

Rules Change Committee

2015 Semestral Report

(January to June 2015)

RCC-REP-15-01

This Report is prepared by the Philippine Electricity Market Corporation-Market Assessment Group for the Rules Change Committee.

June 2015

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I. INTRODUCTION

In compliance with its mandate under the WESM Rules¹ and the WESM Manual on the Procedures for Changes to the WESM Rules (Rules Change Manual), the Rules Change Committee (RCC) submits this Report, covering the period January to June 2015. This report sets out the following:

- i. All WESM Rules and Manuals change proposals which have been submitted to and deliberated by the RCC for the covered period; and
- ii. Status of RCC Priorities outlined in the 2015 RCC Work Plan.

II. ACCOMPLISHMENTS AND WORK PROGRESS

The RCC met six (6) times during the period January to June 2015, to discuss and deliberate upon several amendments including urgent proposed amendments to the WESM Rules and Manuals, which are aimed at enhancing market design, as well as refining processes and operations appropriate for the current market setting.

During the 6-month covered period, the RCC deliberated on eighteen (18) proposals for amendments to the WESM Rules and Market Manuals. Of these, six proposals were approved by the RCC, while one (1) proposal was disapproved and reported to the PEM Board for information. Eleven (11) proposals are still subject to ongoing RCC's deliberations.

Of the six (6) proposals already endorsed to the PEM Board, five (5) were approved by the PEM Board, including one involving a WESM Rules Change Proposal which was endorsed to the DOE for approval of the corresponding WESM Rules changes. Another proposal was deferred pending further discussions at the DOE and the ERC.

The RCC activities for the covered period are discussed in detail in the succeeding sections.

II.A. Approved Amendments**1. Amendments to the WESM Rules and Market Manual on the Procedures for Changes to the WESM Rules**

The Philippine Electricity Market Corporation (PEMC) submitted to the RCC its Proposed Amendments to the WESM Rules and the WESM Manual on the Procedures for Changes to the WESM Rules on 30 September 2014. Said Proposal was presented by PEMC during the 94th RCC meeting held on 05 November 2014 and was thereafter approved by the RCC for publication for comments. On 14 November 2015, the Proposal was published in the website to solicit comments, with notification sent to participants on 17 November 2015.

¹ WESM Rules, Clause 8.6.5

Table 1. Highlights of Proposed Amendments to the WESM Rules and the WESM Manual on the Procedures for Changes to the WESM Rules

Topic	Highlights of the Proposed Amendments
	Revised the Manual Structure in accordance with the procedure framework drafted by the PEMC Harmonization Technical Working Group
Responsibilities	Added a new section regarding the general responsibilities of RCC, PEM Board, DOE and WESM Members in proposing Rules Changes.
Classification of Rules Changes	Deleted and moved to WESM Rules 8.2.9.1
Timeliness	Updated and inserted specific and feasible timelines to reflect the current practice of RCC, PEM Board and DOE.
Prescribed Forms	Included templates for the submission of rules change and submission of comments
Procedure Framework	Included an annex –procedure framework to provide the standards for market manual documentation.

Following the 30-day publication period, the Proposal was deliberated upon by the RCC during its 96th meeting held on 14 January 2015. While no written comments were submitted to the RCC, the Department of Energy (DOE) provided its inputs during the RCC's deliberations on the Proposal. In the same meeting, the RCC approved the Proposal, through RCC Resolution No. 2015-01, and agreed to endorse the same to the PEM Board for the latter's approval.

The Proposal for Amendments to the WESM Rules and the Manual on the Procedures for Changes to the WESM Rules was formally endorsed by the RCC to the PEM Board on 05 March 2015. Subsequently, on 10 March 2015, upon the RCC's presentation, the PEM Board approved the Proposed Amendments to the Manual, while the corresponding WESM Rules amendments were endorsed to the DOE for its approval on the same.

2. Amendments to the WESM Rules and the Market Manual on the Registration, Suspension and Deregistration Criteria and Procedures regarding Registration of Ramp Rates

The proposed amendments to the WESM Rules and the Market Manual on the Registration, Suspension and Deregistration Criteria and Procedures (Registration Manual) involving the registration of Ramp Rates intended to (a) provide a level playing field in reference to the ramp rates of Generators and minimize the adverse impact of limited ramp rate capability especially to the supply margin in the WESM, and (b) improve the integrity of the market schedules and enhance accuracy of market offers, by ensuring more accurate information from Generators relative to their ramp rate capability.

The Proposal was originally submitted by PEMC and approved by the RCC on 03 April 2013 and formally endorsed to the PEM Board the first time on 08 April 2013. The matter was taken up during the Board Review Committee (BRC) meeting on 17 April 2013. However, it was decided at the BRC to defer the matter and consider it for discussion at the WESM Tripartite composed of the DOE, ERC, and PEMC.

Upon the RCC's follow up with the DOE on the status of the Proposed Amendments to the WESM Rules and the Registration Manual on the matter of the Registration of Ramp Rates previously endorsed by the RCC to the BRC, the DOE responded through its letter dated 22 April 2014 that, during the ERC meeting with DOE and PEMC on the Proposed Amendments to the Certificate of Compliance (COC), the body agreed that all technical information of Generators, such as Pmax, Pmin, and ramp rates shall be included in the Generator's COC. Thus, having noted that this matter can already be addressed through the COC, the DOE advised the RCC that it may decide on whether or not it would want to push through with its Proposal once the ERC issues the new COC guidelines.

Following the ERC's issuance of the new COC guidelines on 15 September 2014, through ERC Resolution No. 16, series of 2014, entitled, *"A Resolution Adopting the Revised Rules for the Issuance of COCs of Generation Companies, Qualified End-Users and Entities with Self-Generation Facilities,"* the matter was brought to the table for discussion of the RCC. During discussions, the RCC noted the following provisions of the new COC guidelines:

Article I Section 2 (iv): ***"XXX The terms and conditions of the COC and the technical description of the Generation Facilities, including, but not limited to the maximum stable load (Pmax in MW), minimum stable load (Pmin in MW), ramp up rate (MW/Min), ramp down rate (MW/Min), and heat rate (Btu/kWh; kJ/kWh; kCal/kWh shall be submitted to and contained in a document, which is made an integral part of the issued COC."***

The RCC during its discussions on the matter agreed to pursue its Proposal originally submitted to the PEM Board, with no further revisions. The Proposal was once again published in the market information website on 08 January 2015, in order to solicit comments of participants.

During the 98th RCC meeting held on 4 March 2015, the comments submitted relative to the Proposal were given due course. During discussions, the RCC acknowledged that there is a need to require the Generators to submit a graph/curve of ramp up and ramp down rates, showing the change in MW versus time, as part of the registration requirements. This information was suggested to be submitted to the NGCP-SO to guide it in gauging the response of a Generator to certain dispatch instructions over a trading interval.

After due deliberations in the same meeting, the RCC approved the Proposal through RCC Resolution No. 2015-02 with no revisions, and agreed to endorse the said Proposal to the PEM Board for the latter's approval.

The Proposed Amendments to the WESM Rules and the Manual on the Registration of Ramp Rates was formally endorsed to the PEM Board on 23 April 2015 and presented

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by the RCC during the 104th PEM Board meeting held on 28 April 2015. It was decided during the said PEM Board meeting to defer its action on the RCC-endorsed Proposal for Amendments to the WESM Rules and the Registration Manual pending the DOE and the ERC's determination of the appropriate minimum and maximum level of bandwidth for ramp up and ramp down rates. It was agreed by the PEM Board to elevate the matter to the DOE and ERC (in particular, the Grid Management Committee or GMC) for the formulation of the possible bandwidth protocol in determining the ramp up and ramp down rates.

3. Amendments to the Billing and Settlement Manual

The Proposed Amendments to the Billing and Settlement Manual was submitted by PEMC to the RCC on 01 December 2014, as part of the efforts of PEMC's Harmonization-Technical Working Group to address audit findings by the Independent Auditor during the 2nd Market Operations Audit. The Proposal sought to:

- i. Include all obligations under the WESM Rules that are not reflected in the Billing and Settlement Manual;
- ii. Re-align all current billing and settlement processes with the procedures in the Billing and Settlement Manual;
- iii. Improve the Billing and Settlement Manual especially with regards to compliance, context, process, and accountability; and
- iv. Implement the new format for all market manuals.

The PEMC's Proposed Amendments to the Billing and Settlement Manual was presented before the RCC during its 96th meeting held on 14 January 2015, and was subsequently approved for posting to solicit comments of participants and interested parties. On 26 January, the Proposal was published in the market information website, with notice to participants sent on the same day.

During the 98th RCC meeting held on 04 March 2015, the RCC deliberated upon the Proposal, giving due course on the comments received from the concerned parties. After due deliberations and to address the comments of parties, the RCC incorporated its revisions on the Proposal. Thereafter, the RCC approved the Proposed Amendments to the Billing and Settlement Manual through RCC Resolution No. 2015-03, and agreed to submit the Proposal to the PEM Board, for its approval on the same.

On 23 April 2015, the Proposal for the Amendment of the Billing and Settlement Manual was formally transmitted to the PEM Board on 23 April 2015 and presented by the RCC during the 104th PEM Board meeting held on 28 April 2015. Subsequently, the PEM Board approved the Proposed Amendments to the Billing and Settlement Manual.

4. Amendments to the Manual on the Guidelines for Significant Variations In- and Between- Trading Intervals

The Proposal for Amendments to the Manual on the Guidelines for Significant Variation In- and Between- Trading Intervals was submitted by PEMC to the RCC on 01 December 2014, as part of the efforts of PEMC's Harmonization-Technical Working

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Group to address audit findings by the Independent Auditor during the 2011 Market Operations Audit. The Proposal sought to:

- i. re-organize the content of the Manual in order to properly account for all process improvements as recommended by the Independent Auditor;
- ii. clearly state the accountabilities of the Market Operator by reflecting it in the Manual;
- iii. implement the new and standardized format of market manuals in order to address audit findings relative to context and governance mechanisms.

The PEMC's Proposal for Amendments to the Manual on the Guidelines for Significant Variation In- and Between- Trading Intervals was presented before the RCC during its 96th meeting held on 14 January 2015, and subsequently approved for posting to solicit comments of participants. On 26 January 2015, the Proposal was published in the market information website, with notice to participants sent on the same day.

During the 98th RCC meeting held on 04 March 2015, the RCC deliberated upon the Proposal, giving due course on the comments received from the concerned parties. After due deliberations and to address the comments of parties, the RCC incorporated its revisions on the Proposal. Thereafter, the RCC approved the Proposed Amendments to the Manual on the Guidelines for Significant Variation In- and Between- Trading Intervals through RCC Resolution No. 2015-04 and agreed to submit the Proposal to the PEM Board for the latter's approval.

On 23 April 2015, the Proposal for Amendments to the Manual on the Guidelines for Significant Variation In- and Between- Trading Intervals was formally transmitted to the PEM Board and likewise presented by the RCC during the 104th PEM Board meeting held on 28 April 2015. Subsequently, the PEM Board approved the Proposed Amendments to the Manual on the Guidelines for Significant Variation In- and Between- Trading Intervals.

5. Amendments to the Administered Price Determination Methodology Manual

On 05 February 2015, the RCC received from PEMC two separate Proposals for Amendments to the Administered Price Determination Methodology Manual (APDM).

The first set of Proposed Amendments to the APDM was the addition of Section 4.2.1.4 that will correct the utilization of zero values in the calculation of prices based on the previous four weeks, same day, same hour to ensure appropriate calculation of Administered Price when Metered Quantity (MQ) is zero.

The second set, PEMC's Proposal for Amendments to the APDM Manual, provided for the following:

- i. Revision of Section 4.2.5.2 and Appendix A to ensure appropriate settlement in trading intervals when regional administered pricing is applied and the administered region exports energy to the non-administered region;
- ii. Addition of terms in the formula for calculating the customer administered settlement amounts of Section 4.2.2.1 to include the consideration of

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- bilateral contracts to be consistent with Section 2.4 of the APDM Manual;
and
- iii. Amendment of Sections 4.2.6, 4.2.7.2, and 4.2.7.3 for the integration of costs attributable to bilateral contract quantities of the customer administered settlement amounts.

The RCC, during its 98th meeting held on 04 March 2015, approved the posting in the market information website of the Proposed Amendments to the APDM Manual to solicit comments of participants. On 6 March 2015, the Proposal was published in the market information website, with notice to participants sent on the same day.

In response to the RCC's call for comments, written submissions were received from several parties. During the RCC's deliberations in its 99th meeting held on 08 April 2015, the RCC gave due course on comments received and revised the Proposal accordingly, to consider some of the comments based on their merits.

Likewise, during deliberations, the RCC noted that the comments submitted by the Philippine Independent Power Producers Association (PIPPA)/GN Power was in the form of a proposal rather than just mere comments - which comments called for the removal of line rental in the Customer's bill during administered price situations. The RCC recognized the merit of said comments. However, the RCC also deemed that if it will be incorporated in the Proposed Amendments submitted by PEMC, it will entail major changes to the PEMC's Proposal that would require another publication, which may cause delay in the RCC's decision on the concerns being addressed by PEMC's Proposal. Thus, it was agreed during the discussions that PIPPA/GN Power will be requested to formally submit a separate proposal on the matter.

In the same meeting of 08 April 2015, the RCC approved the PEMC's Proposed Amendments to the Administered Price Determination Methodology Manual through RCC Resolution No. 2015-05, as revised, incorporating some minor revisions based on the discussions. The RCC likewise agreed to endorse the Proposal to the PEM Board for the latter's approval.

On 23 April 2015, the Proposed Amendments to the APDM Manual was formally transmitted to the PEM Board and was likewise presented by the RCC during the 104th PEM Board meeting held on 28 April 2015. Subsequently, the PEM Board approved the Proposed Amendments to the APDM Manual with minor modification on the terminology referring to "Line Rental" as Pricing Mechanism Differential" instead of "Amounts Associated with Bilateral Contracts."

6. Amendments to the Manual on the Management of Must-Run Units and Must-Stop Units (MRU-MSU) Issue 5

The Proposed Amendments to the MRU-MSU Manual Issue 5.0 was submitted by PEMC to the RCC on 26 January 2015. Said Proposal for Amendments sought to address the directives of the ERC in its Order to PEMC dated 09 June 2008 in ERC Case No. 2006-007 directing PEMC to incorporate in the manual the procedures for the calculation of Generation Price Index (GPI), as previously approved by the ERC.

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The Proposed Amendments to the MRU-MSU Manual Issue 5.0 was presented by PEMC during the 97th RCC meeting held on 4 February 2015, and was subsequently approved by the RCC for posting in order to solicit comments from participants. On 11 February 2015, the Proposal was published in the market information website, with notice to participants sent the following day.

In response to the RCC's call for comments, PIPPA made a written submission relative to the Proposed Amendments to the MRU-MSU Manual Issue 5. PIPPA's comments, in general, suggested updating the current GPI pricing mechanism in consideration of the expiration of the NPC Transition Supply Contracts, which it deemed, will render the GPI mechanism moot. PIPPA likewise stated that the current GPI pricing mechanism is not sufficient to compensate an MRU for the costs it incurs in running as MRU.

The RCC gave due course to the comments and noted the concerns raised by PIPPA. However, in the absence of any recommended pricing mechanism to replace the current one, and noting the on-going proposal by the Generators on APDM relative to Nominated Price (NP), the RCC agreed that it will consider PIPPA's concerns in future discussions of the RCC.

After due deliberations in the same meeting of 08 April 2015, the RCC approved the Proposed Amendments to the MRU-MSU Manual Issue 5.0 through RCC Resolution No. 2015-06, and agreed to endorse said Proposal to the PEM Board for the latter's approval on the same.

The Proposed Amendments to the MRU-MSU Manual Issue 5.0 was formally transmitted to the PEM Board on 23 April 2015, and presented by the RCC during the 104th PEM Board meeting held on 28 April 2015. Subsequently, the PEM Board approved the Proposed Amendments to the MRU-MSU Manual Issue 5.0.

II.B. On-Going Proposals

During the period covered in this report, the RCC discussed the following amendments to the WESM Rules and Manuals.

1. Proposed Amendments to the WESM Rules on Wholesale Disconnection

On 04 December 2013, the RCC received a proposal for changes to the WESM Rules on the Adoption of a Disconnection Policy as submitted by AES Philippines and endorsed by PIPPA. Said Proposal integrates the DOE's disconnection policy under DOE Circular No. DC2010-08-10 implementing DOE Circular No. DC2010-05-006, with existing WESM Rules on Suspension. The Proposal sought to prevent existing leakages in the electric power system due to unauthorized withdrawal of electricity and unmetered and unbilled consumption on facilities connected to the grid. It likewise aims to compel WESM members to comply with the provisions of the EPIRA and other related laws, rules, and regulations.

During the RCC's discussion of the above Proposal in its meeting held on 04 December 2013, the RCC determined that the Proposal, as submitted, was not

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implementable and still requires certain enhancements. Thus, the RCC requested the Generators to further review the Proposal. A Sub-committee composed of the Generators, MO, SO, and MERALCO was constituted to revise the proposal accordingly based on comments given by the RCC. To make the Proposal consistent with the timelines of the Network Service Providers, the SO and MERALCO were specifically requested to provide their inputs in the revisions to the Proposal.

The revised proposal, as a result of the Sub-Committee meeting held between the concerned parties, was presented by the Generators during the 95th RCC meeting held on 12 March 2014. During said presentation, additional revisions were again incorporated by the RCC in the course of its discussion on the matter. It was likewise agreed by the RCC, upon request of the Generators, to hold off the publication of the Proposal pending MERALCO's submission of its inputs. The Generators once again, discussed the Proposal in the RCC meetings held on 02 April and 07 May 2014. During the latter meeting, the RCC agreed to already proceed with the publication of the Proposal in the market information website to solicit comments, and further, to await MERALCO's comments once the Proposal is published. On 30 May 2014, the Proposal was published in the market information website, together with the discussion paper relative to the Proposal.

In the 89th RCC meeting held on 02 July 2014, the RCC deliberated upon the Proposed Amendments to the WESM Rules on Disconnection, including the comments submitted by the Retail Electricity Suppliers. During discussions, the RCC determined that the RESA submission is already in the nature of a Proposal rather than as mere comments, having recommended for parallel provisions on Disconnection in the Retail Rules. It was noted, however, by the RCC, that the Proposal fell short of the RCC requirements. Continuing with its deliberations, the RCC incorporated additional revisions to the Proposal. The MO, on the other hand, requested that it be given time to review and validate the timelines indicated in the Proposal, and to likewise consult with PEMC-Legal on whether or not all requests for disconnection shall be coursed through PEMC.

On 01 October 2014 during the 93rd RCC meeting, The RCC noted receipt of comments from MERALCO and PEMC, as well as clarificatory concerns raised by the Secretariat. During this meeting, it agreed that the discussion be deferred in the absence of the SO representative. The RCC deemed that SO's participation in the discussion is crucial as most concerns identified by the RCC in relation to the Proposal can only be addressed by the SO.

The matter on disconnection was discussed again in several RCC meetings.

During the RCC's 94th Meeting held on 05 November 2014, the RCC made revisions to the Proposal, with consideration to the comments of PEMC and the general comments given by MERALCO.

In another meeting held on 03 December 2014, the RCC further deliberated on the matter. Following the DOE's suggestion to propose amendments to the pertinent DOE Circulars on Disconnection (DOE Department Circular Nos. DC2010-05-0006 and DC2010-08-0010) instead of the WESM Rules, the RCC agreed to withdraw the Proposed Amendments to the WESM Rules on the Adoption of a Disconnection Policy. The RCC, instead, agreed to reflect the proposed provisions in the WESM

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Rules, as applicable, in the DOE Circulars, based on previous discussions and agreements. Finally, the RCC agreed that it would seek PEM Board endorsement of the RCC's Proposal for changes in the DOE Circulars.

However, contrary to the DOE's recommendation for the RCC to amend the DOE Circulars instead of the Rules, PIPPA through the Generator representatives in the RCC conveyed that the intent of their Proposal, as originally submitted to the RCC, is to reflect the DOE's disconnection policy in the WESM Rules in order to avoid any third party intervention during the execution of disconnection. Thus, the Generators expressed its sentiment in maintaining their Proposal to amend the Rules instead of the Circulars.

In consideration of the strong position of the Generators relative to their Proposal and upon due discussions within the RCC, it was agreed during the 98th RCC held on 04 March 2015 to push through with the Proposed Amendments to reflect the DOE's disconnection on the Wholesale side in the WESM Rules. Thereafter, the RCC Sub-Committee convened to amend the Proposal accordingly based on more recent discussions at the RCC.

During the 100th RCC meeting held on 6 May 2015, the RCC discussed the revised Proposal with PEMC's comments already incorporated. The RCC Sub-committee on Wholesale Disconnection is set to review further the revised Proposal and have the same tabled for discussion in the scheduled RCC meeting for July 2015.

2. Proposed Amendments to the Retail Rules on Retail Disconnection

The Retail Electricity Suppliers' Association (RESA) proposed that a disconnection policy be likewise included in the Rules for Integration of Retail Competition in the Wholesale Electricity Spot Market, parallel to the Proposed Amendments to the WESM Rules on Wholesale Disconnection. RESA's proposal intended to harmonize the disconnection policy in the retail market with that of the wholesale segment. The Proposed Amendments to the Retail Rules detailed the conditions, responsibilities and processes for disconnection as well as available remedies from/to the distribution utility in the grid. Upon RCC's approval for its publication, the same was published in the WESM market information website on 13 October 2014 for comments of participants and interested parties.

In line with the RCC's discussions and agreements relative to the Proposed Amendments to the WESM Rules on the Adoption of a Disconnection Policy, the RCC, similarly, initially agreed to withdraw the Proposal on the retail side, and instead propose to include a policy for disconnection on the retail side in the impending changes to the pertinent DOE Circulars, to be proposed by the RCC to the DOE through the PEM Board.

In more recent discussions of the RCC, however, and based on changes in the directions for the Proposed Amendments on Wholesale disconnection, the RCC re-evaluated its approach in relation to the Proposed Amendments on Retail Disconnection, and after deliberating on the matter, agreed to amend the Retail Rules instead of incorporating it in supposed amendments to the DOE Circulars on

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Disconnection, taking into account the same sentiments from RESA as that of the Generators.

The Sub-Committee on Retail Disconnection convened to revise the Proposal, with inputs from the DUs. The revised Proposal was presented during the 100th RCC meeting on 6 May 2015. During that meeting, the ERC requested the deferment of further discussions on the matter, expressing that since the ERC has jurisdiction over the physical disconnection of Contestable Customers (CCs) and end-users as embodied under RA 7832, the ERC intends to review its own guidelines in order to harmonize it with the RESA's Proposal.

Upon follow up with the ERC on its comments on the Proposal, the ERC informed the RCC that the former will submit its comments once the Proposal is published. Thus, during the 101st RCC meeting held on 3 June 2015, the RCC proceeded with its discussions on the matter. The Proposal was revised based on comments and discussions of the body. During the same meeting, the RCC approved the publication, subject to revisions as discussed, in the market information website of the revised Proposal for Amendments to the Retail Rules on Retail Disconnection, to solicit comments of Participants and interested parties.

The RCC is set to deliberate the Proposal upon expiry of the 30-day publication period and give due course to comments if there will be any.

3. Proposed Amendment to the Dispatch Protocol Manual

The Proposed Amendments to the Dispatch Protocol Manual was submitted by PEMC to the RCC on 01 December 2014, as part of the efforts of PEMC to address the audit findings by the Independent Auditor during the 2nd Market Operations Audit. The revisions to the Dispatch Protocol Manual include the following:

- i. Changes to specific provisions to address the audit findings during the market operations audit;
- ii. Re-arrangement and reformatting of the manual to comply with the recommended structure of all market manuals for better appreciation of the different processes in the WESM;
- iii. Removal of appendices that are deemed no longer applicable or are already contained in a separate Manual (e.g. Demand Forecasting, Market Information and Publication, and Dispatch Procedure prior to WESM). The Proposal likewise includes the Procedure on Start-up and Shut-Down of Generating Units in the Dispatch Protocol. Corresponding revisions to the attachments of the Dispatch Protocol Manual were likewise made;
- iv. Reflection of Actual Practice of the Market Operator and System Operator in performing their functions as set out in the Manual; and
- v. General revisions on certain provisions for clarity, style, and consistency.

The PEMC's Proposal for Amendments to the Dispatch Protocol Manual was presented before the RCC during its 96th meeting held on 14 January 2015, and was subsequently approved for posting to solicit comments of participants. The RCC agreed to incorporate in the PEMC's Proposal the RCC's Proposal, based on previous discussions of the Committee following the amendments done to the MRU

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Manual, to include a provision in the Dispatch Protocol Manual that would clarify that plants on commissioning and testing should be paid as price-takers.

On 26 January 2015, the Proposal for Amendments to the Dispatch Protocol Manual by PEMC and RCC was published in the market information website, with notice to participants sent on the same day.

During the 98th RCC meeting held on 04 March 2015, the RCC deliberated upon the Proposal, giving due course on the comments received from the concerned parties. After deliberating on the comments of parties, the RCC incorporated its revisions on the Proposal. Additional instructions were given to the MO to revise the Proposal accordingly and reflect the discussions, including the procedure for the preparation of the WESM Merit Order Table (WMOT) and SO's procedure in using the MOT as provided by the MO. During the meeting, the RCC had a general consensus that the MO will prepare two MOTs, one for Luzon and another for Visayas. The SO was likewise requested to provide to the MO, through the RCC, its own procedure in relation to the WMOT for its inclusion in the Dispatch Protocol Manual.

The RCC further instructed the MO to reflect the revised Proposal in the current version of the Dispatch Protocol Manual. It was agreed, based on the RCC's discussion on 08 April 2015, that the revised Proposal will be published again in the market information website for transparency and to invite submission of comments from participants. The decision to re-publish the Proposal is in view of the major changes made on the Proposal from the original PEMC submission.

The Proposal is currently being revised by PEMC based on RCC's instructions and will be published for comments once finalized.

4. Proposed Amendments to the WESM Rules and the Billing and Settlement Manual

The RCC received the Proposed Amendments to the WESM Rules and the Billing and Settlement Manual from the Aboitiz Power Corporation (APC). The Proposal sought to harmonize the requirements of the Bureau of Internal Revenue (BIR) for claiming deductible expenses in order that affected WESM members may be able to provide sufficient documentation in claiming deductible expenses from the BIR and ensure that these are recognized. The terms "WESM member" and "Trading Participants" were used merely to reflect the manner of usage in the WESM Rules and market manuals.

During the 99th RCC meeting held on 08 April 2015, after the presentation made by representatives from APC, the RCC approved the posting of the Proposal in the market information website, to solicit comments of participants and interested parties. Thereafter, the Proposal was published on 21 April 2015 with notice to participants sent on the same day.

In response to the RCC's call for comments, written submissions were made by concerned parties. During the RCC's deliberations on the Proposal in its 101st meeting held on 03 June 2015, the RCC gave due course to the comments received

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relative to the Proposed Amendments to the WESM Rules and the Billing and Settlement Manual.

During discussions, the RCC raised several issues and requested APC to revise the Proposal accordingly as per the comments of the body. The RCC is set to deliberate on the Proposal once again upon receipt of the revised Proposal from APC.

5. Proposed Amendments to the WESM Rules and the Market Manuals on MRU-MSU and APDM

The RCC received the Proposed Amendments to the WESM Rules and the Manuals on MRU-MSU and APDM from Aboitiz Power Corporation (APC). The Proposal involved the setting of timelines for the filing of claims to ensure transparency in the settlement process and efficient operation of the WESM.

During the 99th RCC meeting held on 08 April 2015, after the presentation by representatives from APC, the RCC approved the posting of the Proposal in the market information website, to solicit comments of participants and interested parties. Thereafter, the Proposal was published on 21 April 2015 with notice to participants sent on the same day.

In response to the RCC's call for comments, written submissions were made by concerned parties. During the RCC's deliberations on the Proposal in its 101st meeting held on 03 June 2015, the RCC gave due course on the comments received relative to the Proposed Amendments to the WESM Rules and the Manuals on MRU-MSU and APDM.

During discussions, the body raised several comments on the Proposal, among others, the issue of the Power Sector Assets and Liabilities (PSALM) Corporation that the proposed two-month period for filing additional claims may be too stringent, particularly for a government entity such as PSALM. It was further raised by the representative from PSALM that it may be difficult for PSALM to obtain all the necessary supporting documents for the filing of claims, given that it has several independent power producers (IPP) for its plants. Thus, PSALM did not agree on the Proposal that for failure to file for additional claims within that two-month period, the claims by the Generator shall be deemed waived, as this would also raise issue with the Commission on Audit (COA).

Having noted the concerns above, PSALM was requested by the RCC to submit a counter-proposal that would reflect a reasonable timeframe that already considers the of the situation of government Generators and the requirements of the market.

Several other comments on the Proposal were raised by the RCC during the discussions. APC was tasked to revise the Proposal accordingly to reflect the comments of the RCC.

The RCC is set to deliberate on the Proposal once again upon receipt of the revised Proposal from the APC and counter-proposal from PSALM.

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6. Proposed Amendments to the WESM Rules and WESM Metering Manual

The RCC received separate proposals on the matter on Metering from the WESM Technical Committee (TC) on the 13 June 2014, and the PEMC on 03 July 2014.

The TC's Proposed Amendments covered both the WESM Rules and the WESM Manual on Metering Standards and Procedures. The Proposal of TC, in general, endeavored to achieve the following:

- i. Align certain provisions of the WESM Rules and WESM Manual on Metering Standards and Procedures with the Philippine Grid Code (PGC) and the Philippine Electrical Code (PEC) 2009 Edition;
- ii. Revise the provisions on the Manual and diagrams showing the location and arrangement of instrument transformers;
- iii. Include new sections and diagrams for grounding system; and
- iv. Amend provisions under Section 9 on Site Specific Loss Adjustment (SSLA) to make the Section systematic and comprehensive.

Upon the RCC's approval, said Proposal was published on 10 July 2014, to solicit comments of participants and interested parties.

PEMC, on 03 July 2014, submitted a separate Proposal for Amendments to the WESM Manual on Metering Standards and Procedures. Said PEMC Proposal on the Metering Manual aimed to address audit findings during the 2011 and 2013 Market Operations Audits, to reflect the industry best practice and enhance the documentation of the current processes of the Market Operator and the Metering Services Provide (MSP).

During the 90th RCC Meeting held on 06 August 2014, when the matter was presented by PEMC, the RCC subsequently approved the posting of said Proposal in the WESM website to solicit comments of participants and interested parties. In the same meeting, the RCC decided that the TC and PEMC Proposals on Metering will be harmonized and submitted to the PEM Board as a consolidated proposal, since both entail changes to the same Market Manual.

The PEMC's Proposed Amendment to the WESM Manual on Metering Standards and Procedures was published on 07 August 2014 for comments of Participants.. During the RCC's deliberations on the matter on Metering covering the Proposals of the two parties, representatives from both the WESM Technical Committee and PEMC were invited to participate and provide clarification on the concerns raised by the parties who gave their comments..

In the RCC's meeting held on 01 October 2014, the RCC approved the Proposed Amendments to the WESM Rules and WESM Manual on Metering Standards and Procedures,² as revised based on discussions, and agreed to endorse the same to the PEM Board.

The Proposal was presented to the PEM Board during the 99th PEM Board Meeting held on 24 October 2014. Following the RCC's presentation on the Proposal, the

² RCC-RESO-2014-18

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PEM Board agreed to remand the Proposal to the RCC for further study, taking into consideration the following comments, among other related issues:

- i. Application/relevance of the proposed amendment to wholesale market and RCOA. Pertinent provision relating to RCOA such as "*distribution revenue meter*" (e.g. Section 2.4.2) is suggested to be deleted if the proposal intends to be applicable only to wholesale electricity market.
- ii. Whether or not the condition to have a backup meter for all WESM participants needs to be mandatory;
- iii. Cost impact of the metering equipment required by the proposed amendment (who shall bear the cost, etc.).

It was suggested by the PEM Board that all concerned parties participate in the RCC discussions on the matter.

Following the PEM Board's comments and directives, the RCC during its 94th Meeting held on 05 November 2014, invited representatives from MERALCO, NGCP, and PEMC, to participate in the RCC's discussions. In view of the opposing opinions on the issues raised by the PEM Board, the RCC requested the concerned parties to further review the Proposed Amendments and the WESM Rules and WESM Manual on Metering Standards and Procedures, and submit further comments in consideration of the PEM Board Directives to the RCC.

During the 95th RCC Meeting held on 03 December 2014, the RCC once again deliberated on the Proposed Amendments to the WESM Manual on Metering Standards and Procedures, including further comments received from concerned parties. Upon due deliberations, the RCC agreed on further revisions in the WESM Manual on Metering Standards and Procedures, as follows:

- Revision of Section 2.4.1 on the deletion of the term "Grid" in the Section title; and
- Deletion of Section 2.4.2 entitled "Requirements for Distribution Revenue Meters"

In the 96th RCC meeting held on 14 January 2015, the RCC agreed to put on hold its decision on the matter on metering (Wholesale and Retail), pending the results of the Metering Review conducted by the Independent Metering Audit. The RCC agreed that said report may contain recommendations from the Auditors in terms of enhancements in metering both in the Wholesale and Retail segments that could aid the RCC in its decision on the matter on metering.

7. Proposed Amendments to the Retail Manual on Metering Standards and Procedures

The RCC received from MERALCO its Proposed Amendments to the Retail Manual on Metering Standards and Procedures on 13 August 2014. The Proposed revisions aimed to:

- i. Make the Manual consistent with existing Rules of the Energy Regulatory Commission (ERC);

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- ii. Minimize the financial burden of end-users;
- iii. Ensure smooth implementation of the Retail Competition and Open Access (RCOA); and
- iv. Ensure that end-users' metering information is kept secure and confidential.

The Proposal was published in the market information website on 13 October 2014, to solicit comments of Participants.

The RCC deliberated upon the Proposal during its 95th meeting held on 03 December 2014. In the same meeting, the RCC approved the Proposal, subject to the revisions as discussed by the body.

However, during the 96th RCC meeting held on 14 January 2015, the RCC agreed to put on hold its submission of the Proposal to the PEM Board, pending the results of the Metering Review conducted by the Independent Metering Audit. The RCC agreed that said report may provide recommendations from the Auditors in terms of enhancements in metering both in the Wholesale and Retail segment that could aid the RCC in its decision on the matter on metering.

8. Proposed Amendments to the WESM Rules on Submission of Offers

The RCC's Proposed Amendments to the WESM Rules on Submission of Offers emanated from the RCC's discussion in relation to the failure of some Generators to update their standing offers. It was noted by the RCC that such failure impacts the scheduling and pricing variables of the market. The Proposal was drafted by PEMC per RCC instructions, and was agreed to be carried as a RCC Proposal.

The Proposal sought to ensure that standing generation offers and their corresponding prices shall not expire in case generators fail to re-submit the same after the one year effectivity date. Thus, in the event a generator has not updated its standing offer (i.e MW and price), its standing offer in the same period (hour, day, and month) from the previous year shall apply in the current year until the generator renews its standing offer. The Proposal, if implemented, guarantees that there will always be a default standing offer in the WESM by removing the end-date of standing offers, which is a limitation of the current Market Management System. The Proposal likewise included a provision that standing schedules submitted by non-scheduled generating units and standing reserve offers submitted by scheduled generating units registered as Ancillary Services Provider shall apply until said generators have revised or updated the same.

During the 100th RCC meeting held on 6 May 2015, the publication of the Proposal was approved by the RCC, to solicit comments of participants and interested parties. The Proposal was published on 14 May 2015, with notice of publication sent to participants the following day.

The Proposal is set for deliberations in the RCC meeting set for July 2015, during which the RCC shall render its decision on whether or not to endorse the same to the PEM Board for the latter's approval.

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9. Proposed Amendments to the WESM Rules and Manuals on Billing and Settlement and Dispute Resolution

The RCC's Proposed Amendments to the WESM Rules and Manuals on Billing and Settlement and Dispute Resolution is the result of the RCC's discussions in relation to the PEM Board's directives for the RCC to include a prescriptive period (two weeks from issuance of report) for the Generators to controvert or raise issues on the SO dispatch deviation report, otherwise, the report shall be considered final. During discussions of said directives at the RCC, the MO was requested to draft the Proposal, in the RCC's behalf, reflecting the necessary changes to the WESM Rules and applicable market manuals, rendering as final the System Operator Report for MRU after the two-week period given to Generators to validate said report. However, the aforementioned directive was found to be in conflict with Clause 3.14.8.2 of the WESM Rules, to wit:

"Disputes in respect of final statements or supporting data provided with them in accordance with WESM Rules Clause 3.14.5 shall be raised within twelve months of the relevant billing period."

It was therefore proposed that disputes in relation to the SO MRU Report be raised by the generation company within two weeks upon its publication by the Market Operator, instead of within the prescribed twelve-month period. Otherwise, the report will be deemed final.

Further, the proposed amendment to Clause 3.14.8.2 necessitated proposing changes to the relevant provisions under the Billing and Settlement and the Dispute Resolution Manuals.

During the 100th RCC meeting on 6 May 2015, the RCC approved the publication of the Proposal in the market information website, to solicit comments of Participants and interested parties.

The Proposal is set for deliberations in the RCC meeting set for July 2015 during which the RCC shall render its decision on whether or not to endorse the same to the PEM Board for the latter's approval.

10. Proposed Amendments to the MRU-MSU Manual

The Proposed Amendments to MRU-MSU Manual Issue 5.0 emanated from the PEMC's presentation of the detailed formula as indicated in the Annex of draft Proposal to be filed to the ERC, for its approval, following the PEM Board's approval of the MRU amendments.

The RCC's Proposed Amendments is summarized as follows:

- i. Provides for detailed formulation that will be used in the settlement of Displaced Generators (DG) as referred to in Section 10. 1 and Must-Stop Units (MSU) in Section 10.2; and

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- ii. Introduction of a factor "b" that will be used to multiply with the Metered Quantity (MQ) for a more accurate comparison with the Ex-Ante Quantity (EAQ) in Section 10.3.

The Proposal was discussed in several RCC meetings, with revisions incorporated by the RCC during said discussions.

During the RCC 100th RCC meeting held on 6 May 2015, the RCC approved the publication of the Proposal in the market information website, to solicit comments of Participants and interested parties. The Proposal was published in the market information website on 25 May 2015, with notice of publication sent to Participants the following day.

The Proposal is set for deliberations in the RCC meeting set for July 2015 during which the RCC shall render its decision on whether or not to endorse the same to the PEM Board for the latter's approval.

11. Proposed Amendments to the WESM Rules on Battery Energy Storage Systems

The Proposed Amendments to the WESM Rules on the Generation Company Reserve Offers was received by the RCC from AES Philippines, Inc.. The Proposal sought to amend the WESM Rules to have a distinction between a Generation Company that is also certified as Ancillary Service Provider and a purely Ancillary Services Provider, such as the Grid Energy Storage System, in submitting offers for energy and reserve. This was in order to acknowledge the technical limitation of the Grid Energy Storage System in the WESM in view of the directive of the Department of Energy in its issuance of Department Circular No. DC2010-06-0007 entitled "Preparations for the Trading of Ancillary in the WESM."

The Proposal was published for comments on 07 August 2014 and was given due course by the RCC.

In the course of the RCC's discussions, the issue on the classification of the battery energy storage arose, which led the RCC to seek assistance from the Grid Management Committee in determining the appropriate classification of such technology. The GMC in response, through a letter to the RCC, expressed that it will consider the battery energy storage in the ongoing revisions of the Philippine Grid Code (PGC).

RCC, during its 95th meeting held on 03 December 2014, deferred its decision on the matter pending the revisions to the Grid Code as advised by the GMC.

In further discussions of the RCC on the matter, the ERC conveyed that AES may seek legal opinion from the ERC on how the battery can be classified, even prior to application for a Certificate of Compliance. In view of the foregoing, the RCC wrote to AES informing the latter of the advice given by the ERC. The RCC transmitted a separate letter to the ERC directly inquiring on how the battery energy storage can be classified. The ERC replied that it will

II.C. Disapproved Proposal: Proposed Amendments to the Dispatch Protocol Manual on Dispatch Tolerance

The RCC received the Proposed Amendments to the Dispatch Protocol Manual on Dispatch Tolerance from the SN Aboitiz Power (SNAP) on 23 February 2015. Said Proposal was essentially an addendum to the definition of *Dispatch Tolerance* under the Glossary of Terms and Abbreviations in the Manual. SNAP's Proposal sought to address the difficulty of power plants in complying with the dispatch tolerance limit (DTL) of $\pm 3\%$ given the technical limitations of plants and other external factors.

During the 98th RCC meeting on 04 March 2015, the Proposal was presented by SNAP and was thereafter approved by the RCC for posting in the market information website to solicit comments of participants. On 06 March 2015, the Proposal was published for comments, with notice sent on the same day.

In response to the RCC's call for comments, several parties made written submissions, essentially conveying their contrary position relative to SNAP's proposal. The comments on the Proposal are summarized as follows:

- i. The Proposal provided a description of the DTL, without specifying what is applicable for non-REs, and whether or not the $\pm 3\%$ will be maintained for the latter;
- ii. The Proposal is unclear as it did not specify what type of renewable energy is being referred to in the Proposal;
- iii. The Proponent did not provide a valid justification for the proposed *dispatch tolerance limit* for renewable resources, which is the **max of the derived values of the $\pm 3\%$ of RTD, or the min ($\pm 10\%$ of the interconnection facilities, $\pm 1\%$ of the peak demand))**;
- iv. The proposed formula is not justified on the basis of the claim that the DTL should have considered technical constraints, such as meter accuracy, frequency fluctuations, etc., as the Proposal did not at all consider the technical constraints;

Moreover, the RCC discussed the need to implement the WESM Rules provision that the SO should set the dispatch tolerance standards for each type of plant and location. It was noted during the RCC's discussions, based on comments, that the applicability of the current DTL setting of $\pm 3\%$ may already be up for review having observed that some power plants' MW deviations are fairly consistent regardless of schedule, but the percentage (%) deviation widely vary depending on the schedule. Finally, it was discussed that in lieu of SNAP's proposal to amend the Dispatch Protocol Manual, the power plant can instead request for a ruling on the appropriate dispatch tolerance from the SO, as provided under the relevant WESM Rules provisions.

On the basis of the above discussions, after due deliberations conducted by the RCC, and upon determining that the subject Proposed Amendments to the Dispatch Protocol Manual lacked clarity and sufficient justification, the RCC disapproved the Proposal during its 99th meeting held on 08 April 2015. The RCC's action on the Proposal was reported to the PEM Board during its meeting held on 28 April 2015.

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While the Proposal was disapproved, the RCC recognized the concerns raised by SNAP, and thus agreed to conduct its own review, through the MO and the SO, of the dispatch tolerance limit for each plant type and location. In addition, SNAP agreed that it will submit a parallel computation of its own threshold level, in absolute MW, as regards the dispatch tolerance limits. SNAP's computation shall serve as input to the joint MO-SO study on dispatch tolerance limits.

During the 101st RCC meeting held on 03 June 2015, initial results of the joint MO-SO study on dispatch tolerance was presented by PEMC.

The study showed the historical data on Generator dispatch deviation by plant type for the period January to December 2014. Based on the results, the study recommends setting a numerical number (absolute and not %) for the dispatch tolerance of Generators scheduled at low levels (e.g. less than 10MW). However, for higher dispatches (e.g. beyond 50MW), the 3% dispatch tolerance should be maintained across all plants dispatched at a certain MW level.

A suggestion arose to re-graph the data in a way that can be better understood by non-technical persons. The suggested graph would be such that the number of deviations are plotted against the percentage of dispatch (RTD vs. actual).

In order to see the appropriate dispatch tolerances, the RCC initially suggested as follows:

- Show the historical dispatch deviation per plant instead of per plant type;
- Do the same simulation on a per plant basis for forecast errors; and,
- Consider the suggestion once the historical dispatch deviation per plant has been determined.

In relation to forecast errors, PEMC conveyed that forecast errors at the top of the hour are already addressed by the MO by eliminating the MRUs and non-compliances. In terms of addressing the intra-hour forecast issues, PEMC expressed it will be considered in their further simulations on the performance of each plant for each hour, in order to determine at what hour a particular plant would find it difficult in complying with the dispatch tolerance limits.

The RCC is set to discuss the matter further once the simulations requested from the MO-SO are ready for presentation to the RCC. The target date of presentation is initially set on July 2015.

III. WAY FORWARD

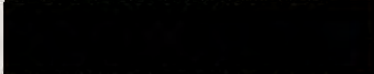
Mindful of the set targets, the RCC will devote the succeeding months in completing and resolving the remaining items in the 2015 RCC Work Plan, as herein appended.




Philippine Electricity Market Corporation


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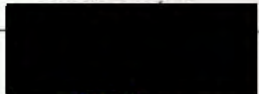
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RULES CHANGE COMMITTEE

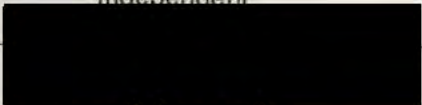

Maia Lourdes G. de Castro
Chairperson, Independent

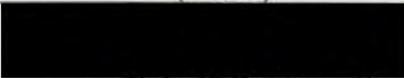
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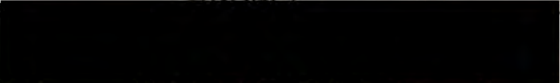

Concepcion I. Tanglao
Independent

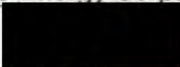

Francisco L.R. Castro, Jr.
Independent

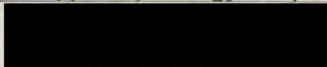

Isidro E. Cacho, Jr.
Market Operator
Philippine Electricity Market Corporation
(PEMC)



Ambrocio R. Rosales
Transmission Sector
National Grid Corporation of the Philippines
(NGCP)

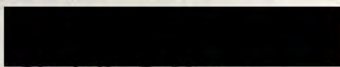

Theo C. Sunico
Generation Sector
1590 Energy Corporation

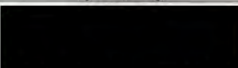

Loretto H. Rivera
Supply Sector
TeaM (Philippines) Energy Corporation


Jose Ferlino P. Raymundo
Generation Sector
SMC Global Power

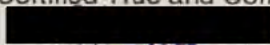

Joselyn D. Carabuena
Generation Sector
Power Sector Assets and Liabilities Management
Corporation (PSALM)


Jose P. Santos
Distribution Sector (EC)
Ilocos Norte Electric Cooperative, Inc.
(INEC)


Ciprinilo C. Meneses
Distribution Sector (PDU)
Manila Electric Company
(MERALCO)


Gilbert A. Pagobo
Distribution Sector
Mactan Electric Company
(MECO)

Certified True and Correct:


Elaine D. Gonzales
RCC Secretary
PEMC

ANNEX A
Members of the RCC for the period
January to June 2015

Sector	Representative Organization	Members	
		Regular	Alternate
Independent		Atty. Maila Lourdes G. de Castro (Chairperson)	-
	Tensaiken Consulting	Francisco L.R. Castro, Jr.	-
		Concepcion I. Tanglao	-
Market Operations	Philippine Electricity Market Corporations (PEMC)	Isidro E. Cacho, Jr.	Edwin N. Mosa
System Operations	National Grid Corporation of the Philippines (NGCP)	Ambrocio R. Rosales	Ermelindo R. Bugaoisan, Jr.
Generation	SMC Global Power	Jose Ferlino P. Raymundo	Jinky Rose L. Go
	Power Assets & Liabilities Management (PSALM) Corporation	Joselyn D. Carabuena	Beatriz Irina Denise Calderon Alazas
	1590 Energy Corporation	Theo C. Sunico	Aris V. Polcarpio
Distribution	PDU – Manila Electric Company (MERALCO)	Ciprinilo C. Meneses	Ryan S. Morales
	PDU – Mactan Electric Company (MECO)	Gilbert A. Pagobo	Juanito O. Tolentino, Jr.
	EC – Ilocos Norte Electric Cooperative (INEC)	Jose P. Santos	Roy Rosario F. Alimbuyuguen
Supply	TeaM (Philippines) Energy Corporation	Lorreto H. Rivera	Ernesto N. Padilla, Jr.
Observers	Department of Energy (DOE)	Dir. Mylene C. Capongcol	Ferdinand B. Binondo Luningning Baltazar
	Energy Regulatory Commission (ERC)	Atty. Debora T. Layugan	Nelson G. Canlas

ANNEX B
Status of the 2015 RCC Work Plan

Item	Proposed Amendment	RCC Target	Deliverables	Responsible Party	Status	Remarks
1	Administered Price Determination Methodology Manual in relation to Market Intervention and Suspension	3 rd Quarter 2015	WESM Manual	Generation (SMC Global) Sector Representative	Ongoing	<ul style="list-style-type: none"> Agreed during the 101st RCC Meeting to request PIPPA to formally submit, through a letter to RCC, updates on the Proposed Amendments on Administered Price; with the revised Proposal to be submitted to RCC once finalized by PIPPA Likewise, for the RCC to be updated by the RCC Generator representative in the next meeting relative to the other Proposal on APDM on the removal of line rental, on whether this will be submitted as a Proposal by GN Power or by PIPPA jointly with the DUs.
2	Site Specific Loss Adjustment (SSLA)	4 th Quarter 2015	WESM Manual	DU Sector	For submission to RCC	<ul style="list-style-type: none"> Carry-over from 2014; For discussion by DUs (MERALCO and INEC) and submission to RCC by 3rd Quarter
3	Disconnection Policy (Wholesale and Retail Disconnection)	3 rd Quarter 2015	Draft DOE Circular	Generation / Supply / DU Sector Representatives	Ongoing	<ul style="list-style-type: none"> For review of the revised version incorporating comments submitted by parties and inputs during RCC discussions; For further discussion of the RCC
4	Revision in the Line Rental Formula for the Elimination of BCQ (Line Rental formula revision)	4 th Quarter 2015	WESM Manual	DU Sector Representative		<ul style="list-style-type: none"> Carry-over from 2014; Subject for discussion of DUs

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Item	Proposed Amendment	RCC Target	Deliverables	Responsible Party	Status	Remarks
5	Revisit the rules change process(Amendments to Chapter 8 of WESM Rules and Rules Change Manual)	1 st Quarter 2015	WESM Rules and Market Manual	MO	Done	Approved by the RCC on 14 January 2015
6	Proposed Amendments to Wholesale Metering Manual		WESM Rules and Market Manual	MO / WESM-TC	Deferred	·Carry-over from 2014. ·RCC decision was deferred awaiting the results of Metering Review.
7	Provision of Renewable Energy Market in the WESM Rules (Implementation of Preferential Dispatch of Renewable Energy Resources)	3 rd Quarter 2015	WESM Rules and Market Manual	MO	On-going	·Submitted by PEMC on 29 May 2015 following DOE directives (initially set at 1 st Quarter but it was noted that this is contingent with DOE's issuance of directives/guidelines on RE) ·Presented during the 101 st RCC meeting on 03 June 2015, was approved for publication, and was published on 04 June 2015.
8	Incorporate policies on the reserves market in the WESM Rules	--	WESM Rules	DOE/ MO	Pending/ Deferred	·Carry-over from 2014 ·Contingent with the ERC's approval of PCRM and with the DOE's further directives to PEMC on the implementation of reserve market
9	Proposed Amendments to the Retail Metering Manual		Market Manual	MERALCO	Deferred	·Carry-over from 2014. ·Submission to PEM Board was deferred awaiting the results of Metering Review.
10	Proposed Amendments to the Billing and Settlement Manual	1 st Quarter 2015	Market Manual	PEMC	Done	·Approved by the RCC on 8 April 2015 and transmitted to PEM Board on 23 April 2015
11	Dispatch Protocol Manual	3 rd Quarter 2015	Market Manual	PEMC	On-going	·Submitted by the PEMC to the RCC in December 2014. The RCC incorporated additional amendments to reflect the payment for plants on Commissioning and

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Item	Proposed Amendment	RCC Target	Deliverables	Responsible Party	Status	Remarks
						Testing. -During the 99 th RCC Meeting, the RCC instructed the MO to revise the Proposal according to the agreements during the discussions, including the procedure on how the SO utilizes the WMOT provided by the MO, and likewise, to reflect the proposed amendments in the current version of the Manual (Issue 11) -Targeted for posting for comments by July 2015
12	Guidelines on Significant Variations	1st Quarter 2015	Market Manual	PEMC	Done	Approved by the RCC on 8 April 2015 and transmitted to PEM Board on 23 April 2015
13	Proposed Amendments to the Dispatch Protocol Manual on the Inclusion of Payment for Plants on Commissioning and Testing		Market Manual	RCC	On-going	see item 11
14	Emergency Procedures	3 rd Quarter 2015	WESM Rules and Manual	SO		-For submission of SO to the RCC in July 2015
15	Procedure on Start-Up and Shut-Down		Market Manual	PEMC		-Per PEMC, the procedure for start-up and shut-down is already incorporated in the proposed amendments to the Dispatch Protocol Manual by PEMC; thus, proposed abolition of this Manual shall be filed by PEMC upon approval of the revised Dispatch Protocol Manual
16	WESM Consultation Guidelines	3 rd Quarter 2015	Market Manual	RCC		-During the 101 st RCC meeting, the RCC agreed to constitute a Sub-Committee to

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Item	Proposed Amendment	RCC Target	Deliverables	Responsible Party	Status	Remarks
						review the Manual and draft the necessary Proposed Amendments
17	Ancillary Services Monitoring Manual		Market Manual (abolition)	SO and MO	deferred	The RCC noted that the proposal is contingent with the implementation of the reserve market based on DOE directives and ERC's approval of the PCRM
18	System Security and Reliability	4 th Quarter 2015	WESM Rules and Market Manual	SO		The proposal should take off from the previous RCC proposal that was part of the MRU amendments in 2014, but which was deferred by the RCC pending further review by the SO/RCC.
19	Proposed Amendments to the WESM Rules and Price Determination Methodology Manual in relation to the WDS recommendations	3 rd Quarter	WESM Rules and Market Manual	PEMC (MO)		Targeted for submission by PEMC in July following DOE directives to PEMC
20	Proposed Amendments to the WESM Rules on the Submission of Offers of Battery Energy Storage Systems				deferred	Per ERC/GMC, for consideration in the revisions of the PGC.
Additional Proposed Amendments Deliberated Upon by the RCC (Proposals other than those identified during the 2015 RCC Planning Session that were received by the RCC during the period)						
1	Proposed Amendments to Dispatch Protocol Manual on Dispatch Tolerance		WESM Manual	SNAP	Done	Disapproved by the RCC on 8 April 2015 and was endorsed to the PEM Board, for information for the 28 April 2015 PEM Board

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Item	Proposed Amendment	RCC Target	Deliverables	Responsible Party	Status	Remarks
2	Proposed Amendments to the WESM Rules and the Billing and Settlement Manual		WESM Manual	APC	On-going	<p>The RCC, during its 101st RCC meeting held on 3 June 2015, deliberated on the Proposal including the comments received.</p> <p>The RCC incorporated its revisions and agreed to return the Proposal to APC for further revision, to incorporate the RCC's comments.</p>
3	Proposed Amendment to the WESM Rules and Manuals on MRU-MSU and APDM		WESM Manual	APC	On-going	<p>The RCC, during its 101st RCC meeting held on 3 June 2015, deliberated on the Proposal including the comments received.</p> <p>The RCC incorporated its revisions and agreed to return the Proposal to APC for further revision, to incorporate the RCC's comments.</p>
4	Proposed Amendments to MRU-MSU Manual Issue 5.0		WESM Manual	PEMC	Done	<p>Submitted to RCC in compliance with ERC order to PEMC;</p> <p>Approved by the RCC on 8 April 2015</p>
5	Proposed Amendments to the WESM Rules on Submission of Offers		WESM Rules	RCC	On-going	<p>Published for comments and set for RCC deliberations in July 2015.</p>
6	Proposed Amendments to the WESM Rules and Manuals on Billing and Settlement and Dispute Resolution		WESM Rules and Manual	RCC	On-going	<p>Published for comments and set for RCC deliberations in July 2015.</p>
7	Proposed Amendments to the MRU-MSU Manual		WESM Manual	RCC	On-going	<p>Published for comments and set for RCC deliberations in July 2015.</p>

