



**WHOLESALE ELECTRICITY SPOT MARKET  
RULES CHANGE COMMITTEE**

**RESOLUTION NO. 2012-12**

**Proposed Amendments to the Registration and Settlement Provisions  
of the WESM Rules**

**WHEREAS**, on 31 August 2012, the Philippine Electricity Market Corporation (PEMC) submitted to the Rules Change Committee (RCC) for consideration and approval, its proposed amendments to the Registration and Settlement Provisions of the WESM Rules;

**WHEREAS**, the proposed amendments seek to:

- a) Qualify the use of the term 'business day' in relation to:
  - i. the process for registration, such that the Market Operator (MO) and the applicant have "working days" instead of "business days" within which to process or submit additional information and to inform the applicant of the approval or non-approval of the same;
  - ii. the billing and settlement timetable such that when the deadline for issuing a preliminary or final statement falls on a holiday, the deadline is moved to the next working day; and
  - iii. the period for reflecting corrections in the final statement, and providing for a cut-off period; and
- b) Enhance the procedure formulation of certain clauses of the WESM Rules on Settlement Quantities and Amounts for clarity, to address the findings in the second market audit of PA Consulting, Ltd.

**WHEREAS**, during the 66<sup>th</sup> RCC Meeting held on 05 September 2012, the proposed amendments were presented to the RCC, for discussion;

**WHEREAS**, the RCC thoroughly reviewed the submitted proposed amendments and agreed as follows:

- a) On Chapter 11 of the Glossary, regarding new entries on working day and non-working day, the RCC agreed with the proposal but suggested to capitalize the first letters of the phrases 'Working Day' and "Non-Working Day", to indicate these as proper nouns being clearly defined and differentiated under the WESM Rules for specific WESM activities on registration and billing and settlement;
- b) On relevant clauses under the Section on Billing and Settlement, the RCC suggested to remove the word 'business' from 'business days' in provisions which refer to the WESM's 24 hour-operations, to do away with the odd situation of a 'Non-Working Day' during a 'business day';

- c) On pertinent sections in the Chapter on the Enhancement of Formulation of Rules, the RCC noted the representation that the proposed amendments in this Section followed existing processes and mathematical formulations and that the proposed amendments are aimed only to clarify ambiguous provisions, correct erroneous references, and document and not to change/modify existing practices;
- d) On Chapter 11 of the Glossary, re Ex-Post Energy Settlement Quantity, the RCC has noted that the term Ex-Post Energy Settlement Quantity is an existing terminology under the WESM Rules and that the same is supported with reference to the mathematical formulations being used by the market under the Manual on Price Determination Methodology (PDM); That instead of removing the entire entry only because of its erroneous reference to a non-existing provision (3.8.14), the RCC suggested to retain the same and instead replace the erroneous reference to Clause 3.8.14 with Clause 3.13.6 on the Gross Ex-Post Energy Settlement Quantity, which is the terminology being used in the Section on Billing and Settlement and defined in clause 3.13.6; and
- e) On Clause 3.13.12, regarding the Calculation of Line Rental Trading Amounts, the RCC suggested to clearly reflect that it is the bilateral contract quantities passing through the transmission line which is the basis for payment and not the transmission line itself. The RCC proposed amendment would read as follows:

'The Market Operator shall calculate the line rental trading amounts for each **bilateral contract associated with the delivery of the bilateral contract quantities (BCQ) through the** transmission line in the market network model as: xxx'

**WHEREAS**, in the same meeting, the RCC further agreed to publish the proposal in the WESM public information website to solicit comments from market participants and other interested parties, incorporating the revisions/inputs which were deliberated and agreed upon during the said Meeting;

**WHEREAS**, during the 67<sup>th</sup> RCC Meeting held on 03 October 2012, the RCC, after its deliberation on the matter, agreed to adopt the proposed amendments, as revised, subject to the submission of comments of interested parties until 08 October 2012, which is the 30th day of its publication in the WESM website.

**WHEREAS**, on 08 October 2012, MERALCO submitted its comments on the said proposal, raising the following observations: (a) The 7-day prior notice requirement on the part of MO to inform WESM members whose final statements will be affected by the error or discrepancy should not be dispensed with; and (b) to subject the acceptability of the error and cause of the delay in the issuance of the final statements to the verification and evaluation by a third party;

**WHEREAS**, during the 68th RCC Meeting held on 14 November 2012, the RCC deliberated upon the comments submitted by MERALCO and agreed unanimously that: a) the objective for the proposed removal of the 7-day prior notice is to avoid the delay in the issuance of the Final Statement; b) the proposed deletion of the 7-day notice does not in any way preclude the trading participants (TPs) from correcting any error in the Final Statement, considering that the present Rules provide for the mechanism which allows TPs to further correct their Statements within one year from its issuance; and c) a TP can directly contest an issued-Final Statement without the need for a third party to intervene.





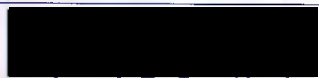






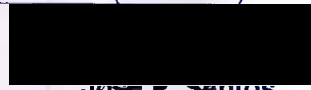
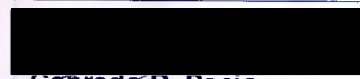

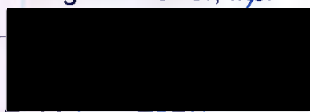

**WHEREAS**, in view of the above discussion, the RCC affirmed its 03 October 2012 approval of the proposed amendments, as earlier posted in the WESM website, for endorsement to the PEM Board.

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

**RESOLVED**, that the proposed amendments to the Registration and Settlement Provisions of the WESM Rules (attached as Annex "A"), as amended by the RCC, are adopted and approved;

**RESOLVED FURTHER**, that the proposed amendments to the Registration and Settlement Provisions of the WESM Rules be endorsed to the PEM Board for approval.

Done this 14 November 2012, Pasig City.

<p>Approved by:  <b>RULES CHANGE COMMITTEE</b>    <b>Rowena Cristina L. Guevara</b>  Chairperson  University of the Philippines  (UP)</p>	
<p>Members:</p>	
 <b>Epictetus E. Patalinghug</b> Independent University of the Philippines (UP)	 <b>Francisco L.R. Castro, Jr.</b> Independent Tensaiken Consulting
 <b>Maia Lourdes G. de Castro</b> Independent Unitel Productions, Inc.	 <b>Cherry Aquino-Javier</b> Generation Sector AES Philippines (AES)
 <b>Cynthia R. Encarnacion</b> Generation Sector National Power Corporation (NAPOCOR)	 <b>Liberty Z. Dumiao</b> Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
 <b>Ralph T. Crisologo</b> Generation Sector SN Aboitiz Power (SNAP)	<b>Augusto D. Sarmiento</b> Distribution Sector (PDU) Dagupan Electric Corporation (DECORP)
 <b>Ciprinilo C. Meneses</b> Distribution Sector (PDU) Manila Electric Company (MERALCO)	 <b>Jose P. Santos</b> Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)
<b>Sulpicio C. Lagarde Jr.</b> Distribution Sector (EC) Central Negros Electric Cooperative, Inc. (CENECO)	 <b>Conrado D. Pecjo</b> Supply Sector Angeles Power, Inc.
 <b>Raul Joseph G. Sando</b> Transmission Sector National Grid Corporation of the Philippines (NGCP)	 <b>Robinson P. Descanzo</b> Market Operator Philippine Electricity Market Corporation (PEMC)
	<p>Certified True and Correct:</p>  <b>Elaine D. Gonzales</b> RCC Secretary PEMC



**Annex "A"**  
**Proposed Amendments to the Registration and Settlement Provisions of the WESM Rules**

**A. Qualification of Business Days**

**Glossary**

Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
Glossary	Chapter 11	(new)	<p><b>Working day – A day (excluding Saturdays and Sundays) on which banks and financial institutions are open in the city or municipality where the principal offices of the Market Operator are located.</b></p> <p><b>Non-working day – A day which is not a working day.</b></p>	See below.	<p><b>Working d Day – A day (excluding Saturdays and Sundays) on which banks and financial institutions are open in the city or municipality where the principal offices of the Market Operator are located.</b></p> <p><b>Non-w Working d Day – A day which is not a w-Working d Day.</b></p>

**Registration**

Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
Further Information to Assess Application	2.5.3.1	Within five <i>business days</i> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application.	Within five <b>business working days</b> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application.	The proposed revision to this section and the succeeding sections in Chapter 2 recognizes that most offices in the country are closed on weekends and holidays. Actual experience has shown that functions pertaining to registration are performed by personnel who work on regular office schedules.	Within five <b>business w Working d Days</b> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application.
	2.5.3.2	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <i>business days</i> , the <i>Market Operator</i> may treat the application as withdrawn.	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <b>business working days</b> , the <i>Market Operator</i> may treat the application as withdrawn.	Thus to apply the WESM <i>business day</i> (which essentially is a calendar day) will effectively shorten the time that the applicants and the <i>Market Operator</i> are able to act on applications and requirements for registration. This may	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <b>business w Working d Days</b> , the <i>Market Operator</i> may treat the application as withdrawn.
Notice of Approval of Application	2.5.5.1	If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall	If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall send written notice of approval to the		If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall send written notice of approval to the

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Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
		send written notice of approval to the applicant within fifteen <i>business days</i> from receipt of: x x x	applicant within fifteen <b>business working</b> days from receipt of: x x x	make the registration process more burdensome than what is intended in the WESM Rules.	applicant within fifteen <b>business w Working d Days</b> from receipt of: x x x
	2.5.5.2	The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven days after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.	The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven <b>working</b> days after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.		The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven <b>w Working d Days</b> after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.
Notice of Non-approval of Application	2.5.6.1	If the <i>Market Operator</i> does not approve an application for registration the <i>Market Operator</i> shall send within fifteen (15) <i>business days</i> written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision	If the <i>Market Operator</i> does not approve an application for registration the <i>Market Operator</i> shall send within fifteen (15) <b>business working</b> days written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision		If the <i>Market Operator</i> does not approve an application for registration the <i>Market Operator</i> shall send within fifteen (15) <b>business w Working d Days</b> written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.
	2.5.6.2	The <i>ERC</i> shall, in all instances, be provided a copy of such written notice within five (5) <i>business days</i> after issuance to the applicant.	The <i>ERC</i> shall, in all instances, be provided a copy of such written notice within five (5) <b>business working</b> days after issuance to the applicant.		The <i>ERC</i> shall, in all instances, be provided a copy of such written notice within five (5) <b>business w Working d Days</b> after issuance to the applicant.

**Billing and Settlement**

Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
Preliminary Statements	3.14.4.1	Within 7 business days after the end of each billing period, the Market	Within 7 business days after the end of each billing period, the Market Operator shall give each	This is anchored on practicality since most offices are closed on	Within 7 <b>business</b> days after the end of each billing period, the Market Operator shall give each



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Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
		Operator shall give each WESM member who has engaged in market transactions in that billing period a preliminary statement which sets out the market transactions of that WESM member in that billing period and the settlement amount payable by or to that WESM member.	WESM member who has engaged in market transactions in that billing period a preliminary statement which sets out the market transactions of that WESM member in that billing period and the settlement amount payable by or to that WESM member.  <b><u>If the seventh business day falls on a non-working day, the issuance of the preliminary statements shall be made during the next immediate working day.</u></b>	weekends and holidays, and will not be able to take immediate cognizance of the preliminary or final statement if received on a non-working day.	WESM member who has engaged in market transactions in that billing period a preliminary statement which sets out the market transactions of that WESM member in that billing period and the settlement amount payable by or to that WESM member.  <b><u>If the seventh business day falls on a n Non-w Working d Day, the Issuance of the prelliminary statements shall be made during the next immediate w Working d Day.</u></b>
Final Statements	3.14.5.1	No later than eighteen business days after the end of each billing period, the Market Operator shall give to each WESM member who has engaged in market transactions in that billing period a final statement stating the amounts payable by the WESM member to the Market Operator or payable by the Market Operator to the WESM member in respect of the relevant billing period.	No later than eighteen business days after the end of each billing period, the Market Operator shall give to each WESM member who has engaged in market transactions in that billing period a final statement stating the amounts payable by the WESM member to the Market Operator or payable by the Market Operator to the WESM member in respect of the relevant billing period.  <b><u>If the eighteenth business day falls on non-working day the issuance of the final statements shall be made during the next immediate working day.</u></b>		No later than eighteen <b>business</b> days after the end of each billing period, the Market Operator shall give to each WESM member who has engaged in market transactions in that billing period a final statement stating the amounts payable by the WESM member to the Market Operator or payable by the Market Operator to the WESM member in respect of the relevant billing period.  <b><u>If the eighteenth business day falls on n-Non-w Working d Day the issuance of the final statements shall be made during the next immediate w Working d Day.</u></b>
	3.14.4.4	If the Market Operator considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement under clause	If the Market Operator considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement, <b><u>as notified by a WESM member pursuant to clause 3.14.4.3 or as</u></b>	This amendment provides a cut-off period for reflecting changes corrections in the final statement, so as not to delay the issuance of the final statement and to	If the Market Operator considers that a preliminary statement contains an error or discrepancy after reviewing the preliminary statement, <b><u>as notified by a WESM member pursuant to clause 3.14.4.3 or as</u></b>



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Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
		3.14.4.3, the Market Operator shall notify all WESM members whose final statements will be affected by the error or discrepancy within 7 days of the date on which the error or discrepancy first came to the attention of the Market Operator and the Market Operator shall ensure that the error or discrepancy is corrected in the relevant final statements.	<u>independently identified by the Market Operator, under clause 3.14.4.3, the Market Operator shall notify all WESM members whose final statements will be affected by the error or discrepancy within 7 days of the date on which the error or discrepancy first came to the attention of the Market Operator and the Market Operator shall ensure that the correction of any error or discrepancy is corrected reflected in the relevant final statements., provided that corrections requiring the input of an external party are received by the Market Operator at least two working days before the deadline of the issuance of the final statements. If the Market Operator receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply.</u>	provide the Market Operator enough time to reflect the corrections.	<u>independently identified by the Market Operator, under clause 3.14.4.3, the Market Operator shall notify all WESM members whose final statements will be affected by the error or discrepancy within 7 days of the date on which the error or discrepancy first came to the attention of the Market Operator and the Market Operator shall ensure that the correction of any error or discrepancy is corrected reflected in the relevant final statements., provided that corrections requiring the input of an external party are received by the Market Operator at least two w Working d Days before the deadline of the issuance of the final statements. If the Market Operator receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, clause 3.14.9.2 shall apply.</u>
Payment by Trading Participants	3.14.6	No later than 3:00 pm on the thirtieth business day after the end of the billing period or 3:00 pm on the twelfth business day after receiving a final statement under clause 3.14.5, whichever is the later, each WESM member shall pay to the Market Operator in cleared funds the settlement amount (if	No later than 3:00 p.m. on the <u>thirtieth business day after the end of the billing period or 3:00 pm on the twelfth business day after receiving a final statement under clause 3.14.5, whichever is the later twenty-fifth day of the calendar month following the billing period</u> , each WESM member shall pay to the Market Operator in cleared funds the settlement amount (if any) stated to be payable to the Market	This is likewise anchored on practicality and convenience since payment requires banking facilities to be open.  Furthermore, the amendments reflect the current industry practice of settlement on the 25 <sup>th</sup> and 26 <sup>th</sup> of the month.	No later than 3:00 p.m. on the <u>thirtieth business day after the end of the billing period or 3:00 pm on the twelfth business day after receiving a final statement under clause 3.14.5, whichever is the later twenty-fifth day of the calendar month following the billing period</u> , each WESM member shall pay to the Market Operator in cleared funds the settlement amount (if any) stated to be payable to the Market



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		any) stated to be payable to the Market Operator by that WESM member in that WESM member's final statement, whether or not the WESM member disputes or continues to dispute the amount payable.	Operator by that WESM member in that WESM member's final statement, whether or not the WESM member disputes or continues to dispute the amount payable.  <b><u>If the twenty-fifth day of the calendar month following the billing period falls on a non-working day, the payment due date shall be moved to the next immediate working day.</u></b>		Operator by that WESM member in that WESM member's final statement, whether or not the WESM member disputes or continues to dispute the amount payable.  <b><u>If the twenty-fifth day of the calendar month following the billing period falls on a n Non-w Working d Day, the payment due date shall be moved to the next immediate w Working d Day.</u></b>
Payment to Trading Participants	3.14.7	After the Market Operator is to be paid under clause 3.14.6, and in accordance with the schedule set in the billing and settlements timetable, the Market Operator shall pay to each WESM member in cleared funds the settlement amount (if any) stated to be payable in that WESM member's final statement.	<b><u>On the following working day</u></b> After the Market Operator is to be paid under clause 3.14.6, and in accordance with the schedule set in the billing and settlements timetable, the Market Operator shall pay to each WESM member in cleared funds the settlement amount (if any) stated to be payable in that WESM member's final statement.		<b><u>On the following w Working d Day</u></b> After the Market Operator is to be paid under clause 3.14.6, and in accordance with the schedule set in the billing and settlements timetable, the Market Operator shall pay to each WESM member in cleared funds the settlement amount (if any) stated to be payable in that WESM member's final statement.
	3.14.10.3	On the day on which the Market Operator is to be paid under clause 3.14.10.2, the Market Operator shall pay to each WESM Member in cleared funds the net amount (if any) stated to be payable to that WESM member in the revised statement issued to it under clause 3.14.9.	On the <b><u>following working day</u></b> on which the Market Operator is to be paid under clause 3.14.10.2, the Market Operator shall pay to each WESM Member in cleared funds the net amount (if any) stated to be payable to that WESM member in the revised statement issued to it under clause 3.14.9.		On the <b><u>following w Working d Day</u></b> on which the Market Operator is to be paid under clause 3.14.10.2, the Market Operator shall pay to each WESM Member in cleared funds the net amount (if any) stated to be payable to that WESM member in the revised statement issued to it under clause 3.14.9.

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**A. Enhancement of Formulation of Rules**

Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
Defining the Gross Ex-Ante Energy Settlement Quantity for Market Trading Notes	3.13.5.1	<p>For each trading interval, the gross ex-ante energy settlement quantity for each market trading node shall be determined by the Market Operator as follows:</p> <p>(a) If the market trading node is defined under clause 3.2.2.1 as lying on the boundary of the power system operated by the System operator, the gross ex-ante energy settlement quantity for that market trading node is the average of the net expected flows into the power system operated by the System operator through the associated meter, as estimated by the initial conditions assumed for the beginning of the trading interval, and by the forecast, or target, for the end of that trading interval for that market trading node assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that trading interval, <del>both</del></p>	<p>For each trading interval, the gross ex-ante energy settlement quantity <b><u>before being adjusted for bilateral contracts</u></b> for each market trading node shall be determined by the Market Operator as follows:</p> <p>(a) If the market trading node is defined under clause 3.2.2.1 as lying on the boundary of the power system operated by the System operator, the gross ex-ante energy settlement quantity for that market trading node is the average of the net expected flows into the power system operated by the System operator through the associated meter, as estimated by the initial conditions assumed for the beginning of the trading interval, and by the forecast, or target, for the end of that trading interval for that market trading node assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that trading interval, <del>both adjusted for bilateral contracts in accordance with clause 3.13.7;</del></p> <p>(b) If the market trading node is defined under clause 3.2.2.2 as</p>	<p>This clause defines the Gross Ex-Ante Settlement Quantity. Since it defines the same as "gross", it is understood therefore that it is not adjusted for bilateral contracts. The phrase, "both adjusted for bilateral contracts in accordance with clause 3.13.7" should therefore be deleted.</p> <p>Likewise, to explicitly state that the Gross Ex-ante Settlement Quantity is the quantity before being adjusted for bilaterals, the phrase "before being adjusted for bilateral contracts" is added to the first paragraph.</p>	



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		<p>adjusted for bilateral contracts in accordance with clause 3.13.7;</p> <p>(b) If the market trading node is defined under clause 3.2.2.2 as a generator node lying on the interface between networks, apparatus or equipment operated by parties other than the System operator, the gross ex-ante energy settlement quantity for the market trading node is the average of the net expected flows through the associated meter from the Generating Company to the Customer side of the meter, as estimated by the initial conditions assumed for the beginning of that trading interval, and by the target generation for the end of that trading interval for that generator node, both adjusted for bilateral contracts in accordance with clause 3.13.7; and</p> <p>(c) If the <i>market trading node</i> is defined under clause 3.2.2.2 as a customer node lying on the interface between networks, apparatus or</p>	<p>a generator node lying on the interface between networks, apparatus or equipment operated by parties other than the System operator, the gross ex-ante energy settlement quantity for the market trading node is the average of the net expected flows through the associated meter from the Generating Company to the Customer side of the meter, as estimated by the initial conditions assumed for the beginning of that trading interval, and by the target generation for the end of that trading interval for that generator node, <del>both adjusted for bilateral contracts in accordance with clause 3.13.7;</del> and</p> <p>(c) If the <i>market trading node</i> is defined under clause 3.2.2.2 as a customer node lying on the interface between networks, apparatus or equipment operated by parties other than the <i>System operator</i>, the gross <i>ex-ante energy settlement quantity</i> for that <i>market trading node</i> is the negative of the amount determined for the corresponding generator <i>node</i> in clause 3.13.5.1 (b).</p>		

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		equipment operated by parties other than the <i>System operator</i> , the gross <i>ex-ante energy settlement quantity</i> for that <i>market trading node</i> is the negative of the amount determined for the corresponding generator <i>node</i> in clause 3.13.5.1 (b).			
<b>Energy Settlement Quantity Adjustments for Bilateral</b>	<b>3.13.7</b>	<p>For settlement purposes, the ex-ante energy settlement quantity for any market trading node in any trading interval shall be determined by the Market Operator by adjusting the gross -ex-ante energy settlement quantity for that market trading node and any trading interval, as measured in accordance with clause 3.13.5 or estimated in accordance with clause 3.13.6, for bilateral contract quantities notified to the Market Operator under clause 3.13.1.1, or inferred by the Market Operator under clause 3.13.1.1 and accepted as valid under clause 3.13.1.2 by:</p> <p>(a) Subtracting all bilateral sell quantities notified for that node in that trading interval from the measured or</p>	<p>For settlement purposes, the ex-ante energy settlement quantity for any market trading node in any trading interval shall be determined by the Market Operator by adjusting the gross -ex-ante energy settlement quantity for that market trading node and any trading interval, as measured in accordance with clause 3.13.5 <del>or estimated in accordance with clause 3.13.6</del> for bilateral contract quantities notified to the Market Operator under clause 3.13.1.1, or inferred by the Market Operator under clause 3.13.1.1 and accepted as valid under clause 3.13.1.2 by:</p> <p>(a) Subtracting all bilateral sell quantities notified for that node in that trading interval from the measured or estimated gross energy settlement quantity for that node in that trading interval; and</p> <p>(b) Adding all bilateral buy</p>	<p>Clause 3.13.7 states that the Ex-Ante Settlement Quantity shall be determined by adjusting the Gross Ex-Ante Settlement Quantity for bilateral contract quantities. Since only the Gross Ex-Ante Settlement Quantity is adjusted for bilateral contacts, the phrase "or estimated in accordance with clause 3.13.6" which refers to the Gross Ex-Post Energy Settlement Quantity, should be deleted.</p>	



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Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
		<p>estimated gross energy settlement quantity for that node in that trading interval; and</p> <p>(b) Adding all bilateral buy quantities inferred for that node in that trading interval to the measured or estimated gross energy settlement quantity for that node in that trading interval.</p>	<p>quantities inferred for that node in that trading interval to the measured or estimated gross energy settlement quantity for that node in that trading interval.</p>		
<b>Determining the Ex Post Energy Trading Amount</b>	<b>3.13.9</b>	<p>For settlement purposes, the ex post energy trading amount for each market trading node and trading interval will be determined as:</p> <p>(a) The ex-post energy settlement price for that node in that trading interval multiplied by the ex-post energy settlement quantity for that node in that trading interval (in MWh); minus</p> <p>(b) The ex-post energy settlement price for that node in that trading interval multiplied by the ex-ante energy settlement quantity for that node in that trading interval (in MWh).</p>	<p>For settlement purposes, the ex post energy trading amount for each market trading node and trading interval will be determined as:</p> <p>(a) The ex-post energy settlement price for that node in that trading interval multiplied by the <b>gross</b> ex-post energy settlement quantity for that node in that trading interval (in MWh) <b>as adjusted in accordance with clause 4.5.2.2</b>; minus</p> <p>(b) The ex-post energy settlement price for that node in that trading interval multiplied by the <b>gross</b> ex-ante energy settlement quantity for that node in that trading interval (in MWh).</p>	<p>Clause 3.13.9 makes use of the term "Ex-Post Energy Settlement Quantity" which does not have a specific provision defining the same, and has an erroneous glossary definition which makes reference to a non-existing provision. The Ex-Post Energy Settlement Quantity should be defined as the metered quantity as adjusted by site specific loss adjustment (SSLA) as provided in clause 4.5.2.2. Not being used as a separate term throughout the WESM Rules however, the provision should be reformulated to refer to its definition, instead of the term itself, i.e, the phrase Ex-Post Energy Settlement Quantity should be replaced by reference to the Gross Ex-Post Energy Settlement Quantity defined in clause 3.13.6 as adjusted by SSLA.</p>	

**Annex "A"**  
**Proposed Amendments to the Registration and Settlement Provisions of the WESM Rules**

Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
Glossary	Chapter 11	<b>Ex-Post Energy Settlement Quantity.</b> The amount determined by the <i>System Operators</i> in accordance with clause 3.8.14.	<del>Ex-Post Energy Settlement Quantity.</del> <del>The amount determined by the System Operators in accordance with clause 3.8.14.</del>		<b>Ex-Post Energy Settlement Quantity.</b> The amount determined by the <i>System Operators</i> in accordance with clause 3.8.1413. 6.
Calculation of Line Rental Trading Amounts	3.13.12	<p>The Market Operator shall calculate the line rental trading amounts for each transmission line in the market network model as:</p> <p>(a) The expected flow of energy out of the receiving node of the market network line as determined by the market dispatch optimization model multiplied by the ex-ante nodal energy settlement price at that node; less</p> <p>(b) The expected flow of energy into the sending node multiplied by the ex-ante nodal energy settlement price at that node of the market network line as determined by the market dispatch optimization model.</p>	<p>The Market Operator shall calculate the line rental trading amounts for each <b>bilateral contract associated with the</b> transmission line in the market network model as:</p> <p>(a) The expected flow of energy out of the receiving node of the market network line as determined by the market dispatch optimization model multiplied by the ex-ante nodal energy settlement price at that node; less</p> <p>(b) The expected flow of energy into the sending node multiplied by the ex-ante nodal energy settlement price at that node of the market network line as determined by the market dispatch optimization model.</p>	<p>The provision was reworded to emphasize that line rentals are applied to bilateral contracts, rather than to transmission lines.</p>	<p>The Market Operator shall calculate the line rental trading amounts for each <b>bilateral contract associated with the delivery of the bilateral contract quantiles (BCQ) through the</b> transmission line in the market network model as:</p> <p>(a) The expected flow of energy out of the receiving node of the market network line as determined by the market dispatch optimization model multiplied by the ex-ante nodal energy settlement price at that node; less</p> <p>(b) The expected flow of energy into the sending node multiplied by the ex-ante nodal energy settlement price at that node of the market network line as determined by the market dispatch optimization model.</p>



**Annex "A"**  
**Proposed Amendments to the Registration and Settlement Provisions of the WESM Rules**

Title	Section	Provision	Proposed Amendment	Rationale	RCC Proposed Amendment
<b>Settlement Amounts for Trading Participants with Bilateral Contracts</b>	<b>3.13.17.1</b>	<p>For each billing period, the Market Operator shall determine the settlement amount for each trading participant with bilateral contract as the sum of the aggregate trading amounts for the trading intervals in that billing period, determined in accordance with clause 3.13.17.2:</p> <p>(a) Any amount payable by the Market Operator to that Trading Participant in respect of that billing period and not accounted for in clause 3.13.17.2, including payment for any ancillary services purchased on behalf of the System operator, less the sum of</p> <p>(b) Any market fees which that Trading Participant is required to pay in respect of that billing period as determined in accordance with clause 2.10; plus</p> <p>(c) Any other amounts payable by that Trading Participant to the Market Operator in respect of that billing period, including any ancillary services recovery charges.</p>	<p>For each billing period, the Market Operator shall determine the settlement amount for each trading participant with bilateral contract as the sum of the aggregate trading amounts for the trading intervals in that billing period, determined in accordance with clause 3.13.17.2 <b>plus:</b></p> <p>(a) Any amount payable by the Market Operator to that Trading Participant in respect of that billing period and not accounted for in clause 3.13.17.2, including payment for any ancillary services purchased on behalf of the System operator, less the sum of</p> <p>(b) Any market fees which that Trading Participant is required to pay in respect of that billing period as determined in accordance with clause 2.10; plus</p> <p>(c) Any other amounts payable by that Trading Participant to the Market Operator in respect of that billing period, including any ancillary services recovery charges.</p>	For clarity.	