



**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2012-14

**Proposed Changes to Appendix A of the WESM Rules
on Minimum Offer Block Size**

WHEREAS, the Rules Change Committee (RCC) submitted to the PEM Board on 20 September 2012 its proposed changes to Appendix A of the WESM Rules on Minimum Offer Block Size;

WHEREAS, the RCC-proposed amendment seeks to reduce the minimum energy offer block size and contingency reserve offer block size from five (5) MW to one tenth of one (0.1) MW.

WHEREAS, the RCC's justification for the proposed rules change, as earlier submitted is to allow the generator-trading participants to submit their bids with precision since some plants, such as hydro generating plants, are capable of operating between zero (0) MW and 5 MW and at times can even operate up to a single decimal point, i.e. 3.2 MW or .5 MW, and for its corresponding payment value;

WHEREAS, the PEM Board Review Committee (BRC) in its Meeting on 21 September 2012 noted that the submitted rules change proposal is a deviation from the original PEMC proposal on the subject which sought to reduce the minimum offer block size from 5MW to 1MW to enable the small generating units to have the option to register as scheduled generating units and to also actively compete in the WESM and which proposal was the one posted in the WESM Website for comments;

WHEREAS, the BRC noting that the proposed reduction in the minimum offer block size from 5MW to 0.1 MW was significant so as to affect WESM participants and noting that the said proposal lacked the requisite posting as provided under the approved processes for any rules change proposal, remanded the said proposal to the RCC for further review;

WHEREAS, during the 67th RCC Meeting held on 03 October 2012, the RCC re-opened the discussion on the subject, following the instruction/directive from the BRC;

WHEREAS, the RCC, in its 68th Meeting held on 14 November 2012, noted the reservations expressed by the NGCP System Operations (SO) in the discussions, requested the SO to submit its comment on the issue;

WHEREAS, the RCC discussed at length the NGCP-SO's comments on the proposal during its 69th Meeting on 05 December 2012;

WHEREAS, in the same meeting, the RCC agreed as follows:

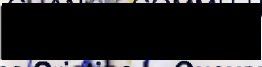



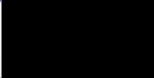

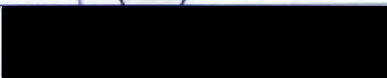
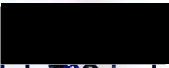

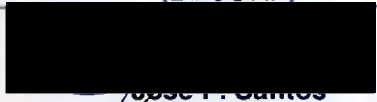
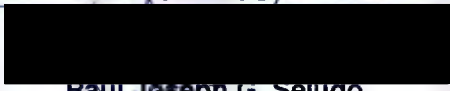


- to retain the original PEMC proposal on the reduction of the minimum offer block from 5MW to 1MW, and adopt the same as an RCC proposal for approval/consideration of the PEM Board; and
- that necessarily, adjustments will have to be made on existing systems and processes.

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

RESOLVED, that the proposed amendments to Appendix A of the WESM Rules on Minimum Offer Block Size (attached as Annex'A'), as submitted by PEMC, are adopted and approved;

RESOLVED FURTHER, that the proposed amendments to the provisions in Annex A of the WESM Rules on the Reduction of the Minimum Offer Block Size from 5 MW to 1 MW be endorsed to the PEM Board for approval.

Done this 05 December 2012, Pasig City.

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