



**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2019-01B

**Correction to the Approved Urgent Amendments to the WESM Manual on
Billing and Settlement for Enhancements to the Determination of Initial
Prudential Requirements**

WHEREAS, in compliance with a DOE directive¹, the IEMOP submitted to the Rules Change Committee (RCC) on 12 February 2019 the proposed urgent amendments to the calculation of initial prudential requirements which are intended to be immediately applied for registering new Market Participants in the WESM, including those in WESM Mindanao;

WHEREAS, on February 22, the RCC evaluated the proposal and certified the same as urgent after considering that it satisfies the criteria for urgent amendments specified in Section 3.1 of the WESM Manual of Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals ("WESM Rules Change Manual");

WHEREAS, in the same meeting, the RCC proceeded to deliberate on and subsequently approved the endorsement of the urgent proposal to the PEM Board per RCC Resolution No. 2019-01²;

WHEREAS, the PEM Board approved the urgent amendments on 27 March 2019 per PEM Board Resolution No. 2019-10-07, upon which the proposal became immediately effective³;

WHEREAS, the prevailing version of the WESM Manual on Billing and Settlement was revised accordingly and a new version was published in the PEMC website on 28 March 2019;

¹ DOE directed IEMOP to "initiate and spearhead urgent amendments to the WESM Rules and relevant Market Manuals to introduce an appropriate formula for the computation of the initial prudential requirement...in line with the June 2019 target for the commercial operation of the WESM in Mindanao" (DOE letter dated 17 January 2019, entitled "Computation of Initial Prudential Requirements").

² Section 7.2 of the WESM Rules Change Manual specifies that the RCC must render its decision on an urgent amendment within 48 hours from certifying the proposal as urgent.

³ Section 7.4 of the WESM Rules Change Manual specifies that the approved urgent amendments shall become effective within 24 hours upon publication.

WHEREAS, the RCC subsequently noted that there was a clerical error in the RCC Resolution No. 2019-01, specifically in Section 7.4.1(h) of the subject Manual, where 'customer node' was reflected instead of 'reference node', to wit:

RCC Agreement (per minutes of 149 th Meeting on 22 February 2019)	RCC Resolution 2019-01
The projected <i>final energy dispatch price</i> associated with a <i>bilateral contract</i> quantity from a counterparty for a <i>dispatch interval</i> shall be equal to the <i>final energy dispatch price</i> of the reference node of the contract identified during enrollment of the <i>bilateral contract</i> at the same <i>dispatch interval</i> and most recent same date.	The projected <i>final energy dispatch price</i> associated with a <i>bilateral contract</i> quantity from a counterparty for a <i>dispatch interval</i> shall be equal to the <i>final energy dispatch price</i> of the customer node of the contract identified during enrollment of the <i>bilateral contract</i> at the same <i>dispatch interval</i> and most recent same date.

WHEREAS, the RCC agreed to re-submit to the PEM Board the revised proposal, incorporating the correction on the terminology for accuracy in the interpretation and implementation of the subject provision;

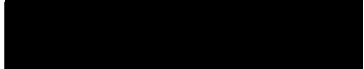

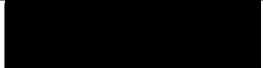
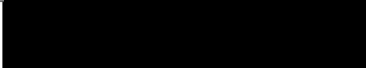





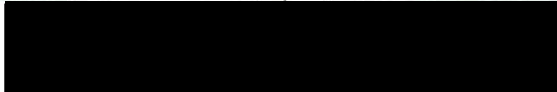
NOW THEREFORE, we, the undersigned in behalf of the sector we represent, hereby resolve as follows:

RESOLVED, that the Approved Urgent Amendments to Section 7.4.1 (h) of the WESM Manual on Billing and Settlement as published last 28 March 2019 be corrected to reflect the agreement of the RCC;

RESOLVED FURTHER, that the correction to Section 7.4.1 (h) of the WESM Manual on Billing and Settlement (Annex A) is hereby endorsed to the PEM Board for approval.

Done this 17 May 2019, Pasig City.



Approved by: RULES CHANGE COMMITTEE  Maila Lourdes G. de Castro Chairperson Independent	
Members:	
 Concepcion I. Tanglao Independent	Francisco L.R. Castro, Jr. Independent
Allan C. Nerves Independent	 Isidro E. Cacho, Jr. Market Operator Independent Market Operator of the Philippines (IEMOP)
 Ambrocio R. Rosales Transmission Sector National Grid Corporation of the Philippines (NGCP)	 Abner B. Tolentino Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
 Jose Ildebrando B. Ambrosio Generation Sector NorthWind Power Development Corporation (NorthWind)	 Cherry A. Javier Generation Sector Aboitiz Power Corp. (APC)
Dixie Anthony R. Banzon Generation Sector Masinloc Power Partners Co. Ltd. (MPPCL)	Ryan S. Morales <i>Alternate Member – Distribution Sector (PDU)</i> Manila Electric Company (MERALCO)
Ricardo G. Gumalal Distribution Sector (PDU) Iligan Light and Power, Inc. (ILPI)	 Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)
 Virgilio C. Fortich, Jr. Distribution Sector (EC) Cebu III Electric Cooperative, Inc. (CEBECO3)	 Lofreto H. Rivera Supply Sector TeaM (Philippines) Energy Corporation (TPEC)

WESM Manual on Billing and Settlement Issue 6.0

Provision (as published)	Correction
The projected <i>final energy dispatch price</i> associated with a <i>bilateral contract</i> quantity from a counterparty for a <i>dispatch interval</i> shall be equal to the <i>final energy dispatch price</i> of the <i>customer node</i> of the contract identified during enrollment of the <i>bilateral contract</i> at the same <i>dispatch interval</i> and most recent same date.	The projected <i>final energy dispatch price</i> associated with a <i>bilateral contract</i> quantity from a counterparty for a <i>dispatch interval</i> shall be equal to the <i>final energy dispatch price</i> of the customer reference node of the contract identified during enrollment of the <i>bilateral contract</i> at the same <i>dispatch interval</i> and most recent same date.