Philippine Electricity Market Corporation

OFFICE OF THE PRESIDENT
JUN 29 2018
5:43pm
PHILIPPINE ELECTRICITY MARKET CORPORATION

29 June 2018
COR-INT-RCC-18-08

MEMORANDUM

To	:	**The PEM Board**
Cc	:	**Dir. Mario C. Marasigan,** DOE **Atty. Oscar E. Ala**, Chairman, PEMC Transition Committee **Atty. Rachel P. Anosan**, PEMC Corporate Secretary [redacted]
Thru	:	**Carlito C. Claudio**, VP – PEMC-Market Assessment Group
From	:	**The Rules Change Committee**
Subject	:	**RCC Semestral Report for the Period January to June 2018**

The Rules Change Committee (RCC) respectfully submits the attached Semestral Report, covering the accomplishments of the RCC from January to June 2018.

For the PEM Board's information.

Thank you.

For the Rules Change Committee,

[redacted]

Atty. Maila Lourdes G. de Castro
Chairperson
Rules Change Committee

Philippine Electricity Market Corp.
Office of the Corporate Secretary
RECEIVED
JUN 29 2018
Time: 5:43pm
[redacted]

RCC-REP-18-01

Rules Change Committee 2018 Semestral Report

JANUARY 2018 TO JUNE 2018

JUNE 2018

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

Philippine Electricity Market Corporation

Philippine Electricity Market Corporation

RCC- REP-18-01

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Philippine Electricity Market Corporation

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I. INTRODUCTION

In compliance with its mandate under the WESM Rules[1] 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 2018. This report sets out the following:

i. All proposals to amend the Market Rules and Manuals which have been submitted to and deliberated upon by the RCC for the covered period; and
ii. Status of RCC priorities outlined in the 2018 RCC Work Plan.

II. ACCOMPLISHMENTS AND WORK PROGRESS

The RCC held (5) regular meetings during the period January to June 2018, to discuss and deliberate upon several 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.

As of June 2018, the RCC has so far completed **226** amendments to the WESM and Retail Rules and WESM and Retail Manuals, including the adoption of new Market Manuals, since the RCC's creation in 2005.

Table 1: Number of Proposed Amendments Processed from 2005 to 2018 (Approved and Disapproved)

	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18
New Manuals	6	12	0	1	0	0	1	1	0	1	0	2	0	0
WESM Rules	7	9	0	3	0	6	3	6	8	8	6	7	4	4
WESM Manuals	0	20	3	1	1	9	2	4	6	19	10	21	15	6
Retail Rules	-	-	-	-	-	-	-	-	-	0	1	0	2	-
Retail Manuals	-	-	-	-	-	-	-	-	-	3	0	0	2	-

[1]WESM Rules, Clause 8.6.5

	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18
Others	0	1	0	2	2	0	0	0	0	0	0	0	0	1
Total per year	**13**	**42**	**3**	**7**	**3**	**15**	**6**	**11**	**14**	**31**	**17**	**30**	**23**	**11**
											Total Number of Proposals			**226**

Of the 226 proposals deliberated upon since 2005, the RCC had disapproved nine (9) proposals or 4% of the total. Disapproved proposals were usually re-developed and re-submitted by the proponent to the RCC as new proposals.

Proposed amendments may be initiated by various Market Participants, industry stakeholders and PEMC itself, as presented below.

Table 2: Number of Proposed Amendments by Proponent from 2005 to 2018

Proponent	Number of Proposed Amendments	Percentage
Market Participants/ WESM Stakeholders	39	**17%**
WESM Governance Committees	51	**23%**
PEMC-Market Operator	136	**60%**
TOTAL	**226**	**100%**

For the first half of 2018, the RCC deliberated four (4) rules and manuals change proposals as well as the amendments to its own Internal Rules. The four proposals were all approved as documented in four (4) resolutions submitted to the PEM Board.

The RCC's deliberations on proposed amendments during the period January to June 2018 are discussed in detail in the succeeding sections. Copies of all the minutes of the RCC's meetings and Resolutions are published in the market information website (www.wesm.ph/inner.php/downloads) for public information

II.A. RCC-Approved Amendments

1. Proposed Amendments to the WESM Rules and WESM Manuals regarding Transitory Provisions for the Pre-integration of WESM Mindanao

Submitted by PEMC on 05 March 2018, the proposal intended to reflect and combine under the WESM Rules the actual physical and market transactions in the Luzon, Visayas, and Mindanao grids, pursuant to DOE Department Circular No. DC2017-05-0009[2] which provides that the WESM Rules and Manuals be uniformly applied to the WESM in Mindanao.

Considering that the target implementation of the WESM in Mindanao is within the 4th quarter of 2018 while the project to interconnect the Visayas and Mindanao grids is expected to be completed in December 2020[3] at the earliest, there will be no physical transfer of electricity between the two grids (i.e., Luzon-Visayas and Mindanao) for approximately two (2) years. The proposal, thus, intended to add transitory provisions specifying that Luzon-Visayas and Mindanao will be treated as independent settlement regions, which means that the settlement, payment and collection process for each grid shall be independently performed until the Luzon-Visayas and Mindanao grids are physically interconnected.

It should be noted that the same settlement formula is to be applied to both Luzon-Visayas and Mindanao settlement regions based on WESM Rules Clause 3.14.7. Amendments were proposed particularly regarding bilateral contract quantities, administered pricing, net settlement surplus allocation and default allocation.

The proposal was initially discussed by the RCC on 02 February 2018 during its 137th Meeting and was published in the market information website on 05 March 2018 to request comments from Market Participants and stakeholders. Following the 30-working day commenting period, comments were received from the DOE and Green Innovations for Tomorrow, Inc.

The RCC deliberated on the proposal during its 139th Meeting on 06 April 2018 taking into account the comments received and the proponent's clarifications.

The RCC approved the proposal on 25 April 2018 as embodied in the RCC Resolution No. 2018-01, which was thereafter officially submitted to the PEM Board on 02 May 2018.

The PEM Board approved the proposal for endorsement to the DOE on 03 May 2018 per PEM Board Resolution No. 2018-19.

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[2] DOE Department Circular No. DC2017-05-0009 (04 May 2017)– *Declaring the Launch of the Wholesale Electricity Sport Market (WESM) in Mindanao and Providing for Transition Guidelines*

[3] Per NGCP filing with the Energy Regulatory Commission – ERC Case No. 2017-034RC

2. Proposed Amendments to the WESM Rules to Implement the Approved Plan for Transition to the Independent Market Operator of the WESM

The subject proposal aimed to implement the directives under DOE Department Circular No. DC2018-01-0002[4] and the approved *"Plan for Transition to the Independent Market Operator of the Philippine Wholesale Electricity Spot Market"* ("Transition Plan")[5], principally on the separation of the governance and market operations functions of PEMC, changes in the composition of the PEM Board, and realignment of the functions of the WESM governance committees and units to reflect the resultant structure of PEMC.

The proposed amendments are in Chapter 1 - *Introduction* and Chapter 11 – *Glossary* of the WESM Rules, as summarized below:

- *In accordance with DOE Department Circular No. DC2018-01-0002:*

  a) Inclusion of reference to PEMC as the governing body of the WESM;
  b) Addition of provisions stating the composition and qualifications of the Independent Market Operator Board, adopting in full the qualifications set out in the DOE Circular;
  c) Alignment of provisions relating to Market Operator performance standards; and
  d) Inclusion of additional functions of the PEM Board as set out in the DOE Department Circular

- *In accordance with the Transition Plan:*

  a) On the composition of the PEM Board –

     i) Replacement of "National Transmission Company" representative with "System Operator" representative
     ii) Removal of requirement that the Chairperson shall be elected from among the independent members. The proposed amendment is for the Chairperson to be elected by the PEM Board members from among themselves
     iii) Revision to reflect that the PEMC President, who shall be one (1) of the four (4) independent directors of the Board, shall be elected by majority of the PEM Board members

[4] DOE Department Circular No. DC2018-01-0002 (dated 17 January 2018) - *Adopting Policies for the Effective and Efficient Transition to the Independent Market Operator for the Wholesale Electricity Spot Market*
[5] Ratified by WESM Members during its Membership Meeting held on 06 February 2018

iv) Revision to reflect that PEM Board directors shall be elected by PEMC members, and not appointed by the DOE.

b) Creation of a Compliance Committee, and provision of a transitory arrangement pending appointment and organization of said committee;
c) Realignment of the functions of the WESM Governance Committees; and
d) Re-statement of functions of the PEMC governance units to align with the re-organization of PEMC.

Following preliminary discussions during its 138th Meeting on 02 March 2018, the RCC approved the publication of the proposal in the market information website to allow Market Participants and stakeholders to submit their respective comments within a period of 30-working days (i.e., until April 23, 2018).

The RCC proceeded to deliberate on the proposed amendments during its 139th Meeting held on 06 April 2018 considering the comments received from the DOE, Green Innovations for Tomorrow, Inc. and Aboitiz Power Corp.

The RCC approved for the endorsement of the amended proposal to the PEM Board on 25 April 2018 as embodied in the RCC Resolution No. 2018-02. The proposal was officially submitted to the PEM Board on 02 May 2018.

The PEM Board approved the endorsement of the proposal to the DOE on 03 May 2018 per PEM Board Resolution No. 2018-20.

3. Amendments to the Rules Change Committee Internal Rules Issue 2.0

The RCC agreed to revise its Internal Rules (Issue 2.0), which was last modified in June 2011, in order to align with the amendments to the rules change process as provided in the *WESM Manual of Procedures for Changes to the WESM Rules,* and fill-in procedural gaps for enhancement.

The RCC discussed changes to its Internal Rules from its 138th to 140th Meetings held on March 02, April 06 and May 04, 2018, respectively, and agreed to adopt amendments related to the following procedures:

(1) Default schedule of regular meetings,
(2) Cancellation of meetings,
(3) Agenda setting,
(4) Determination of quorum,
(5) Timeline on the submission to the PEM Board of RCC decisions or status report,
(6) Procedure for when members incur consecutive absences,

(7) Procedure for ensuring that sector representatives inform their respective sectors about the activities of the RCC, and
(8) Procedures for processing Urgent Amendments

The RCC approved and adopted the changes to its Internal Rules (hereafter Issue 3.0) on 04 May 2018.

4. Proposed Amendments to the WESM Rules and Market Manuals on the Participation of Energy Storage Systems in the WESM

On 29 January 2018, the Technical Committee (TC) submitted to the RCC the subject proposal which aimed to provide the framework for the participation of non-generator resources (e.g., battery energy storage systems) and pumped-storage units in the WESM with respect to registration, dispatch protocol and modelling in the market network model.

The proposal introduced revisions to the following documents:

(a) WESM Rules as promulgated by the DOE DC No. 2017-03-0001;
(b) WESM Manual on Dispatch Protocol Issue 13.0;
(c) WESM Manual on Registration, Suspension and De-registration Criteria and Procedures; and
(d) WESM Manual on Market Network Model and Development and Maintenance – Criteria and Procedures.

The RCC preliminarily discussed the proposal during its 137th Meeting held on 02 February 2018, and approved its publication in the market information website on the same day to solicit comments from Market Participants and stakeholders within a period of 30-working days.

The deliberation of the proposal was held on 06 April and 04 May 2018 during the RCC's 139th and 140th Meetings, respectively. The body took into consideration the comments received from the Department of Energy (DOE), Philippines Electricity Market Corporation (PEMC), Aboitiz Power Corporation (AP), Power Sector Assets and Liabilities and Management Corporation (PSALM) and Green Innovations for Tomorrow, Corp. (GIFT).

Upon finalization, the RCC adopted the following major changes to the original proposal:

(a) *Energy Storage Systems* was agreed to be the new term to categorize non-generator resources, pumped-storage units and such similarly situated resources; and
(b) Pumped-storage units shall be required to submit load forecasts since the pumping of these resources greatly affects the WESM Load Forecasts.

The RCC thereafter approved the proposal for endorsement to the PEM Board per RCC Resolution No. 2018-04[6].

The proposal was thereafter approved by the PEM Board through PEM Board Resolution No. 2018-27 during its meeting held on 30 May 2018.

5. Proposed Amendments to the WESM Rules and WESM Manual on Registration, Suspension and De-registration Criteria and Procedures for Additional Trading Participant Category – Wholesale Electricity Market Trader

The RCC received from PEMC on 27 February 2018 the proposal to amend the WESM Rules and WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures which aims to add another Trading Participant category – *Wholesale Electricity Market Trader (WEMT)*.

The addition of said category would enable entities without facilities but with commercial rights or obligations to sell or purchase electricity (hereinafter "non-registered entities") to also participate in the WESM, which in turn would:

i. preserve the confidentiality of non-registered entities' commercially sensitive information as passing such information through their associated Trading Participants will no longer be necessary;
ii. enhance the accuracy of information and promote greater transparency since market data would better reflect actual commercial arrangements of Trading Participants; and
iii. foster greater competition in the market by recognizing a new set of Trading Participants;

The proposed participation of non-registered entities in the market as WEMTs would only be with respect to the submission or confirmation of bilateral contract quantities, receipt of billing statements, and settlement of payables or receivables.

Following the presentation of the highlights of the proposal to the RCC on 02 March 2018, the proposal was approved for publication in the market information website which would allow the WESM stakeholders to submit their comments within a period of 30-working days from the date of the publication.

The RCC then deliberated on the proposal during its 140th meeting held on 04 May 2018, taking into consideration the comments from the DOE, Power Sector Assets and Liabilities

[6] RCC Resolution No. 2018-04 *Approving the Proposed Amendments to the WESM Rules and Market Manuals on the Participation of Energy Storage Systems in the WESM*

Management Corp. (PSALM), TeaM (Philippines) Energy Corp. (TPEC), San Miguel Energy Corp. (SMEC), SN Aboitiz Power Corp. (SNAP), Aboitiz Power Corp. (AP), and the Market Surveillance Committee (MSC).

The deliberations particularly centered on the legal basis for introducing a new Trading Participant category, the requirement for ERC authorization for prospective WEMTs to be registered in the market, the difference between WEMTs and Retail Electricity Suppliers, and whether or not the proposal impacts such market process as settlement, scheduling, metering, and dispatch compliance.

The RCC subsequently approved the proposal on 17 May 2018 as embodied in RCC Resolution No. 2018-05. The proposal was thereafter submitted to the PEM Board on 22 May 2018.

On 30 May 2018, the PEM Board approved the proposal for endorsement to the DOE through PEM Board Resolution No. 2018-28.

II.B. On-Going Proposals / Discussions

During the period covered in this Report, the RCC likewise discussed the following amendments to the WESM Rules and Manuals and other relevant matters.

1. Proposed Amendments to the WESM Rules regarding Enforcement and Compliance and Proposed New Market Manual on Enforcement and Compliance

On 06 December 2016, PEMC and the Market Surveillance Committee jointly submitted to the RCC the proposed amendments to the WESM Rules and proposed new market manual on Enforcement and Compliance, which aim to adopt a separate manual from the existing Market Surveillance, Compliance and Enforcement Manual ("MSC Manual") that will provide details of the guidelines and procedures for enforcement and compliance in the WESM. This entails amending applicable provisions in Chapters 1 and 7 of the WESM Rules and, concurrently, excising the sections and clauses pertaining to enforcement and compliance from the current MSC Manual.

Deliberations on the proposal were conducted during the RCC's 127th until 129th meetings held on 17 March, 11 April and 19 May 2017, respectively.

With the proposal due for finalization, the MSC and PEMC requested the RCC to defer the endorsement of the same to the PEM Board until the proponents have finalized their proposed amendments to the WESM Penalty Manual, which are expected to affect and

necessitate further changes to the MSC Manual and the proposed ECO Manual. The RCC agreed to await the re-submission of PEMC and the MSC.

With the proponent's submission of further amendments to the latest iteration of the proposal as approved by the RCC in May 2017, discussions resumed on 01 June 2018 during the RCC's 141st Meeting. Noting that said further changes substantially amends the RCC-approved draft version of the proposal, the RCC agreed to publish the same in the market information website to request comments from Market Participants and stakeholders.

The deadline for the submission of comments is on 18 July 2018.

2. Proposed Amendments to the WESM Rules and WESM Market Surveillance, Compliance and Enforcement Market Manual

The MSC submitted to the RCC on 29 December 2016 the Proposed Amendments to the WESM Rules and Market Manual on Market Surveillance, Compliance and Enforcement, and presented the same during the RCC's 123rd Meeting on 13 January 2017. The proposal aims to enhance the market surveillance processes pertaining to: (a) market monitoring, assessment and surveillance; and (b) enforcement and compliance, as well as to harmonize the same with the ERC-PEMC Protocol pertaining to investigation of anti-competitive behaviour.

The RCC deliberated on the proposal during its 127th, 129th and 130th Meetings held on 17 March, 19 May and 09 June 2017, respectively, and thereafter approved the proposal as revised.

With the proposal due for finalization, the MSC requested the RCC to defer the endorsement of the same to the PEM Board until it has finalized the proposed amendments to the WESM Penalty Manual, which are expected to affect and necessitate further changes to the MSC Manual and the proposed ECO Manual (see item IIB, #1). The RCC agreed to await the re-submission of the MSC.

With the proponent's submission of further amendments to the latest iteration of the proposal as approved by the RCC in June 2017, discussions resumed on 01 June 2018 during the RCC's 141st Meeting. Noting that said further changes substantially amend the RCC-approved draft version of the proposal, the RCC agreed to publish the same in the market information website to request comments from Market Participants and stakeholders.

The deadline for the submission of comments is on 18 July 2018.

II.C. Status Update of Proposals Approved by the Rules Change Committee and the PEM Board from 2017 to June 2018[7]

	RCC Resolution	Proposals	PEM Board Resolution	DOE Approval
1	**RCC Resolution No. 2017-05**	Proposed Amendments to the WESM Manuals on Billing and Settlement and Load Forecasting Methodology for the Implementation of Enhancements to WESM Design and Operations	2017-16 (18 September 2017)	DC2018-04-0008 (28 March 2018)
2	**RCC Resolution No. 2017-07**	Proposed General Amendments to the WESM Manuals on (a) Price Determination Methodology and (b) Constraint Violation Coefficient and Pricing Re-run regarding the Implementation of WESM Design Enhancements	2017-17 (18 September 2017)	DC2018-04-0012 (28 March 2018)
3	**RCC Resolution No. 2017-08**	Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol for the Implementation of Enhancements to WESM Design and Operations	2017-16 (18 September 2017)	DC2018-04-0007 (28 March 2018)
4	**RCC Resolution No. 2017-09**	Proposed Amendments to the Market Operator Information Disclosure and Confidentiality Manual for the Implementation of Enhancements to WESM Design and Operations	2017-20 (26 October 2017)	DC2018-04-0011 (28 March 2018)
5	**RCC letter to PEM Board (dated 27 September 2017)**	Confirmation of Approval of the Proposed New Schedule of WESM Arbitration Fees and Costs	2017-30 (26 October 2017)	On-going
6	**RCC Resolution No. 2017-10**	Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Metering Standards and Procedures and Metering Point Location	2017-35C (06 December 2017)	On-going

[7] Proposals remanded by the PEM Board for further study are included in the 2018 RCC Work Plan (Annex B).

	RCC Resolution	Proposals	PEM Board Resolution	DOE Approval
7	**RCC Resolution No. 2017-11**	Proposed Amendments to the WESM Rules, Retail Rules and Retail Manual on Metering Standards and Procedures Issue 2.0 for Clarifications on Retail Market Integration	2017-36 (06 December 2017)	DC2018-04-0010 (28 March 2018)
8	**RCC Resolution No. 2017-12**	Proposed Amendments to the WESM Manual on Dispute Resolution regarding Mediation and Arbitration Procedures	2018-13 (28 February 2018)	On-going
9	**RCC Resolution No. 2017-13**	Proposed Amendments to the WESM Rules and WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0	2018-14 (28 February 2018) 2018-16 (21 March 2018)	On-going
10	**RCC Resolution No. 2018-01**	Proposed Amendments to the WESM Rules and WESM Manuals regarding Transitory Provisions for the Pre-integration of WESM Mindanao	2018-19 (03 May 2018)	On-going
11	**RCC Resolution No. 2018-02**	Proposed Amendments to the WESM Rules to Implement the Approved Plan for Transition to the Independent Market Operator of the WESM	2018-20 (03 May 2018)	On-going
12	**RCC Resolution No. 2018-04**	Proposed Amendments to the WESM Rules and Market Manuals on the Participation of Energy Storage Systems in the WESM	2018-27 (30 May 2018)	On-going
13	**RCC Resolution No. 2018-05**	Proposed Amendments to the WESM Rules and WESM Manual on Registration, Suspension and De-registration Criteria and Procedures for Additional Trading Participant Category – Wholesale Electricity Market Trader	2018-28 (30 May 2018)	On-going

III. WAY FORWARD

Mindful of the remaining deliverables in the updated 2018 Work Plan (Annex B), the RCC agreed to devote the succeeding months in completing and resolving the remaining items in the Work Plan.

Approved by: RULES CHANGE COMMITTEE [redacted] Chairperson Independent	
Members:	
[redacted] Independent	[redacted] Independent
Allan C. Nerves Independent	[redacted] **Isidro E. Cacho, Jr.** Market Operator Philippine Electricity Market Corporation (PEMC)
[redacted] **Ambrocio R. Rosales** Transmission Sector National Grid Corporation of the Philippines (NGCP)	[redacted] **Abner B. Tolentino** Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
[redacted] **Atty. Jose Ildefonso B. Ambrosio** Generation Sector North Wind	[redacted] **Ciprinilo C. Meneses** Distribution Sector (PDU) Manila Electric Company (MERALCO)
[redacted] **Jose P. Santos** Distribution Sector (EC) IlocosNorte Electric Cooperative, Inc. (INEC)	[redacted] **Ludovico D. Lim** Distribution Sector Antique Electric Cooperative, Inc. (ANTECO)
[redacted] **Lorreto H. Rivera** Supply Sector TeaM (Philippines) Energy Corporation (TPEC)	

Philippine Electricity Market Corporation

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ANNEX A: Members of the RCC as of June 2018

Sector	Representative Organization	Members	
		Principal	**Alternate**
Independent		Maila Lourdes G. de Castro *(Chairperson)*	-
		Francisco L.R. Castro, Jr.	-
		Concepcion I. Tanglao	-
		Dr. Allan C. Nerves	-
Market Operations	Philippine Electricity Market Corporation (PEMC)	Isidro E. Cacho, Jr.	Edwin N. Mosa
System Operations	National Grid Corporation of the Philippines (NGCP)	Ambrocio R. Rosales	Henry V. Dela Cruz
Generation	NorthWind Power Development Corporation	Jose Ildebrando B. Ambrosio	-
	Power Assets & Liabilities Management (PSALM) Corporation	Abner B. Tolentino	Ma. Erliza C. Casas
	(vacant)	-	-
	(vacant)	-	-
Distribution	PDU – Manila Electric Company (MERALCO)	Ciprinilo C. Meneses	Ryan S. Morales
	EC – Ilocos Norte Electric Cooperative (INEC)	Jose P. Santos	Roy Rosario F. Alimbuyuguen
	EC – Antique Electric Cooperative (ANTECO)	Ludovico D. Lim	Neal Peter C. Veñegas
	(vacant)	-	-
Supply	TeaM (Philippines) Energy Corporation	Lorreto H. Rivera	-
Observers	Department of Energy (DOE)	Dir. Mario C. Marasigan	Ferdinand B. Binondo Luningning Baltazar
	Energy Regulatory Commission (ERC)	-	-

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ANNEX B: Status of the 2018 RCC Work Plan

Item	Proposed Amendment	Proponent	Deliverables (Rules/ Manuals)	Description	Remarks	Proponent's Target Period of Submission to the RCC/ Date Submitted	RCC's Target Period of Submission to the PEM Board	Status
1	Proposed Amendments to the WESM Rules and Proposed Enforcement and Compliance Manual	PEMC and Market Surveillance Committee	WESM Rules, WESM Manual	To provide for the authority of PEMC and the PEM Board to investigate and impose sanctions to non-complying participants	• Submitted on 06 December 2016 • Deliberated on March, April, May, July and August 2017 • Deferred endorsement to PEM Board to await changes to the WESM Penalty Manual • As of April 06, 2018: proponent target resumption of deliberation was moved from Q1 to Q2 2018 as development of proposed amendments to WESM Penalty Manual is still on-going	*Resumption of deliberation within Q2 2018 (submitted 15 May 2018)*	Q3 2018	On-going commenting period

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Item	Proposed Amendment	Proponent	Deliverables (Rules/ Manuals)	Description	Remarks	Proponent's Target Period of Submission to the RCC/ Date Submitted	RCC's Target Period of Submission to the PEM Board	Status
2	Proposed Amendments to the WESM Rules and Market Surveillance, Compliance and Enforcement Manual	Market Surveillance Committee	WESM Rules, WESM Manual	To set out the definitions of breaches and the procedures on compliance monitoring and enforcement actions	• Submitted on 29 December 2016 • Deliberated on March, May, and June 2017 • Deferred endorsement to PEM Board to await changes to the WESM Penalty Manual • As of April 06, 2018: proponent target resumption of deliberation was moved from Q1 to Q2 2018 as development of proposed amendments to WESM Penalty Manual is still on-going	*Resumption of deliberation within Q2 2018 (submitted 01 June 2018)*	Q3 2018	On-going commenting period

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Item	Proposed Amendment	Proponent	Deliverables (Rules/ Manuals)	Description	Remarks	Proponent's Target Period of Submission to the RCC/ Date Submitted	RCC's Target Period of Submission to the PEM Board	Status
3	Proposed Amendments to the WESM Manual on Metering Standards and Procedures regarding MSP Performance Rating	PEMC	WESM Manual	Proposed new computation of MSP Rating	• Submitted on 10 March 2016 • Approved by the RCC on 10 November 2017 (RCC-RESO-17-10) in conjunction with other proposed amendments to the WESM Metering Manual • Remanded by the PEM Board for further study to make performance measures on a per Market Participant basis per PEM Board Resolution No. 2017-35D (06 December 2017) • As of April 24, 2018: proponent moved target submission to RCC from Q1 to Q2 2018	Q2 2018	Q3 2018	Not yet submitted to RCC

[redacted]

Item	Proposed Amendment	Proponent	Deliverables (Rules/ Manuals)	Description	Remarks	Proponent's Target Period of Submission to the RCC/ Date Submitted	RCC's Target Period of Submission to the PEM Board	Status
4	Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures	PEMC	WESM Manual	• To streamline procedures and address audit observations • To incorporate the treatment/modelling of embedded generation and generation monitoring (gross or net of station use)	• Submitted on 29 December 2016 • Approved by the RCC on 19 May 2017 (RCC-RESO-17-06) • Remanded by the PEM Board to the RCC and Market Operator for holistic review of the registration process and procedures PEM Board Resolution No. 2017-19 (18 September 2017)	Q3 2018	Q4 2018	
5	Proposed WESM Rules revision regarding reportorial requirements of the Daily Significant Variations Report	PEMC	WESM Rules, WESM Manual	Amendments to reflect that submission of a printed copy of the DSVR to the DOE, ERC, PEM Board, WESM Members and interested entities (Clause 1.3.1.5) is no longer necessary since said report is accessible to the public (i.e., report is published on a daily basis through WESM website).	• Proposed to be submitted by proponent in 2016 • April 06, 2018: proponent moved target period of submission from Q1 to Q2 2018 • As of June 25, 2018: deferred submission to RCC due to on-going audit and testing of NMMS; new target period to be determined by proponent	TBD	TBD	

[redacted]

Philippine Electricity Market Corporation

RCC- REP-18-01

Item	Proposed Amendment	Proponent	Deliverables (Rules/ Manuals)	Description	Remarks	Proponent's Target Period of Submission to the RCC/ Date Submitted	RCC's Target Period of Submission to the PEM Board	Status
6	• Exclusion of Contestable Customers in Registering as Indirect / Direct WESM Members and Establishment of process for their mapping through their Retail Electricity Suppliers (RESes) • Representation of RESes in the WESM Model/ Operations	PEMC	WESM Rules, WESM Manual	• To remove requirement for CCs to directly register with the WESM and to propose that CCs' registration be through the RES counter-party • To represent RESes in the WESM Model/Operations and to revise settlement formula in consideration of RES transactions	• Currently being discussed by RESA with the PEMC Transition Committee • Proponent moved the target period of submission to RCC from Q1 to Q3 2018	Q3 2018	Q4 2018	

[redacted]

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7	Proposed Amendments to Proposed Rules Changes to the WESM Rules, Retail Manual and PAC Market Manual	PEM Audit Committee	WESM Rules, WESM Manual	• Proposed to be submitted by proponent in 2017 • Proposed changes on audit provisions including the renaming of the PEM Auditor and Audit of Metering Arrangements audit title, frequency of audits, and inclusion of rules regarding MSP's compliance to metering installation requirements and rules providing for the review of all new market-related software and modifications to existing software implemented by the Market Operator (MO) as identified through the ICT Change Management Procedure.	As of April 06, 2018: proponent moved target period of submission from Q1 to Q2 2018	Q2 2018	Q3 2018	Not yet submitted to RCC

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8	Proposed Amendments to the WESM Rules and Market Manuals on the Participation of Non-Generator Resources and Pumped-Storage Units in the WESM	Technical Committee	WESM Rules, WESM Manual	• In compliance with DOE Circular No. DC2015-10-0015 • Subject to DOE policy and ERC guidelines on BES and other modes of operation in the WESM. Also on the ERC approval of the ASRS/ASPP		Q1 2018 *(submitted on 29 Jan 2018)*	Q2 2018	Completed (RCC-RESO-18-04)
9	Rules Changes as required by the Transition to Independent Market Operator	PEMC	WESM Rules, WESM Manuals	Amendments to clauses in the WESM Rules related to Governance and to the WESM Registration Manual		Q1 2018 *(submitted on 08 Mar 2018)*	Q2 2018	Completed (RCC-RESO-18-02)
10	Rules Changes as required to Address Operational Audit Findings	PEMC	WESM Rules, WESM Manuals	Amendments to the WESM Manuals on Registration, Dispatch Protocol, Billing and Settlement, Metering		Q2 2018	Q3 2018	Not yet submitted to RCC
11	Rules Changes as required by Renewable Energy Market, Renewable Portfolio Standards and Green Energy Option Program	PEMC	WESM Rules, WESM Manuals	Amendments to the WESM Rules, Retail Rules and WESM Manual on Billing and Settlement	As of 29 Jun 2018: REM Rules and REM Manuals are to be approved by the DOE. Amendments to the same will be deliberated on and approved by the REM Governance Committee for	Q3 2018	Q4 2018	*Contingent on DOE's approval of the REM Rules*

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					submission to the PEMB and DOE for final approval.			
12	Rules Changes as required by Implementation of WESM Mindanao	PEMC	WESM Rules, WESM Manuals	• Amendments to the WESM Rules and WESM Manuals on Registration, Billing and Settlement and Metering • Amendments related to the treatment of transactions in WESM Mindanao		Q1 2018 *(submitted on 05 Mar 2018)*	Q2 2018	completed (RCC-RESO-18-01)
13	Rules Changes on the Participation of Wholesale Traders in the WESM	PEMC	WESM Rules, WESM Manuals	Amendments to the WESM Rules and WESM Manuals on Registration, Billing and Settlement and Metering		Q1 2018 (*submitted on 27 Feb 2018)*	Q2 2018	completed (RCC-RESO-18-05)
14	Rules Changes as required by the Certification Audit of New Market Management System, CRSS	PEMC	WESM Rules, WESM Manuals	After the completion of the Certification Audit (June 2018)		2018	2018	

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15	Rules Changes as required by the Reserve Market	PEMC	WESM Rules, WESM Manuals	• Amendments to the WESM Rules and WESM Manual on Dispatch Protocol and new Manual on Ancillary Services • Proposal depends on the approval of the ERC of the Pricing Cost Recovery Mechanism		2018	2018	
16	Proposed Protocol on HVDC Scheduling	NGCP-SO	WESM Rules, WESM Manuals		New item added to the Work Plan in April 2018	Q4 2018	Q1 2019	

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