 - 0.15 Hz to -0.30 Hz or as per certification</u>			
				Speed droop characteristic on GCM	5% or lower; <u>and 1% or lower (for BESS)</u>			
				Sustainability	for the entire <i>dispatch interval</i>			



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			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 dispatchable reserve facility shall deliver the MW capacity instructed by the System Operator within 15 minutes <u>Must sustain the upper and lower threshold of +/-1% of the dispatch instruction or +/- 0.5 MW whichever is higher, within 15</u>				



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				<u>minutes from synchronization</u>				
			[Add footnote in title: <u>Adopted from the parameters being implemented by the System Operator for its own compliance monitoring of contracted Ancillary Service Providers</u>]					
Section 7 Monitoring Compliance with Reserve Conformance Standards	7.2	7.2 Flagging of Breach of Reserve Conformance Standards	7.2 Flagging of <u>Probable</u> Breach of Reserve Conformance Standards		Change in Sub-section Title. To make a clear distinction between breach (as initially flagged by the system) and the breach (after due validation, verification, and assessment).			



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.1	The <i>Market Operator</i> shall, through a dedicated monitoring facility, flag a breach of the <i>Reserve Conformance Standards</i> by the <i>Ancillary Services Provider</i> based on the parameters set in Section 5, and shall notify the <i>System Operator</i> , the <i>Ancillary Services Provider</i> , and the <i>Enforcement and Compliance Office</i> of the same.	The <i>Market Operator</i> <i>Enforcement and Compliance Office</i> shall, through a dedicated monitoring facility, flag a breach of the <i>Reserve Conformance Standards</i> by the <i>Ancillary Services Provider</i> based on the parameters set in Section 5, and shall notify the <i>System Operator</i> , the <i>Ancillary Services Provider</i> , and the <i>Enforcement and Compliance Office</i> of the same.	ECO to flag the probable breach of the RCS as essential part of the monitoring process. Related revision: See Section 3.1.1 above on the responsibility of the Market Operator				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve	7.2.2	The <i>Market Operator</i> and the <i>System Operator</i> shall provide copies of the data and information to the <i>Enforcement and Compliance Office</i> which will be used by the latter as basis for the validation or confirmation of breach of the <i>Reserve Conformance</i> in accordance with the procedures set out in Section 7.5. The <i>Enforcement and Compliance Office</i> shall generate monitoring results for reconciliation with the results generated by the <i>Market Operator</i> .	The <i>Market Operator</i> and the <i>System Operator</i> shall provide copies of the data and information to the <i>Enforcement and Compliance Office</i> which will be used by the latter as basis for the validation, verification, and assessment or confirmation of breach of the <i>Reserve Conformance Standards</i> in accordance with the procedures set out in Section 7.5. The <i>Enforcement and Compliance Office</i> shall generate monitoring results for reconciliation with the results generated by the <i>Market Operator</i> within twenty five	For Deletion and Transfer with changes to Section 7.3.3 This section refers to flagging of probable breach. This should be covered by the subsequent procedure of validation, assessment, and reporting of results				



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Conformance Standards			<p>(25) business days after the end of the covered monitoring period. The Reserve Conformance Standards monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.</p> <p>The Enforcement and Compliance Office shall furnish the System Operator a copy of the monitoring results for any feedback or confirmation of the results or findings.</p>	<p>Transfer to Section 7.3.3 (with modification) for coherence. Further, we propose to delete the 2nd paragraph, in view of the NGCP's comment to remove its responsibility to submit its own RCS monitoring report for consolidation. (See related comment on Section 7.2.3)</p> <p>Consequently, there is no need to furnish SO with the copy of ECO's initial RCS monitoring results for feedback.</p> <p>Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results</p>				



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				Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report (a)				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve	7.2.3	The <i>Market Operator</i> shall consolidate the initial monitoring results relating to compliance with the <i>Reserve Conformance Standards</i> for the relevant billing period on or before the end of the month of the covered billing period. It shall then confer with the <i>System Operator</i> and the <i>Enforcement and Compliance Office</i> 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.	The Enforcement and Compliance Office Market Operator shall consolidate its own the initial monitoring result and the confirmation or report of the System Operator, if any, 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	For deletion. Agreeing with NGCP-SO's proposal to remove this responsibility to submit its own monitoring results for consolidation by ECO. This would simplify the process and avoid discrepancies that may				



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Conformance Standards			monitoring within five (5) calendar days after the end of the billing period not later than the 25th day of the month following the covered monitoring period. For instance, the results for August Billing Period shall be consolidated on or before 25 September.	arise from any possible different findings.				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	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.	7.2.4 7.2.2 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.	Renumbered as 7.2.2 due to changes in the preceding sections.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.5	If it becomes impossible to allocate the exact amount for settlement adjustments or penalty in accordance with the preceding paragraph, by reason of indivisibility of the breach committed by <i>Ancillary Services Provider</i> , the same shall be determined based on the scheduled capacity for reserves under the <i>Ancillary Services Procurement Agreement</i> and the <i>Reserve Market</i> .	7.2.5 <u>7.2.3</u> If it becomes impossible to allocate the exact amount for settlement adjustments or penalty in accordance with the preceding paragraph, by reason of indivisibility of the breach committed by <i>Ancillary Services Provider</i> , the same shall be determined based on the scheduled capacity for reserves under the <i>Ancillary Services Procurement Agreement</i> and the <i>Reserve Market</i> .	Renumbered as 7.2.3 due to changes in the preceding sections.				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve	7.2.6	If no feedback or confirmation is received from the <i>System Operator</i> or no reconciliation is made after the lapse of the period set in Section 7.2.3, the <i>Market Operator</i> shall proceed with the finalization of the monitoring breach of the <i>reserve conformance standards</i> .	If no feedback, or confirmation, or report is received from the System Operator or no reconciliation is made after the lapse of the period set in Section 7.2.3, the Enforcement and Compliance Office shall submit to the Market Operator the monitoring results. The Market Operator shall thereafter proceed with the settlement adjustment as set out in Section 7.2.7 based on the monitoring report submitted by the Enforcement and Compliance Office on compliance of the Ancillary Services Providers with	For deletion in alignment with the proposal to: a) Remove the responsibility of NGCP-SO to provide feedback, confirmation, or report received from ECO or provide report based on its own				



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Conformance Standards			the finalization of the monitoring breach of the reserve conformance standards.	monitoring of the RCS. b) defer the reporting to IEMOP until the RRA is resolved				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.2 Flagging of Breach of Reserve Conformance Standards	7.2.7	The finding of breach of <i>reserve conformance standards</i> , as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a).	The finding of breach of <i>reserve conformance standards</i>, as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a).	For deletion. Transferred with changes to Section 7.6.3 in alignment with the proposal to defer the reporting to IEMOP and the non-payment of reserve trading amounts until the RRA is resolved.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards	7.3	7.3 Settlement Amount Due from the System Operator After Monitoring	7.3 Settlement Amount Due from the System Operator After Monitoring <u>Validation, Assessment, and Reporting Results</u>	<p>Change in Sub-Section Title</p> <p>This entire sub-section section is proposed to be removed, aligning with the deferred reporting to IEMOP and non-payment of reserve trading amount payments until RRA resolution.</p> <p>Instead, the section will be <u>replaced</u> with compliance monitoring procedures outlining validation, assessment, and reporting results to ensure coherence.</p> <p>Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – <u>Validation, Assessment, and Reporting Results</u></p>				



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				Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount Due	7.3.1	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: a. calculate the settlement amount due from the System Operator taking into account the finding of breach of the <i>reserve conformance standards</i> on or before the due date for the issuance of preliminary settlement statements, as set	7.3.1 Upon receipt of the monitoring report of the Enforcement and Compliance Office, reconciliation or confirmation of the results of the monitoring of the Reserve Conformance Standards following the procedure referred to in Section 7.2 7.2.6, the Market Operator shall: a. calculate the settlement amount due from the System Operator taking into account the finding of breach of the reserve conformance standards on or	For deletion. Transferred to Section 7.7.1, aligning with the deferred reporting to IEMOP and non-payment of reserve trading amount payments until RRA resolution.				



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from the System Operator after Monitoring		<p>in the Billing and Settlement Manual. For this purpose, the Market Operator is authorized to automatically deduct from the settlement amount the reserve amount to the Ancillary Services Provider pertaining to the intervals where an initial determination of breach was flagged; and</p> <p>b. send the Notice of Probable Breach to the Enforcement and Compliance Office, which shall perform the necessary validation and assessment and shall issue the Compliance Monitoring and Assessment Report, as set out in Section 7.5 and Section 7.6.</p>	<p>before the due date for the issuance of preliminary settlement statements, as set in the Billing and Settlement Manual. For this purpose, the Market Operator is authorized to automatically deduct from the settlement amount the reserve amount to the Ancillary Services Provider pertaining <u>corresponding to the number of intervals where an initial determination of breach was flagged with findings of breach of the Reserve Conformance Standards; and</u></p> <p>b. send the Notice of Probable Breach to the Enforcement and Compliance Office, which shall perform the necessary validation and assessment and shall issue the Compliance Monitoring and Assessment Report, as set out in Section 7.5 and Section 7.6. send the preliminary settlement statement to the Ancillary Services Providers which shall include the Notice of Breach in accordance with the timeline provided in the Billing and Settlement Manual.</p>					



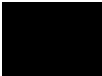
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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount Due from the System Operator after Monitoring	7.3.1	(new)	<u>7.3.1 The Enforcement and Compliance Office shall conduct daily validations, verifications, and assessments of Ancillary Service Providers’ compliance, utilizing submissions from said Ancillary Service Providers, data and information from the Market Operator, System Operator, and other relevant agencies or entities.</u>	To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs. 7.3.1 – daily verification and assessment 7.3.2 – request for additional documents from ASPs 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – providing RCS monitoring results to ASPs				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards	7.3.2	(new)	<u>7.3.2 The Enforcement and Compliance Office may also request additional documents or information from Ancillary Service Providers, to clarify or substantiate their explanations or reasons, as necessary. For this purpose, the Enforcement and Compliance Office may establish and require use of a designated reply</u>	To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs. 7.3.1 – daily verification and assessment				



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7.3 Settlement Amount Due from the System Operator after Monitoring			<u>format, template, or tool to ensure accuracy, completeness, and consistency of responses.</u>	7.3.2 – request for <u>additional documents from ASPs</u> 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – providing RCS monitoring results to ASPs				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount Due from the System Operator	<u>7.2.2</u>	<u>7.2.2</u> The <i>Enforcement and Compliance Office</i> shall conduct validation, verification, and assessment of breach of the <i>Reserve Conformance Standards</i> . The <i>Enforcement and Compliance Office</i> shall generate monitoring results within twenty-five (25) business days after the end of the covered monitoring period. The <i>Reserve Conformance Standards</i> monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.	7.2.2 <u>7.3.3</u> The <i>Enforcement and Compliance Office</i> shall conduct <u>complete its</u> validation, verification, and assessment of breach <u>and shall generate the results of the monitoring</u> of the <i>Reserve Conformance Standards</i> <u>at the end of the calendar month following the covered monitoring period, unless force majeure events necessitate an extension to accomplish the monitoring results.</u> The <i>Enforcement and Compliance Office</i> shall generate monitoring results within twenty-five (25) business days after the end of the covered monitoring period. The <i>Reserve Conformance Standards</i>	Transferred with changes from Section 7.2.2 To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs. 7.3.1 – daily verification and assessment 7.3.2 – request for additional documents from ASPs 7.3.3 – <u>generation of the RCS monitoring</u>	<u>MERALCO:</u> In our 18 October 2024 submission, we inquired if the ECO's failure to include an ASP's breach in the RCS monitoring results mean that the ASP can no longer be penalized, even if it was discovered subsequently to		ECO: Although this Manual does not specify a mechanism for revisiting past transactions or flagging, the Enforcement and Compliance (EC) Manual provides reference to address this concern.	



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after Monitoring		<p>The <i>Enforcement and Compliance Office</i> shall furnish the <i>System Operator</i> a copy of the monitoring results for any feedback or confirmation of the results or findings</p> <p><i>*Transferred with changes from Section 7.2.2</i></p>	<p>monitoring report shall include the specific intervals, resource unit/s, the type of reserve that is found in breach, and such other relevant information as may be appropriate.</p> <p>The <i>Enforcement and Compliance Office</i> shall furnish the <i>System Operator</i> a copy of the monitoring results for any feedback or confirmation of the results or findings</p>	<p>results after due <u>assessment and validation</u></p> <p>7.3.4 – providing RCS monitoring results to ASPs</p> <p>On the deadline for generating results (originally set under Section 7.2.2 every 25th of the month):</p> <p>Extending the deadline for generating the initial RCS monitoring results <u>until the end of the following month</u> will provide additional time for comprehensive assessment. This adjustment allows for a more detailed explanation on the part of ASPs during the monitoring activity, and thorough evaluation on the part ECO, as deductions/adjustment s are, after all, deferred</p>	<p>be non-compliant.</p> <p>In the proponent's response circulated on 14 November 2024, PEMC-ECO stated that: "Yes. This is the reason why ECO endeavors to implement a more robust monitoring system, automating flagging through a system-based process to guarantee comprehensive breach detection, ensuring no flagging is</p>		<p>According to the EC Manual, the SO, MO, WESM Members, and WGCs can file a Request for Investigation (RFI) or ECO may initiate a <i>motu proprio</i> investigation, provided it is within the 2-year prescriptive period.</p> <p>We recommend utilizing the ECM manual's provision, which allows SO/MO/WESM Members to submit an RFI if any flagging issues are missed, but later discovered by any party:</p>	



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				pending the RRA resolution by the ECO ensuring higher quality final RCS monitoring results. As recommended by IEMOP, used “force majeure” (instead of “extraordinary circumstances” as initially proposed by PEMC) as ground for extending the timeline to submit RCS Non-Compliance List to IEMOP.	overlooked or missed.” If, despite PEMC-ECO’s efforts to complete verification, validation, and assessment of breaches, there was still failure to flag a breach within the prescribed period, will the non-compliant ASP no longer be penalized, even if the resulting adjustment lowers the reserve trading amount eventually paid by consumers?		“7.1.1 Investigations under this Manual refer to investigations which emanate from the request for investigations or notice of probable breach filed by the <i>Market Operator</i> , the <i>System Operator</i> , or other <i>WESM Members</i> . These do not include any monitoring activities initiated by the	



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							<i>Enforcement and Compliance</i> itself which are already being dealt with under the preceding Section of this Manual. 7.1.2 Notwithstanding the provision of Sections 5.2.3 and 7.1.1, the <i>Enforcement and Compliance Office</i> may, <i>motu proprio</i> , initiate investigation if it has reasonable	



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							grounds to believe that a particular act or omission by any <i>WESM Member, Market Operator, or System Operator</i> constitutes a probable breach of the <i>Market Rules</i> , and which is not otherwise included or covered by the compliance monitoring activities referred to in Chapter 6 of this Manual.	



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							7.1.7 Investigation s shall be initiated within two (2) years from occurrence of the act or omission constituting the probable <i>breach</i> . For example, investigation of an event occurring on 01 January 2014 shall be initiated not later than 01 January 2016 which is the end of the two-year period.” (EC Manual)	



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount Due from the System Operator after Monitoring	7.3.4	(new)	<u>7.3.4 The Ancillary Service Providers shall be notified within the period specified in Section 7.3.3 of any non-compliance with Reserve Conformance Standards for their respective reserve facilities through the issuance of a Notice of Breach.</u>	To add specific guidelines for validation, verification, assessment, and reporting of results to ASPs. 7.3.1 – daily verification and assessment 7.3.2 – request for additional documents from ASPs 7.3.3 – generation of the RCS monitoring results after due assessment and validation 7.3.4 – <u>providing RCS monitoring results to ASPs</u>				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.3 Settlement Amount Due from the System Operator after Monitoring	7.3.5	7.3.2 The Notice of Probable Breach of the Reserve Conformance Standards shall contain, at a minimum, the specific intervals, resource unit/s, 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 Ancillary Services Providers as a consequence of the breach.	7.3.2 <u>7.3.5</u> The Notice of Probable Breach of the <i>Reserve Conformance Standards</i> shall contain, at a minimum, the specific intervals, resource unit/s, the type of reserve that is found in breach, <u>and the grounds for breach determination.</u> and the amount that is not considered in determining the reserve amount due, and thus, not paid to the Ancillary Services Providers as a consequence of the breach.	Related to proposed change in Section 2.1- Definition of Terms, Item (g) Notice of Breach where the notice is issued by ECO instead of IEMOP. Propose to delete the reference to the unpaid amount, as this information is not pertinent to the current stage of proceedings. Renumbered due to inserted (new) provisions.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards	7.4	Request for Reassessment with Notice of Claim by Ancillary Services Providers	Request for Reassessment with Notice of Claim by Ancillary Services Providers	Change in Sub-Section Title. The proposed revision removes the phrase 'With Notice of Claim' since deductions are deferred until the RRA process is completed. Consequently, ASPs seeking reassessment, under the current proposal, are merely requesting reconsideration of breach findings, without claiming payment adjustments or add-backs.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4. Request for Reassessment with Notice of Claim by Ancillary Services Providers	7.4.1	The Ancillary Service Provider may file a Request for Reassessment with Notice of Claim with the Enforcement and Compliance Office not later than ten (10) calendar days from receipt of the Preliminary Settlement Statement from the Market Operator. A copy thereof shall be furnished by the Ancillary Service Provider to the System Operator and the Market Operator. 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.	The Ancillary Service Provider may file a Request for Reassessment with Notice of Claim with the Enforcement and Compliance Office not later than ten (10) calendar days from receipt of the Preliminary Settlement Statement and Notice of Breach from the Market Operator. Enforcement and Compliance Office. A copy thereof shall be furnished by the Ancillary Service Provider to the System Operator and the Market Operator. 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.	Global change: RRA/NC to RRA only. To modify the trigger for filing RRA/NC, i.e., the Notice of Breach from ECO instead of the Preliminary Settlement Statement of IEMOP				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards	7.4.2	The Request for Reassessment with Notice of Claim shall indicate the following: a. Date of receipt of the Preliminary Settlement Statement from the Market Operator; b. The specific intervals, resource unit/s, and the type of reserve covered by the request; c. The ground/s for reassessment;	The Request for Reassessment with Notice of Claim shall indicate the following: a. Date of receipt of the Preliminary Settlement Statement Notice of Breach from the Market Operator Enforcement and Compliance Office ; b. The specific intervals, resource unit/s, and the type of reserve covered by the request;	Global change: RRA/NC to RRA only. To modify the reckoning period for filing RRA/NC, i.e., from receipt of the Notice of Breach from ECO.				



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7.4. Request for Reassessment with Notice of Claim by Ancillary Services Providers		d. The correct data or value in case the ground for reassessment includes data variance or discrepancies, including the source of the data to be used in the recalculation; e. Data, information, records, or documents to support the request or claim; and f. The amount being claimed and sought to be adjusted in favor of the <i>Ancillary Service Provider</i> .	c. The ground/s for reassessment; d. The correct data or value in case the ground for reassessment includes data variance or discrepancies, including the source of the data to be used in the recalculation; and e. Data, information, records, or documents to support the request or claim; and f. The amount being claimed and sought to be adjusted in favor of the <i>Ancillary Service Provider</i>.	Propose to delete the requirement to specify the amount claimed or sought to be adjusted as this information is no longer pertinent to the current stage of proceedings.				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4. Request for Reassessment with Notice of Claim by Ancillary	7.4.3	The <i>Request for Reassessment with Notice of Claim</i> shall be accompanied by a certification under oath attesting to the authenticity of the documents submitted in relation thereto. A scanned copy of the notarized certification may be submitted in lieu of the printed copy as an integral part of the request. However, the <i>Enforcement and Compliance Office</i> may, as it deems necessary, request a printed copy of such notarized certification or any documents filed in relation thereto.	The <i>Request for Reassessment with Notice of Claim</i> shall be accompanied by a certification under oath attesting to the authenticity of the documents submitted in relation thereto. A scanned copy of the notarized certification may be submitted in lieu of the printed copy as an integral part of the request. However, the <i>Enforcement and Compliance Office</i> may, as it deems necessary, request a printed copy of such notarized certification or any documents filed in relation thereto. The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish or	Global change: RRA/NC to RRA only.				



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Services Providers		The <i>Enforcement and Compliance Office</i> shall, for this purpose, establish or prescribe a format or template that may be accomplished by the <i>Ancillary Services Provider</i> in filing the said request.	prescribe a format or template that may be accomplished by the <i>Ancillary Services Provider</i> in filing the said request.					
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.4. Request for Reassessment with Notice of Claim by Ancillary Services Providers	7.4.4	The filing of <i>Request for Reassessment with Notice of Claim</i> beyond the period allowed under Section 7.4.1 or the failure to comply with the requirements set out in Section 7.4.2 and 7.4.3 shall cause the outright dismissal thereof	The filing of <i>Request for Reassessment with Notice of Claim</i> beyond the period allowed under Section 7.4.1 or the failure to comply with the requirements set out in Section 7.4.2 and 7.4.3 shall cause the outright dismissal thereof.	Global change: RRA/NC to RRA only.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards	7.5	Validation and Assessment	Validation and Assessment <u>Revalidation and Reassessment</u>	Change in Sub-section title for coherence with the steps. Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – <u>Revalidation and Reassessment</u> Section 7.6 – Compliance Monitoring and Assessment Reports Section 7.7 – Action on Non-Compliance Report				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.1	Upon receipt of the <i>Request for Reassessment with Notice of Claim</i> , the <i>Enforcement and Compliance Office</i> shall validate and assess the findings of breach or claim of <i>Ancillary Services Provider</i> .	Upon receipt of the <i>Request for Reassessment with Notice of Claim</i> , the <i>Enforcement and Compliance Office</i> shall validate and assess the findings of breach or claim of <i>Ancillary Services Provider</i> .	Global change: RRA/NC to RRA only.				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Revalidation and Reassessment	7.5.2	The <i>Enforcement and Compliance Office</i> , during verification and assessment, may also consult the <i>Market Operator</i> , the <i>System Operator</i> , or the <i>Metering Service Provider</i> , as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Ancillary Services Provider</i> . The <i>Enforcement and Compliance Office</i> shall perform the recalculation, as may be appropriate.					Considering the various comments suggesting reconsideration of the RRA results, the ECO proposes an alternative solution. Implementing a Reconsideration Request (RR) process would likely cause significant delays, slowing down the	Provide rewording to ensure that the 3 working days of conducting the joint review will not be too close to the 25 th of the month deadline for submission of results to the MO for prelim settlements, i.e. ensure that ECO



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							process unnecessarily.To avoid this, we counter propose integrating a joint review process for the RRA results prior to finalization, enabling a more efficient and timely resolution. We suggest placing this provision in Section 7.5.2, which provides a more suitable framework for addressing this concern. “7.5.2 The <i>Enforcement and Compliance Office</i> , during verification and assessment, may also consult the <i>Market</i>	is able to meet said deadline. ECO’s proposed rewording: 7.5.2 The <i>Enforcement and Compliance Office</i> , during verification and assessment, may also consult the <i>Market Operator</i> , the <i>System Operator</i> , or the <i>Metering Service Provider</i> , as necessary, to ascertain the truthfulness of the claim or allegations of the <i>Ancillary Services Provider</i> . The



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							<i>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, and facilitate a joint review with the Ancillary Services Provider. The Enforcement and Compliance Office shall perform the recalculation, as may be appropriate, and facilitate a joint review with the Ancillary Services Provider of the reassessment results, prior to issuance of the final monitoring results to serve as the basis for the Reserve Trading Amount adjustments which shall not be later than 21st day of the month in which the Request for Reassessment is filed. Provided</i>	<i>Enforcement and Compliance Office shall perform the recalculation, as may be appropriate, and facilitate a joint review with the Ancillary Services Provider of the reassessment results, prior to issuance of the final monitoring results to serve as the basis for the Reserve Trading Amount adjustments which shall not be later than 21st day of the month in which the Request for Reassessment is filed. Provided</i>



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							<u>final monitoring results to serve as the basis for the Reserve Trading Amount adjustments. Provided that, should no confirmation or feedback be received from the Ancillary Services Provider within three (3) business days from receipt of the results, the same shall be deemed confirmed, and the Enforcement and Compliance Office shall be authorized to submit Reserve</u>	that, should no confirmation or feedback be received from the <i>Ancillary Services Provider</i> within three (3) <i>business days</i> from receipt of the results, the same shall be deemed confirmed, and the <i>Enforcement and Compliance Office</i> shall be authorized to submit <i>Reserve Conformance Standards Non-Compliance List</i> to the Market Operator pursuant to Section 7.6.7 of this Manual.



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							<u>Conformance Standards Non-Compliance List to the Market Operator pursuant to Section 7.6.7 of this Manual.”</u>	
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.5 Validation and Assessment	7.5.3	7.5.3 The assessment, validation, and verification of the information gathered in relation to the request shall be completed not later than the end of the billing month following the covered monitoring period. For instance, if the request for reassessment pertains to the August Billing Period, the validation and assessment shall be completed on or before 25 September.	7.5.3 The assessment, validation, and verification of the information gathered in relation to the request shall be completed <u>within fifteen days from receipt of the Request for Reassessment-with Notice of Claim</u> 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.	Global change: RRA/NC to RRA only.				
Section 7 – Monitoring of Compliance	7.6.1	If <i>Notice of Probable Breach</i> is received by <i>Enforcement and Compliance Office</i> , and no <i>Request for Reassessment with Notice</i>	If <i>Notice of Probable Breach</i> is received by <i>Enforcement and Compliance Office</i> , and no <i>Request for Reassessment</i> <i>with Notice</i>	Global change: RRA/NC to RRA only.	<u>MEI&PEI:</u>		In the context of this Manual, the monitoring	



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with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports		<i>of Claim</i> is filed by the concerned <i>Ancillary Services Provider</i> within the allowable period to file the same under Section 7.4.1, the <i>Enforcement and Compliance Office</i> shall issue a <i>Compliance Monitoring and Assessment Report</i> based on its monitoring and assessment, and after reconciliation of the findings with the <i>Market Operator</i> . The said report and a <i>Notice of Specified Penalty</i> shall be issued not later than the end of the month following the covered monitoring period. For instance, if the <i>Notice of Probable Breach</i> pertains to the August <i>Billing Period</i> , the compliance monitoring and assessment report shall be issued on or before 30 September.	<i>of Claim</i> is filed by the concerned <i>Ancillary Services Provider</i> within the allowable period to file the same under Section 7.4.1, the <i>Enforcement and Compliance Office</i> shall issue a <i>Compliance Monitoring and Assessment Report</i> based on its monitoring and assessment, and after reconciliation of the findings with the <i>Market Operator</i> . The said report and a <i>Notice of Specified Penalty</i> shall be issued not later than <u>within sixty (60) business days from</u> the end of the month following the covered monitoring period. For instance, if the <i>Notice of Probable Breach</i> pertains to the August <i>Billing Period</i>, the compliance monitoring and assessment report <u>for August Billing Period</u> shall be issued on or before 30 <u>October</u> .		Is the monitoring period the same as the billing period? Both terms are used in this provision. While the term Billing Period is defined in the WESM Rules, the term Monitoring Period is not defined in the Penalty Manual nor in the Ancillary Services Monitoring Manual or included in the WESM Definition of Terms. We suggest to have the latter term be defined for clarity.		period is analogous to the Billing Period as defined in the WESM Rules. However, adopting the term “monitoring period” highlights its distinct focus on the covered period of monitoring review and evaluation, distinguishing it from the revenue settlement perspective. This terminology promotes consistency with the ongoing monitoring activities. We recommend adding the following provision	



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							<p>in Section 6.3.2, where the term “monitoring period” is first mentioned or introduced in this Manual:</p> <p>“6.3.2 x x x</p> <p>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</i> <i>days</i> from the</p>	



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							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 Provider</i> . For instance, the assessment for the August <i>Billing Period</i> shall be completed on or before 15 September.	



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							<u>For this purpose, the term “monitoring period,” as used throughout this Manual shall have the same meaning as “Billing Period,” as defined in the WESM Rules, unless explicitly stated otherwise.”</u>	



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.2	The <i>Enforcement and Compliance Office</i> shall, after due validation and assessment conducted in relation to the <i>Request for Reassessment with Notice of Claim</i> , prepare the <i>Compliance Monitoring and Assessment Report</i> which shall: a. contain or provide, among others, a finding whether the concerned <i>Ancillary Service Provider</i> is compliant with the <i>Market Rules</i> or <i>Market Manuals</i> ; b. contain the amount to be adjusted or revised, if any, in the settlement for the particular billing period; c. be issued to the concerned <i>Ancillary Services Provider</i> with respect to each <i>reserve facility</i> or plant that is subject of monitoring, as applicable; and d. be issued within five (5) calendar days from completion of validation and assessment as prescribed under Section 7.5.3.	The <i>Enforcement and Compliance Office</i> shall, after due validation and assessment conducted in relation to the <i>Request for Reassessment</i> <i>with Notice of Claim</i> , prepare the <i>Compliance Monitoring and Assessment Report</i> which shall: a. contain or provide, among others, a finding whether the concerned <i>Ancillary Service Provider</i> is compliant with the <i>Market Rules</i> or <i>Market Manuals</i> ; b. contain the amount to be adjusted or revised, if any, in the settlement for the particular billing period; c. b. be issued to the concerned <i>Ancillary Services Provider</i> with respect to each <i>reserve facility</i> or plant that is subject of monitoring, as applicable; and d. c. be issued within five (5) calendar days from completion of validation and assessment <u>revalidation and reassessment</u> as prescribed under Section 7.5.3.	Global change: RRA/NC to RRA only.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.2.7	7.2.7 The finding of breach of <i>reserve conformance standards</i> , as determined in accordance with Section 7.2 hereof, shall have the effect of non-payment of the reserve amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in Section 7.3.1 (a). <i>*Transferred with changes from Section 7.2.7</i>	7.2.7 7.6.3 The finding of breach of <i>reserve conformance standards</i> , as determined in accordance with Sections 7.2-7.3 , 7.4 and 7.5 hereof, shall have the effect of non-payment of the reserve trading amount to the <i>Ancillary Services Provider</i> for the intervals found in breach for which purpose, the <i>Market Operator</i> is herein authorized to automatically deduct the reserve amount for the intervals found in breach from the settlement amount specified in accordance with Section 7. 7.3-4 (a) of this Manual. This rule applies only to breaches of Reserve Conformance Standards occurring in spot reserve transactions.	Transferred with changes from Section 7.2.7 with modification in alignment with the proposal to defer the reporting to IEMOP and the non-payment of reserve trading amounts until the is resolved. Modification: There has been a change in the rule reference due to other revisions. Additionally, the word "automatically" has been removed, as the deduction occurs after	<u>SNAP:</u> An appeal proceeding should be established following the result of ECO's evaluation of a Request for Reconsideration. This ensures a fair and transparent process, allowing the concerned Ancillary Service Provider (ASP)	<u>SNAP:</u> <u>The concerned Ancillary Service Provider (ASP) may appeal the evaluation of a Request for Reassessment issued by the Enforcement and Compliance Office (ECO) by submitting an Appeal Memorandum. This must be filed within ten (10) business days from the date</u>	ECO: Considering the various comments suggesting reconsideration of the RRA results, the ECO proposes an alternative solution. Implementing a Reconsideration Request (RR) process would likely cause significant delays, slowing down the process	



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				60 days or following the reassessment. The last sentence is added to add more clarity as to the scope of the breach findings and the consequent non-payment, <i>i.e.</i> , it must be related to spot reserve transactions only. In other words, the contracted reserves must be filtered out as these will be covered in the compliance monitoring by the System Operator.	an opportunity to contest the evaluation outcome	<u>of receipt of the Compliance Monitoring Assessment Report (CMAR).</u>	unnecessarily. To avoid this, we counter-propose integrating a joint review process for the RRA results prior to finalization, enabling a more efficient and timely resolution. We suggest placing this provision in Section 7.5.2, which provides a more suitable framework for addressing this concern. <i>See proposed rewording of Section 7.5.2 above</i>	



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.3	7.6.3 If there is a finding of breach based on the validation and assessment conducted by the <i>Enforcement and Compliance Office</i> , the <i>Compliance Monitoring and Assessment Report</i> shall likewise be accompanied by the following: a. A <i>Notice of Confirmation</i> . Such notice shall indicate a statement confirming a finding of breach, as determined by the <i>Market Operator</i> under Section 7.2. b. A <i>Notice of Specified Penalty</i> . This notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the <i>Ancillary Services Provider</i> in accordance with the provisions of this Manual.	7.6.3-7.6.4 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 <i>Notice of Specified Penalty</i>. Said notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the Ancillary Services Provider in accordance with the provisions of this Manual.</u> a. A <i>Notice of Confirmation</i>. Such notice shall indicate a statement confirming a finding of breach, as determined by the Enforcement and Compliance Office under Section 7.2. b. A <i>Notice of Specified Penalty</i>. This notice shall indicate the penalty, as computed under Section 8 of this Manual, and shall be served upon the Ancillary Services Provider in accordance with the provisions of this Manual.	For deletion of Notice of Confirmation. As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of breach confirmation will be necessary after revalidation/reassessm ent, as initial RCS monitoring results did not trigger any deductions. Renumbered due to inserted new provision.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.4	7.6.4 If the <i>Enforcement and Compliance Office</i> found, after due validation and assessment, that no breach was committed by the Ancillary Service Provider, the Compliance Monitoring and Assessment Report shall indicate such findings and shall be accompanied by the Notice of Reserve Amount Adjustment. The Notice of Reserve Amount Adjustment shall indicate the amount to be adjusted by the Market Operator in favor of the Ancillary Services Provider.	7.6.4 <u>7.6.5</u> If the <i>Enforcement and Compliance Office</i> found, after due validation and assessment, that no breach was committed by the Ancillary Service Provider, the Compliance Monitoring and Assessment Report shall indicate such findings, and shall be accompanied by the Notice of Reserve Amount Adjustment. The Notice of Reserve Amount Adjustment shall indicate the amount to be adjusted by the Market Operator in favor of the Ancillary Services Provider.	For deletion of Notice of Reserve Amount Adjustment. As per the current proposal, no deductions or adjustments will be made until the RRA has been exhausted or completed. Thus, no notice of reserve amount adjustments will be necessary after revalidation/ reassessment, as initial RCS monitoring results did not trigger any deductions. Renumbered due to inserted new provision.				



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Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.5	7.6.5 The <i>Compliance Monitoring and Assessment Report</i> and the notices specified in the preceding sections shall be issued by the <i>Enforcement and Compliance Office</i> within the period provided under Section 7.6.2 (d) to the <i>Ancillary Services Provider, Market Operator, and System Operator</i> .	7.6.5 <u>7.6.6</u> The <i>Compliance Monitoring and Assessment Report</i> and the notices specified in the preceding sections <u>Notice of Specified Penalty</u> shall be issued by the <i>Enforcement and Compliance Office</i> within the period provided under Section 7.6.2 (d) <u>(c)</u> to the <i>Ancillary Services Provider, Market Operator, and System Operator</i> .	No more reference to other notices (<i>Notice of Confirmation or Notice of Reserve Amount Adjustment</i>) except NSP. MO need not be furnished with the copy thereof as MO will receive a separate report (<i>RCS Non-Compliance List</i> under Section 7.6.7) for adjustment purposes. Renumbered due to inserted new provision.				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance	(new)	(new)	<u>7.6.7 The Enforcement and Compliance Office shall likewise issue a Reserve Conformance Standards Non-Compliance List for one billing period to the Market Operator within the timeframe specified in Section 7.5.3.</u>	Propose to add this Final RCS Monitoring Report which shall serve as the basis for IEMOP's adjustments in the Preliminary Settlement Statement.				



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Monitoring and Assessment Reports								
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.6 Compliance Monitoring and Assessment Reports	7.6.6	7.6.6 No request for reconsideration or appeal of the findings concerning compliance with the <i>Reserve Conformance Standards</i> shall be filed with, or entertained by, the <i>Enforcement and Compliance Office</i> .	7.6.6 7.6.8 No request for reconsideration or appeal of the findings concerning compliance with the <i>Reserve Conformance Standards</i> shall be filed with, or entertained by, the <i>Enforcement and Compliance Office</i> .	Renumbered due to inserted/new provision.	APC: The current provision only proscribes filing a request for reconsideration or appeal against the ECO’s findings on RCS compliance directly with the ECO. What avenues are available to ASPs for addressing disputes related to the resolution of a Request for		ECO: Considering the various comments suggesting reconsideration of the RRA results, the ECO proposes an alternative solution. Implementing a Reconsideration Request (RR) process would likely cause significant delays, slowing down the process unnecessarily. To avoid this, we	



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					Reassessment, if not through reconsideration or appeal with the ECO? The ASMM does not explicitly proscribe other forms of remedy for issues arising from a Request for Reassessment. May the concerned ASP seek administrative relief through other WESM Governance Committees, such as the Compliance Committee, or escalate the		counter-propose integrating a joint review process for the RRA results prior to finalization, enabling a more efficient and timely resolution. We suggest placing this provision in Section 7.5.2, which provides a more suitable framework for addressing this concern. <i>See proposed rewording of Section 7.5.2 above</i>	



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					matter directly to the PEM Board?			
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 - Action on Notice of Reserve Amount Adjustment	7.7	Action on Notice of Reserve Amount Adjustment	Action on Notice of Reserve Amount Adjustment <u>Non-Compliance Report</u>	Change in Sub-section title for coherence with the steps. Section 7.1 – Monitoring of RCS Section 7.2 – Flagging of Probable Breach of RCS Section 7.3 – Validation, Assessment, and Reporting Results Section 7.4 – Request for Reassessment by Ancillary Services Providers Section 7.5 – Revalidation and Reassessment Section 7.6 – Compliance Monitoring and Assessment Reports				



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ANNEX A – Matrix of Proposed Amendments

WESM Manual on ASM Issue 1.1								
Title	Clause	ANCILLARY SERVICES MONITORING MANUAL 1.0 Provision	Proposed Amendment ¹ (PEM Board-approved as Urgent Amendment reflected on WESM ASMM Issue 1.2)	Rationale	Comments	Proposed Wording based on Comments	Original Proponent's Response	RCC Decision
				Section 7.7 – Action on Non-Compliance Report				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 - Action on Notice of Reserve Amount Adjustment	7.7.1	The <i>Market Operator</i> shall reflect in the settlement statement the adjustment as specified in the <i>Notice of Reserve Amount Adjustment</i> received from the <i>Enforcement and Compliance Office</i> under Section 7.6.4 hereof.	The <i>Market Operator</i> shall reflect in the settlement statement the adjustment as specified in the <i>Notice of Reserve Amount Adjustment Reserve Conformance Standards Non-Compliance List</i> received from the <i>Enforcement and Compliance Office</i> under Section 7.6.4 7.6.7 hereof. <u>Upon receipt of the monitoring report of the Enforcement and Compliance office referred to in Section 7.2.6, thereof, 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 on or before the due date for the issuance of preliminary settlement statements, as set in the Billing and Settlement Manual. For this purpose, the Market Operator is authorized to automatically</u>	<u>Combine Section 7.7.1 and Section 7.3.1 with modification.</u> Modification: (a) The word "automatically" has been removed, as the deduction occurs after 60 days or following the reassessment; and (b) the Notice of Breach will no longer accompany the Preliminary Settlement Statement, as it will now be issued by ECO based on the proposal. With the completion of the initial RCS Monitoring and RRA resolution already at this stage, the non-				



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			<u>deduct from the settlement amount the reserve amount corresponding to the number of intervals with findings of breach of the Reserve Conformance Standards; and</u> <u>b) send the preliminary settlement statement to the Ancillary Services Providers which shall include the Notice of Breach in accordance with the timeline provided in the Billing and Settlement Manual.</u>	payment of reserve trading amount payments may be effected under this provision.				
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 - Action on Notice of Reserve Amount Adjustment	7.7.2	The <i>reserve amount adjustment</i> shall be accounted for, and reflected in, the immediately succeeding Preliminary Statement, provided that the <i>Notice of Reserve Amount Adjustment</i> is received by the <i>Market Operator</i> at least four (4) calendar days prior to the issuance of that Preliminary Statement; otherwise, the same shall be deferred until the next <i>billing period</i> . For instance, the <i>Notice of Reserve Amount Adjustment</i> is received by the <i>Market Operator</i> on 28 August or	The <i>reserve amount adjustment</i> shall be accounted for, and reflected in, the immediately succeeding Preliminary Statement, provided that the <i>Notice of Reserve Amount Adjustment</i> <u><i>Reserve Conformance Standards Non-Compliance List</i></u> is received by the <i>Market Operator</i> at least four (4) calendar days prior to the issuance of that Preliminary Statement <u>three (3) calendar days after the end of a billing period following the covered</u>	To modify that report upon which IEMOP would base its adjustment. To anchor the timeline to a specific/definite date, namely the end of a billing period.				



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		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>monitoring period</u> ; otherwise, the same shall be deferred until the next <i>billing period</i> . For instance, the Notice of Reserve Amount Adjustment <u>Reserve Conformance Standards Non-Compliance List</u> is received by the <i>Market Operator</i> on 28 August or four (4) calendar days before the issuance of the Preliminary Statement on 01 September, the adjustment shall be reflected in said Preliminary Statement. If the Notice is received on 31 August, the same will be accounted for in the Preliminary Statement to be issued on 02 October.					
Section 7 – Monitoring of Compliance with Reserve Conformance Standards 7.7 - Action on Notice of Reserve Amount Adjustment	7.7.3	The <i>Market Operator</i> shall, for monitoring purposes, notify the <i>Enforcement and Compliance Office</i> of the status of implementation of the <i>Notice of Reserve Amount Adjustments</i> including other information relevant to the enforcement of the <i>reserve conformance standards</i> on a monthly basis.	The <i>Market Operator</i> shall, for monitoring purposes, notify the <i>Enforcement and Compliance Office</i> of the status of implementation of the Notice of Reserve Amount Adjustments <u>Reserve Conformance Standards Non-Compliance List</u> including other information relevant to the enforcement of the <i>reserve conformance standards</i> on a monthly basis.	To modify that report upon which IEMOP would base its adjustment and status reporting.				



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Section 8 – Penalties And Sanctions 8.2 – Notice of Specified Penalty	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 Sections 6.4.1 (d) and 7.6.2 (d).	A <i>Notice of Specified Penalty</i> shall be served on the concerned Ancillary Services Provider upon issuance of the <i>Compliance Monitoring and Assessment Report</i> by the <i>Enforcement and Compliance Office</i> or within the timeline specified under Sections 6.4.1 (d) and 7.6.2 (d) (c) .	To align with the change in Section 7.6.2				
Section 8 – Penalties And Sanctions 8.4 Non-Payment of Penalties and Non-Compliance with Remedial Measures	8.4.1	A penalty interest shall be additionally imposed upon the concerned <i>Ancillary Services Provider</i> in case of non-payment by the <i>Ancillary Services Providers</i> of the <i>financial penalties</i> imposed on it as a consequence of a <i>Breach</i> . For this purpose, the prevailing legal interest rate shall apply in computing the amount stated in (a) and (b) above and shall be computed from the date the payment becomes due up to the actual payment of penalty.	A penalty interest shall be additionally imposed upon the concerned <i>Ancillary Services Provider</i> in case of non-payment by the <i>Ancillary Services Providers</i> of the <i>financial penalties</i> imposed on it as a consequence of a <i>Breach</i> . For this purpose, the prevailing legal interest rate shall apply in computing the amount stated in (a) and (b) in Section 8.1.2 (d) above and shall be computed from the date the payment becomes due up to the actual payment of penalty.	Change/correction in rule reference.				



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Section 8 – Penalties And Sanctions 8.4 Non-Payment of Penalties and Non-Compliance with Remedial Measures	8.4.2	A penalty of One Hundred Thousand Pesos (PHP 100,000) shall be imposed in case of non-compliance by an <i>Ancillary Services Provider</i> with the remedial measures required to be implemented by it under a <i>Notice of Specified Penalty</i> or other notices issued under Section 7.4 of this Manual.	A penalty of One Hundred Thousand Pesos (PHP 100,000) shall be imposed in case of non-compliance by an <i>Ancillary Services Provider</i> with the remedial measures required to be implemented by it under a <i>Notice of Specified Penalty</i> or other notices issued under Section 7.4 of this Manual <u>or other relevant notices issued in reference to Section 8.3 of this Manual.</u>	To align with the change pertaining to removal of Notice of Reserve Amount Adjustments. Propose to replace it with other pertinent notices in reference to the implementation of remedial measures (under Section 8.3)				
Section 10 – Transitory Provision	10	The provisions pertaining to the imposition and amount of sanctions and/or penalties as a consequence of <i>breach</i> shall be subject to a six-month relaxation period, without prejudice to extension, with the end in view of encouraging participation and compliance of <i>Ancillary Services Providers</i> . This notwithstanding, the provision on non-payment of reserve trading amounts under Section 7.2.7 and 7.3.1 of this Manual shall be binding upon the commercial operation of the <i>WESM Reserve Market</i> .	The provisions pertaining to the imposition and amount of sanctions and/or penalties as a consequence of <i>breach</i> shall be subject to a six-month relaxation period, without prejudice to extension, with the end in view of encouraging participation and compliance of <i>Ancillary Services Providers</i> . This notwithstanding, the provision on non-payment of reserve trading amounts under Section 7.2.7 and 7.3.1 <u>7.6.3 and 7.7.1</u> of this Manual shall be binding upon the commercial operation of the <i>WESM Reserve Market</i> .	To align with changes made on Section 7.2.7 and 7.3.1 (transferred to Sections 7.6.3 and 7.7.1)	<u>MEI&PEI:</u> When is the start of the six-month relaxation period – from the effectivity of the urgent amendments or from the effectivity of the general amendments?		The relaxation period was officially lifted on 05 February 2025, six (6) months since the resumption of the Reserve Market commercial operation. This was confirmed by	



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							the DOE in a clarificatory letter addressed to PEMC.	
Section 11 Appendices Appendix II: Process Flowchart for Reserve Conformance Standards (RCS) Monitoring	Appendix II		(SEE ANNEX B)	To reflect the changes in Appendix II or the process flowchart for RCS, particularly on the following procedures: <ul style="list-style-type: none">ECO will no longer consolidate the RCS findings, confirmation or reports of SOMO will no longer issue the preliminary statement and notice of breach.Notice of breach will be issued by ECO and will be the reference of ASPs in filling the Request of Re-assessment.				



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				ECO will no longer issue the Notice of Confirmation and the Notice of Reserve amount adjustment.				
Section 11 Appendices Appendix IV: Sample Illustration on the Monitoring of Compliance with Reserve Conformance Standards	Appendix IV	(new)	(SEE ANNEX C) <u>1. Illustration depicting Sustainability for an Ancillary Service Facility with a Dispatchable Reserve (DR) Schedule</u> <u>2. Illustration on the determination of Response Accuracy using Highest and Lowest Actual MW Output depending on the System Frequency Condition</u> <u>3. Illustration for Capping the Expected MW Response Capacity to Reserve Schedule</u> <u>4. 3. Illustration for the determination of Percentage (%) of Compliance of ASP on AGC</u>	Immediate reference for the interpretation or application of the formula Additional Sample Illustrations on the Monitoring of Compliance with Reserve Conformance Standards (RCS) Renumbering of succeeding illustration				



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DETERMINATION OF QUORUM

Representation/ Sector	Principal Member / Alternate Member		Attendance	
Independent	Rachel Angela P. Anosan			
	Jesusito G. Morillos			
	Jordan Rel C. Orillaza			
	Emmanuel Genesis T. Andal			
Generation	Dixie Anthony R. Banzon	Michael Valer G. Mariano		
	Jayson A. Francisco	Charm Krizia L. Medina		
	Carlito C. Claudio	Jessie B. Victorio		
	Mark D. Habana	Michelle S. Tuazon		
Distribution	Ryan S. Morales	Manuel Luis Zagala		
	Russel S. Alabado	Alfredo C. Sanaga, Jr.		
	Virgilio C. Fortich, Jr.	Getulio Z. Crodua		
	Nelson M. Dela Cruz	Darwin T. Daymiel		
Supply	Gian Karla C. Gutierrez	Bryan Alvin A. Calasanz		
Transmission	Darryl Lon A. Ortiz	Clark N. Agustin		
Market Operator	Isidro E. Cacho, Jr.	Kristoffer Monico S. Ng		

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ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
I. Call to Order		
II. Determination of Quorum		
III. Adoption of Agenda	Secretariat	For approval
IV. Draft Minutes of Previous Meetings <ul style="list-style-type: none"> 243rd RCC (Regular) Meeting, 21 February 2025 	Secretariat	For approval
V. Matters Arising from Previous Meeting		
5.1 Proposed Revision to Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and Related Enforcement Actions <ul style="list-style-type: none"> <i>Continuation of Deliberation</i> 	Secretariat/PEMC (Proponent)	For deliberation and approval
VI. New Business		
6.1 RCC Work Plan for CY 2025	Secretariat	For discussion and approval
VII. Other Matters		
7.1 Highlights of PEM Audit Committee (PAC) Audit Report	PAC Secretariat	For information
7.2 Update on Proposed Amendments	Secretariat	For information
7.3 DOE Updates	DOE Observers	For information
7.4 Schedule of Activities	Secretariat	For information
VIII. Adjournment		

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IV. DRAFT MINUTES OF PREVIOUS MEETING

- 243rd RCC (Regular) Meeting, 21 February 2025



V. MATTERS ARISING FROM PREVIOUS MEETING

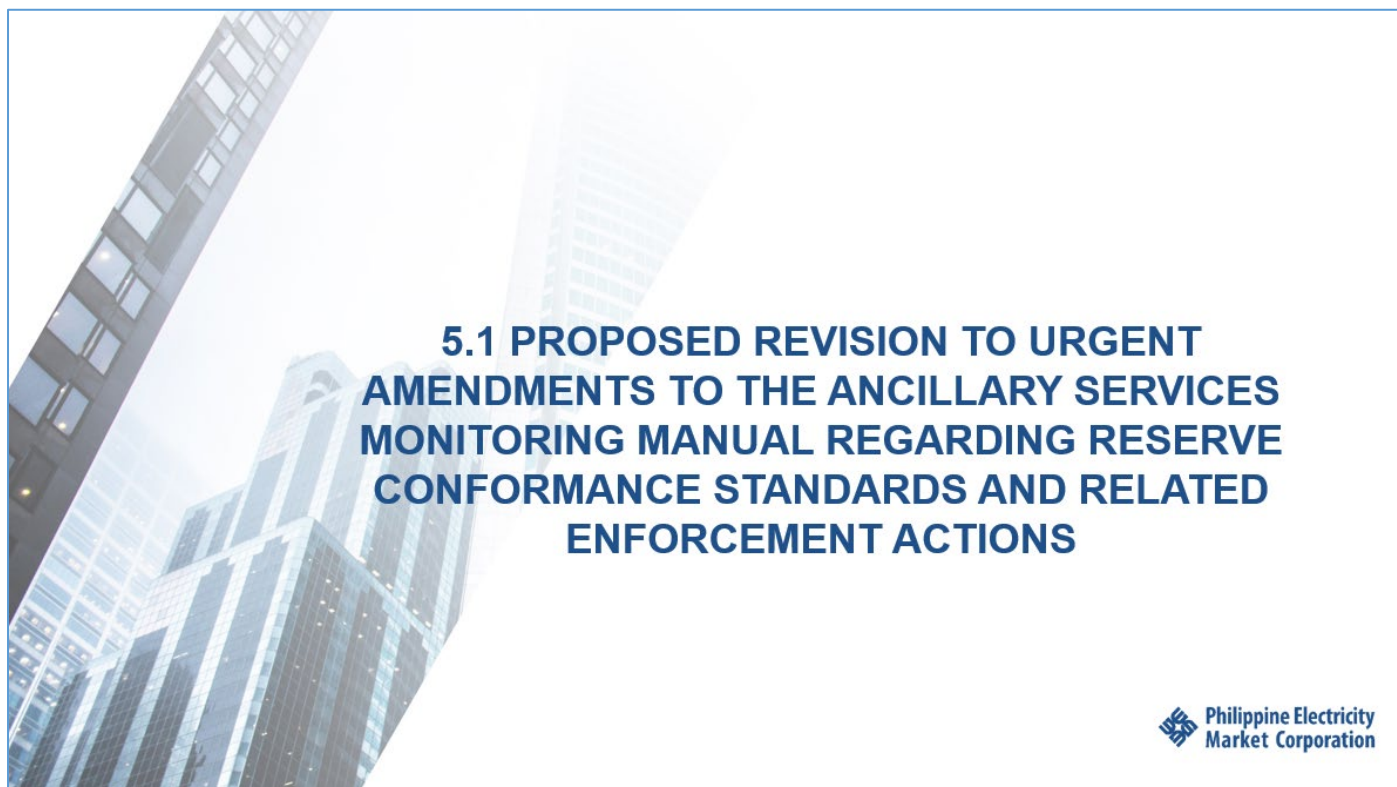


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ACTION REQUESTED

- For deliberation and approval

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STATUS OF THE PROPOSAL

- On 243rd RCC (Regular) Meeting on 21 February 2025
 - Deliberation of Comments
 - To be continued starting from 5.6.2 comments of SMCGP - regarding the concern about deviations in the accuracy of the plant meters and the discrepancies between the SO's frequency meter
- 24 February 2025 – The Secretariat received comments from NGCP on Section 5.2.1
- PEMC-ECO submitted a proposed wordings for Section 5.5.4

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6.1 RCC WORK PLAN CY 2025



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DRAFT 2025 RCC WORK PLAN

ACTIVITIES		OUTPUTS	2025			
			Q1	Q2	Q3	Q4
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance						
Objective 4: Availability of Adequate Support to the PEM Board and its Committees						
1	Conduct of monthly, special, and caucus meetings	Minutes of meetings				
Objective 5: Availability of Accurate and Updated Market Reports, Rules, Manuals, and Other Relevant Public Information About the WESM and REM						
2	Approve Annual Committee Work Plan aligned with PEMC Corporate Strategic Plan	2025 RCC Work Plan				
3	Approve Semestral Reports	RCC Semestral Reports submitted to the PEM Board.				
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness						
4	Facilitate submission of Sectoral Certifications as proof of informing within the previous calendar year on matters pertaining to rules changes and other activities of the Committee	Sectoral Certifications submitted to the RCC/PEM Board				
5	Participate in WESM-related events, as requested or scheduled	Attendance to the WESM events				

25 **Legend:** Submission/Completion of Report/Inputs/Comments
 Regular Activity

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DRAFT 2025 RCC WORK PLAN

ACTIVITIES		OUTPUTS	2025			
			Q1	Q2	Q3	Q4
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance						
Objective 8: Responsive market rules and manuals						
6	Assess market rules and manuals and propose amendments	RCC Resolutions on rules change proposals submitted to the PEM Board				
7		Presentation during the Board Review Committee (BRC) and PEM Board meetings				
8		Participate in DOE/ERC public consultations on market rules and manuals and propose amendments	Attendance to the DOE/ERC public consultations			
9	Enhance rules change process	Updated RCC Internal Rules and, as necessary, proposed amendments to the Rules Change Manual				
GOAL 3: Achieve Organizational Excellence and Operational Efficiency						
Objective 5: Continuing Improvement in the Delivery of Service to Internal and External Clients						
10	Respond to survey on the provision of technical and administrative support to the RCC	Response to survey on WESM Governance Committee (WGC) Support by PEMC				

Legend: Submission/Completion of Report/Inputs/Comments
 Regular Activity

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CURRENT RULES CHANGE PROPOSALS (AS OF 13 MARCH 2025)

Status	Proposal	Proponent
Urgent Amendment endorsed to and approved by the PEM Board	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load	PEMC
	Proposed Urgent Amendment revising the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC
General Amendments under RCC evaluation	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	PEMC
	Proposed General Amendment revising the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC
General Amendment open for comments	Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report	NGCP

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CURRENT RULES CHANGE PROPOSALS (AS OF 13 MARCH 2025)

Status	Proposal	Proponent
General Amendments deferred awaiting Proponent’s updated proposal in line with ERC’s issuance of the Omnibus Retail Rules	Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program	IEMOP
	Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures on No Outstanding Balance (Harmonization with ERC Resolution No. 01, Series of 2023)	IEMOP
General Amendment deferred awaiting forthcoming issuance of ERC Rules on Energy Storage Systems	Proposed General Amendments to the WESM Rules and various WESM Market Manuals regarding Energy Storage Systems in view of the DOE DC2023-04-0008	IEMOP
General Amendment deferred awaiting updates from Proponent	Proposed Amendment to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule	GNPK



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PEMC/WGC POSSIBLE RULES CHANGE PROPOSALS

PEM Board-Approved Goals / Objectives (2024-2026 PEMC Corporate Strategic Plan)	Topic	Proponent	2025	2026
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance				
Objective 1: Promotion of a culture of compliance and enhanced compliance monitoring	Battery Energy Storage Systems (BESS), including Plants with Hybrid Systems (VREs + ESS)	PEMC	✓	
	Metering Services Providers (MSP) Obligations and Compliance	PEMC	✓	✓
	Forecast Accuracy Standards	PEMC	✓	
	Look Ahead Submissions for Day-Ahead Projections	PEMC	✓	
	Appeal Process	PEMC		✓
	Penalty and Procedures and enhancement to MSC Processes	MSC	✓	
Objective 3: Market Design, Review, and Implementation of Mechanisms for the WESM	Implementation of Enhanced WESM Design and Operations (EWDO) including Reserve Market (RM)	PEMC		✓
	Anti-Competitive Behavior (ACB)	PEMC & MSC		✓
	Administered Price Methodology	MSC	✓	
	Bilateral Contract Quantity (BCQ) Declaration	MSC	✓	

Philippine Electricity Market Corporation

PEMC/WGC POSSIBLE RULES CHANGE PROPOSALS

PEM Board-Approved Goals / Objectives (2024-2026 PEMC Corporate Strategic Plan)	Topic	Proponent	2025	2026
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance				
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness	Review of articles and bylaws for Voting Rights of Participants	PEMC		✓
	WCO Certification and Registration Manual and Implementing Guidelines Procedures	PEMC		✓
Objective 8: Responsive Market Rules and Manuals	Enhancement of the Enforcement and Compliance Manual and Penalty Manual	PEMC		✓

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7.2 UPDATE ON THE PROPOSALS



UPDATES ON THE PROPOSALS

Urgent Amendments

	Proposal	Proponent	Update/Status
1	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load	PEMC	<ul style="list-style-type: none"> 02 October 2024 – The RCC received PEMC's proposal 10 October 2024 – 237th Special Meeting: The RCC provisionally approved the urgent amendment subject to the incorporation of the agreed-upon wordings 23 October 2024 – PEM Board approved the urgent amendment by way of PEM Board Resolution No. 2024-77-05 See corresponding General Amendment
2	Proposed Revision to the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	<ul style="list-style-type: none"> 10 December 2024 - PEM Board approved the urgent amendment by way of PEM Board Resolution No.2024-79-01 12 December 2024 – Effectivity of the WESM ASMM Issue 1.2 See corresponding General Amendment





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UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (3)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	PEMC	<ul style="list-style-type: none"> Published in PEMC Website to request for comments on 30 October 2024 until 11 December 2024. Received comments from ACEN, MSC, and NGCP RCC Resolution No. 2025-01, for RCC’s approval
2	Proposed General Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	<ul style="list-style-type: none"> Published in PEMC Website to request for comments on 06 September 2024 until 18 October 2024. Received comments from APC, ACEN, MERALCO, MEI/PEI, NGCP, SNAP, SPC/SIPC, and MSC Superseded by the 2nd Urgent Amendment (<i>Commenters were informed on 20 December 2024</i>)
3	Proposed Revision to the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	<ul style="list-style-type: none"> Comments received from ACEN, APC, MEI/PEI, MERALCO, MSC, SMGP, SNAP, SPC/SIPC, and NGCP RCC deliberations started on 21 Feb 2025; continuation on 14 Mar 2025

UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (4)

	Proposal	Proponent	Update/Status
1	Proposed Amendment to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule	GNPK	<ul style="list-style-type: none"> 18 October 2024 – The RCC deferred the deliberation of the proposal, pending DOE’s response to GNPK 25 October 2024 – GNPK brought up issues and concerns to the DOE 03 March 2025 – Letter to GNPK requesting for updates on the proposal
2	Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures on No Outstanding Balance (Harmonization with ERC Resolution No. 01, Series of 2023)	IEMOP	<ul style="list-style-type: none"> Deferred deliberation pending ERC’s issuance of Omnibus Retail Electricity Market Rules. 28 August 2024 – ERC officially released the ERC Resolution No. 13, Series 2024. 29 August 2024 – In relation to the ERC Resolution, the RCC sent a letter to IEMOP requesting for the updates on the proposals. 05 September 2024 – IEMOP will provide an update to the RCC as soon as they have finalized their action plan. 07 March 2025 – substitute consolidated proposal to be submitted
3	Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program	IEMOP	

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UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (4)

	Proposal	Proponent	Update/Status
4	Proposed General Amendments to the WESM Rules and various WESM Market Manuals regarding Energy Storage Systems in view of the DOE DC2023-04-0008	IEMOP	<ul style="list-style-type: none"> Published in the PEMC Website to request for comments on 22 August 2024 until 07 October 2024. Received comments from MERALCO, MEI/PEI, SPC/SIPC, MGEN, SNAP, APC, NGCP, ACEN, PEMC, and Technical Committee (TC) Deferred (As requested by proponent) proposal pending the forthcoming issuance of the ERC Rules on Energy Storage Systems Deferral informed to Commenters on 04 Feb 2025



UPDATES ON THE PROPOSALS

General Amendments – For DOE Promulgation (3)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program Implementation	IEMOP	<ul style="list-style-type: none"> Jan 31, 2024: Approved by the PEM Board PEM Board Resolution No. 2024-68-03 DOE conducted Public Consultation: 3 April 2024, 17 April 2024 and 23 April 2024 For finalization of DOE
2	Proposed Amendments to the WESM Rules and WESM Manuals on Penalty, and Enforcement and Compliance	PEMC	<ul style="list-style-type: none"> Jan 31, 2024: Approved by the PEM Board PEM Board Resolution No. 2024-68-06 DOE conducted Public Consultation: 3 April 2024, 17 April 2024 and 23 April 2024 For finalization of DOE
3	Proposed Amendments to the Rules Change Process	RCC	<ul style="list-style-type: none"> 28 August 2024 – PEM Board approved the proposed amendments to the Rules Change Process (PEM Board Reso No. 2024-75-01) 25 September 2024 – Endorsed to the DOE





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UPDATES ON THE PROPOSALS

General Amendments – Open for Comments (1)

	Proposal	Proponent	Update/Status
1	Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report	NGCP	<ul style="list-style-type: none"> Posted in PEMC Website on 25 February 2025, for comments until 10 April 2025

RCC Deliberation: 16 May 2025

For RCC consideration:

For 11 April 2025 (245th) – Market Operator and System Operator to present process on reconciliation of discrepancies in Dispatch Instruction Reports

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SCHEDULE OF ACTIVITIES

- 11 April 2025
(for approval)

- 16 May 2025

**RCC
Meetings**



- 17 March 2025

**BRC
Meeting**



- 26 March 2025

**PEM Board
Meeting**



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VII. ADJOURNMENT



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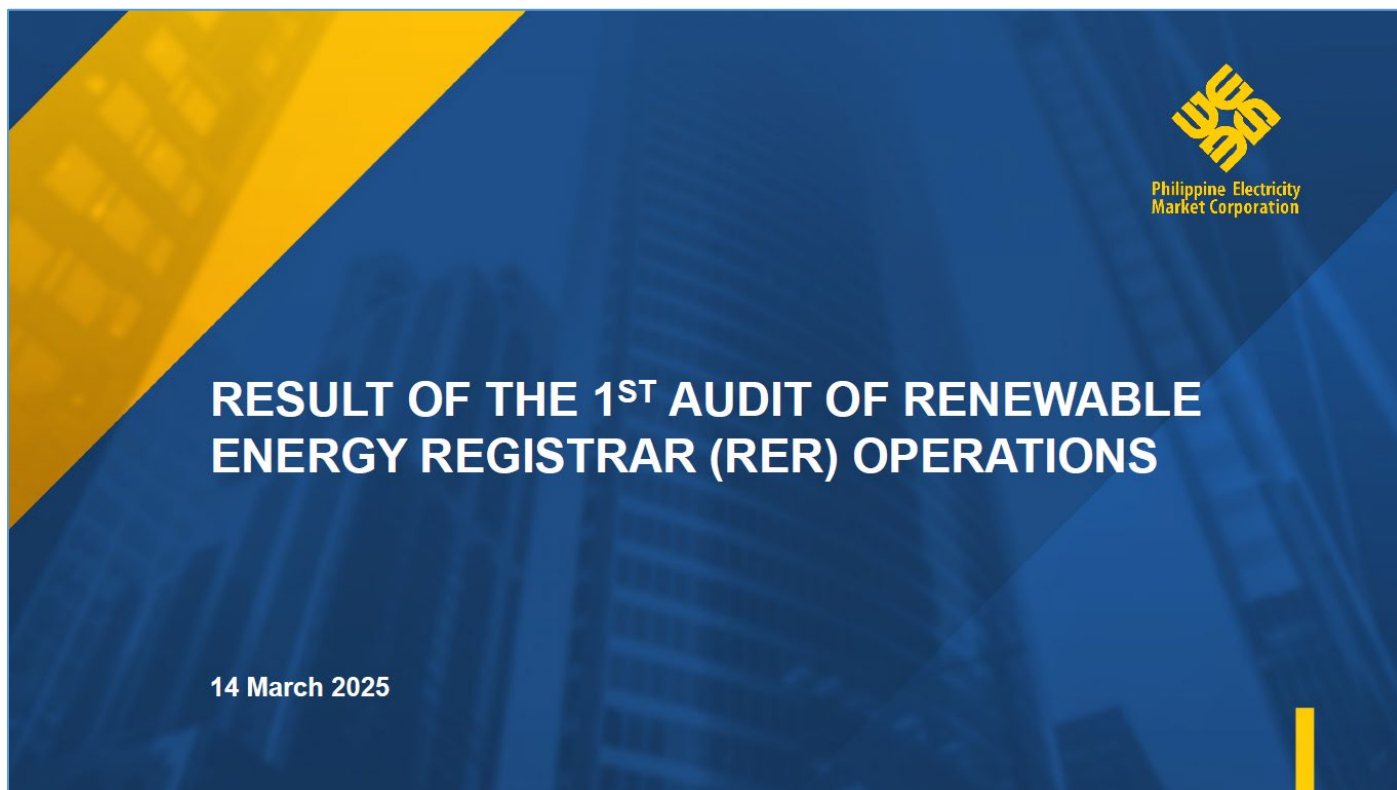
 [PEMC Info](#)

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ANNEX C – PAC Audit Report on the 1st Renewable Energy Registrar (RER) Operations



ACTION REQUESTED

- For information



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AUDIT SCOPE & OBJECTIVES

Based on Terms of Reference (TOR-1RERA-2024-V01) endorsed to IAD on 25 June 2024

Scope

Task 1 – RE Registrar Process and Compliance Review

This task covers the RER's compliance with its obligations in the RE Market Rules and Manuals, relevant Circulars, Orders and other Issuances of the DOE and ERC and existing Internal Business Procedures.

Covered Period: 05 February 2020 to 31 May 2024

Objectives

- Review and assess the compliance of the RER with the RE Market Rules and Manuals, and relevant circulars and issuances;
- Review and assess adequacy of the procedures and working processes of the RER; and
- Identify room for improvement in the current processes in line with the objectives of the RE Market.

AUDIT SCOPE & OBJECTIVES

Based on Terms of Reference (TOR-1RERA-2024-V01) endorsed to IAD on 25 June 2024

Scope

Task 2 – PREMS Enhancements Audit

This task covers the review of enhancements made to the PREMS during the covered period.

Covered Period: 01 January 2022 to 31 May 2024

Objectives

- Review and assess the compliance and effectiveness of the PREMS enhancements with the RE Market Rules and Manuals, and system design;
- Review the adequacy and effectiveness of existing controls to prevent, detect and/or correct errors that the enhancements may bring about.
- Review and assess the actions taken by the RER to address previous audit findings;
- Identify room for improvement in the current systems in line with the objectives of the RE Market; and
- As necessary, examine remediations to address preliminary findings.

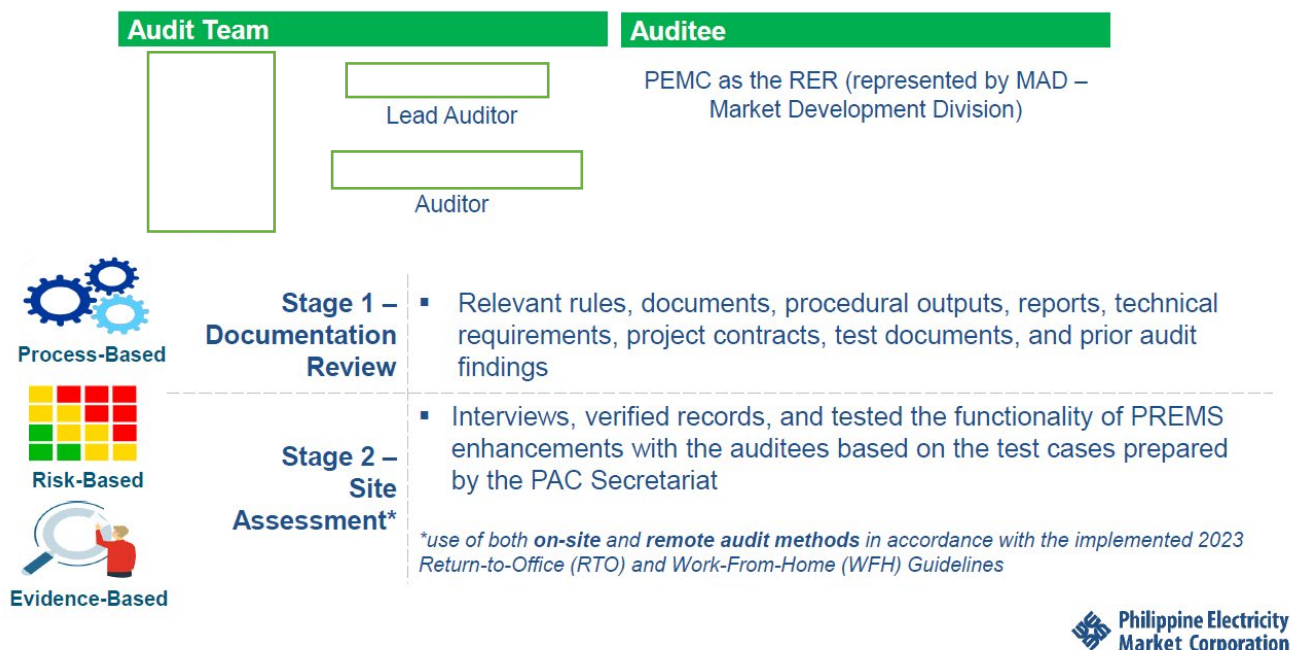
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AUDIT TEAM, AUDITEES, AND APPROACH & METHODOLOGY



Audit Activities	Date
Opening Meeting	04 Jul 2024
Stage 1 – Documentation Review	04 Jul 2024 to 02 Aug 2024
Stage 2 – Site Assessment	05 Aug 2024 to 13 Sep 2024
Wrap Up Meeting with Auditees	09 & 17 Sep 2024
Site Inspection of PREMS Main Server and related assets	12 Sep 2024
Preparation of Draft Audit Report	18 – 24 Sep 2024
Presentation/Release of Draft Audit Report to the Auditees and the PAC Secretariat	30 Sep 2024
Presentation to the PEMC Executive Committee	08 Oct 2024
Presentation to the PEM Audit Committee (PAC)	10 Oct 2024
Release of Draft Audit Report to the PAC for comments	15 Oct 2024
Release of Final Audit Report to the PAC	06 Nov 2024
PAC approval of the Final Audit Report	07 Nov 2024
Closing Meeting	12 Nov 2024
PEMC – IEMOP Coordination Meeting	14 Nov 2024
Presentation to the REM Governance Committee (RGC)	26 Nov 2024
Presentation of the Audit Result/Action Plan updates to the BAC	17 Jan 2025 & 18 Feb 2025
Presentation of the Audit Result/Action Plan updates to the BRC	17 Feb 2025



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CLASSIFICATION OF FINDING

Task 1 – RE Registrar Process and Compliance Review

Risk Rating	Compliance Rating	Description
		<ul style="list-style-type: none"> Non-compliance with the audit criteria with no action taken or with no submitted action plan, explanation or justification Possible breach to the CIA of information systems data due to absence of controls
		<ul style="list-style-type: none"> Non-compliance with the audit criteria with insufficient/unresponsive action plan, explanation or justification Possible breach to the CIA of information systems data due to inadequate controls
		<ul style="list-style-type: none"> Delayed compliance with the audit criteria with approved timeline and action plan, explanation or justification
		<ul style="list-style-type: none"> Housekeeping matters and opportunities for improving internal controls and procedures and efficiency relating to REM operations

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CLASSIFICATION OF FINDING

Task 2 – PREMS Enhancements Audit

Risk Rating	Compliance Rating	Description
		Deviation from technical requirements (must have) or absence of controls, likely to result in the: <ul style="list-style-type: none"> delivery of non-conforming outputs; or unplanned workflow stoppage or system failure; or breach to the CIA of information systems data.
		Deviation from technical requirements (must have) or inadequate controls, not likely to result in the: <ul style="list-style-type: none"> delivery of non-conforming outputs; or unplanned workflow stoppage or system failure; or breach to the CIA of information systems data.
		Deviation from technical requirements (should have, and could have)
		Housekeeping matters and opportunities for improving internal controls and procedures and efficiency relating to REM operations.

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SUMMARY OF FINDINGS & RECOMMENDATIONS

Risk Rating	Compliance Rating	Task 1: RE Registrar Process and Compliance Review	Task 2: PREMS Enhancements Audit
H	1	0	0
M	2	4	2
L	3	5	0
O	3	6	2

The findings were classified based on risk and compliance ratings:

- **(Task 1)** from high-risk issues with no action taken to low-risk housekeeping matters, highlighting potential breaches in information security and internal control inefficiencies.
- **(Task 2)** from high-risk issues leading to potential system failures or data breaches, to lower-risk findings which involve inadequate controls, and housekeeping improvements.

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SUMMARY OF FINDINGS & RECOMMENDATIONS

<p>M 2</p> <p>Task 1</p> <ol style="list-style-type: none"> 1. Inaccurate and untimely issuance of RECs 2. Inadequate control of REM documented information* 3. Incomplete requirements and procedures for registration 4. No relevant manual on Certificate Transactions and RPS Compliance Monitoring <p>Task 2</p> <ol style="list-style-type: none"> 1. Backend implementation of bulk registration of REM facilities and REC re-issuances (Bulk registration, Registration via PREMS interface, Bulk REC re-issuances) 2. Incomplete documentation of testing and approval of deployed PREMS enhancements <p>* Completed by PEMC</p>	<p>L 3</p> <p>Task 1</p> <ol style="list-style-type: none"> 1. Non-updated REM Rules and Manuals 2. Clerical errors in the REM Rules 3. Non-availability of approved RER Performance Standard 4. Inconsistency in the implementation of the REM Rules requirements 5. Non-updated REC Input Data Validation Monitoring Sheet 	<p>O 3</p> <p>Task 1</p> <ol style="list-style-type: none"> 1. Consider establishing the requirement and timeline for securing PEM Board's endorsement prior to submission to the DOE for approval 2. Ensure REM Manual references and effectivity are updated and aligned with the REM Rules 3. Enhance REM Data Catalogue Issue 1.0 4. Enhance Market Participant Agreement (MPA) 5. Enhance internal business procedure 6. Ensure that all published REM documents have appropriate identification and description (e.g., REM Applicant Guide for Registration)* <p>Task 2</p> <ol style="list-style-type: none"> 1. Enhance efficiency in process execution 2. Ensure that exemption messages are not displayed in the PREMS User Interface (UI)
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AUDIT CONCLUSION

- In general, PEMC as the RER was found to be compliant with its duties, responsibilities, and obligations pursuant to Clause 1.2 of the REM Rules
 - REM Readiness, REM Registration, REC Creation and Issuance, RPS Compliance Monitoring, and PREMS Development, Operations & Maintenance, and Transfer
 - System enhancements are verified consistent with the RE Market Rules and working as intended
- Audit findings are focused towards ensuring:
 - Full compliance with the REM Rules requirements and regulations, and
 - Enhanced PREMS' user experience, and data integrity.

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