Philippine Electricity Market Corporation

Rules Change Committee

2017 Semestral Report

(July to December 2017)

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

December 2017

[redacted]

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Philippine Electricity Market Corporation

RCC- REP-17-02

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 July to December 2017. 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 2017 RCC Work Plan.

II. ACCOMPLISHMENTS AND WORK PROGRESS

The RCC met seven (7) times[2] during the period July to December 2017, to discuss and deliberate upon several 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 December 2017, the RCC has so far completed **215** 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 Proposals Processed from 2005 to 2017 (Either Approved or Disapproved)

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

[1] WESM Rules, Clause 8.6.5
[2] Six (6) regular meetings and one (1) sub-committee meeting

	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17
Others	0	1	0	2	2	0	0	0	0	0	0	0	0
Total per year	**13**	**42**	**3**	**7**	**3**	**15**	**6**	**11**	**14**	**31**	**17**	**30**	**23**
										Total Number of Proposals			**215**

Of the 215 proposals deliberated upon since 2005, the RCC had only 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 Proposals by Proponent from 2005 to 2017

Proponent	Number of Proposals	Percentage
Market Participants/ WESM Stakeholders	39	**18%**
WESM Governance Committees	47	**22%**
PEMC	129	**60%**
TOTAL	**215**	**100%**

For 2017, the RCC deliberated twenty-three (23) rules and manuals change proposals, all of which were approved as documented in fourteen (14) resolutions/correspondence submitted to the PEM Board.

The RCC's deliberations on proposed amendments during the period July to December 2017 are discussed in detail in the succeeding sections.

II.A. Completed Amendments

1. Proposed Amendments to the WESM Rules and Dispatch Protocol Manual for the Implementation of Enhancements to WESM Design and Operations

The proposal intends to reflect operational changes to implement enhancements on the following market features:

- *As provided under DOE Department Circular No. 2015-10-0015 dated 23 October 2015[3]:*

  (i) Five (5) minute dispatch interval;
  (ii) Ex-ante pricing only for energy and reserves for every 5-minute dispatch interval;
  (iii) One (1) hour settlement interval for settlement purposes;
  (iv) Automatic pricing corrections;
  (v) Mandatory integration of Distribution Utilities' sub-transmission network, which materially affects dispatch schedules and prices in the WESM, into the market network model (MNM);
  (vi) Nodal-based short-term demand forecasting; and
  (vii) Hourly day-ahead projection (DAP) with sensitivities and hour-ahead projection (HAP).

The proposal was initially discussed by the RCC on 07 December 2016 during its 122nd Meeting and was published in the market information website on 21 December 2016 to request comments from Market Participants and stakeholders. Following the 30-working day commenting period, comments were received from the DOE, the Technical Committee, NGCP–System Operator, MERALCO, SN Aboitiz Power, Aboitiz Power Corp., FirstGen, MERALCO Power Generation, San Roque Power Corp., and SPC Power Corp..

The RCC deliberated on the proposal starting from its 124th Meeting on 10 February 2017 through its 131st Meeting on 07 July 2017.

During the deliberation period, the proposal was further revised to be consistent with the DOE-approved changes to the WESM Rules and WESM Manuals on Price Determination Methodology and Constraint Violation Coefficient promulgated on 20 March 2017[4]. The following changes were incorporated in the proposal:

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[3] Department Circular No. DC 2015-10-0015 *Providing Policies for Further Enhancement to WESM Design and Operations*

[4] Promulgated by the DOE on 20 March 2017 per Department Circular No. 2017-03-0001 *Adopting Further Amendments to the WESM Rules and Market Manuals for the Implementation of Enhancements to WESM Design and Operations (Provisions for Price Determination Methodology and Constraint Violation Coefficient and Pricing Re-run)*

(i) 5-minute metering as input to the calculation of trading amounts per settlement interval from the aggregate of 5-minute trading amounts;
(ii) Netting out of bilateral contracts for energy from the trading amounts instead of deducting bilateral contract quantities from the ex-ante trading quantities; and
(iii) Calculation of line rental trading amounts, for informational purposes only.

With the intention to consolidate all provisions related to dispatch scheduling and implementation under the Dispatch Protocol Manual, the following WESM Manuals were deemed redundant and were consequently approved to be abolished:

(i) Management of Excess Generation Issue 2;
(ii) Management of Must-run and Must-stop Units Issue 6;
(iii) Management Procedures for Load Shedding Issue 2; and
(iv) Emergency Procedures Issue 3

The RCC approved the Proposed Amendments to the WESM Rules and Dispatch Protocol Manual Issue 12.0, as amended, on 07 July 2017 as embodied in the RCC Resolution No. 2017-08, which was thereafter submitted to the PEM Board on 27 July 2017.

The PEM Board approved the proposal for endorsement to the DOE on 18 September 2017 per PEM Board Resolution No. 2017-16.

2. Proposed Amendments to the WESM Manual on Market Operator Information Disclosure and Confidentiality on Enhancements to WESM Design and Operations

Pursuant to the DOE Department Circular No. 2015-10-0015[5] pertaining to the enhancements to WESM design and operations, PEMC submitted and presented to the RCC the subject proposal during its 128th Regular Meeting held on 11 April 2017.

The proposal to amend the WESM Manual on Market Operator Information Disclosure and Confidentiality aims to provide changes in the publication of market information classification, categories, and requirements for the implementation of the following market features:

(i) Five (5) minute dispatch interval;
(ii) Ex-ante pricing only (i.e. no RTX) for energy and reserves for every 5-minute dispatch interval;
(iii) One (1) hour settlement interval for settlement purposes;
(iv) Automatic pricing corrections; and

[5] DOE DC No. 2015-10-0015 *Providing Policies for further Enhancement of the Wholesale Electricity Spot Market (WESM) Design and Operations*

(v) Additional market projections, i.e. hour-ahead projection (HAP) and hourly day-ahead projection (DAP) with load sensitivities

Following preliminary discussions, the RCC approved the publication of the proposal in the market information website to allow Market Participants and stakeholders to submit their respective comments.

The RCC proceeded to deliberate on the proposed amendments during its 130th Regular Meeting held on 09 June 2017 considering the comments submitted by the DOE, the Market Surveillance Committee (MSC), Technical Committee (TC), SN Aboitiz Power (SNAP) and MERALCO.

The body agreed to make the following changes to the proposal:

(i) disapproved the proposed monthly publication in the WESM market information website of the System Operator's Grid Operation and Maintenance Program, specifically the planned transmission line, transformer and generation outages, since the disclosure of said information is not provided in the WESM Rules;

(ii) per the recommendation of the System Operator due to its concern for the security of the grid, removed information on resistances and reactance from the list of proposed Market Network Model (MNM) technical data and parameters to be made available;

(iii) for consistency with the approved list of MNM technical data and parameters to be classified as public, likewise limited the proposed data to be made available regarding the *Status of all elements of the market network model such as network element outages, network switch and circuit breaker statuses* as this would also require system development prior to implementation; and

(iv) as suggested by the DOE and SNAP, made the data on *Over-riding Constraints, Contingency Limits and Outage Schedules Submitted by the System Operator to the Market Operator* public in order to provide more information to Trading Participants and interested parties on the availability of generators and transmission lines, and to likewise ensure that Trading Participants can make informed decisions.

The RCC approved for the endorsement of the amended proposal to the PEM Board during its 131st regular meeting on 07 July 2017 as embodied in the RCC Resolution No. 2017-09. The proposal was submitted to the PEM Board on 22 August 2017.

The PEM Board approved the endorsement of the proposal to the DOE on 26 October 2017 per PEM Board Resolution No. 2017-20.

3. Proposed New Schedule of WESM Arbitration Fees and Administrative Costs

The subject proposal, along with other proposed amendments to the WESM Rules, Dispute Resolution Manual and Registration Manual, was approved by the RCC on 05 October 2016[6], and was presented before the PEM Board during its meeting on 10 November 2016. Per PEM Board Resolution No. 2016-40 dated 29 November 2016, the PEM Board directed the RCC to further study the reasonableness of the proposed new Schedule of WESM Arbitration Fees and Costs.

The table below provides a matrix of the current and proposed WESM schedule of fees compared with those of the Construction Industry Arbitration Commission (CIAC) and the Philippine Dispute Resolution Center, Inc. (PDRCI).

<table>
<tr><th colspan="9">ARBITRATORS' FEES (IN PHP) - FOR THREE (3) ARBITRATORS</th></tr>
<tr><th rowspan="2">SUM IN DISPUTE (SID)</th><th colspan="2">WESM (Current)</th><th colspan="2">WESM (Proposed)</th><th colspan="2">CIAC</th><th colspan="2">PDRCI</th></tr>
<tr><th>Base Amount</th><th>Highest Possible Fees</th><th>Base Amount</th><th>Highest Possible Fees</th><th>Base Amount</th><th>Range of Fees</th><th>Base Amount</th><th>Range of Fees</th></tr>
<tr><td>UP TO 100M</td><td>250,000</td><td>250,000</td><td>500,000</td><td>500,000</td><td>from 705,500 to 987,700 + 0.10% of SID in excess of 50M</td><td>from 755,500 to 1,037,700</td><td>from 2,160,000 to 5,400,000 + 1.0% of SID in excess of 50M</td><td>from 2,660,000 to 5,900,000</td></tr>
<tr><td>OVER 100M TO 200M</td><td>250,000 + 0.1% of SID in excess of 100M</td><td>350,000</td><td>500,000 + 0.2% of SID in excess of 100M</td><td>700,000</td><td rowspan="4">from 875,500 to 1,225,700 + 0.05% of SID in excess of 100M</td><td>from 925,500 to 1,275,700</td><td rowspan="4">from 3,170,000 to 7,925,000 + 0.5% of SID in excess of 100M</td><td>from 3,670,000 to 8,425,000</td></tr>
<tr><td>OVER 200M TO 300M</td><td rowspan="2">350,000 + 0.075% of SID in excess of 200M</td><td rowspan="2">500,000</td><td>700,000 + 0.2% of SID in excess of 200M</td><td>900,000</td><td rowspan="2">from 1,025,500 to 1,375,700</td><td rowspan="2">from 4,170,000 to 8,925,000</td></tr>
<tr><td>OVER 300M TO 400M</td><td>900,000 + 0.2% of SID in excess of 300M</td><td>1,100,000</td></tr>
<tr><td>OVER 400M TO 500M</td><td>400,000 + 0.05% of SID in excess of 400M</td><td>450,000</td><td>1,100,000 + 0.2% of SID in excess of 400M</td><td>1,300,000</td><td>from 1,075,500 to 1,425,700</td><td>from 5,170,000 to 9,925,000</td></tr>
</table>

[6] RCC Resolution No. 2016-12 – *Proposed Amendments to the WESM Rules and WESM Manuals on Dispute Resolution and Registration, Suspension and De-registration Criteria and Procedures*

ARBITRATORS' FEES (IN PHP) - FOR THREE (3) ARBITRATORS								
SUM IN DISPUTE (SID)	WESM (Current)		WESM (Proposed)		CIAC		PDRCI	
	Base Amount	Highest Possible Fees	Base Amount	Highest Possible Fees	Base Amount	Range of Fees	Base Amount	Range of Fees
OVER 500M – 1B	550,000 + 0.01% of SID in excess of 500M	600,000	1,300,000 + 0.15% of SID in excess of 500M	2,050,000	from 1,555,500 to 2,177,700 + 0.035% of SID in excess of 500M	from 1,730,500 to 2,352,700	from 7,180,000 to 17,950,000 + 0.2% of SID in excess of 500M	from 8,180,000 to 18,950,000
OVER 1B-2B	---	---	2,050,000 + 0.1% of SID in excess of 1B	3,050,000	from 2,150,560 to 3,010,784 + 0.025% of SID in excess of 1B	from 2,400,560 to 3,260,784		from 10,180,000 to 20,950,000
OVER 2B-5B	---	---	3,050,000 + 0.075% of SID in excess of 2B	5,300,000	---	---	---	---
OVER 5B	---	---	5,300,000 + 0.05% of SID in excess of 5B	7,800,000	---	---	---	---

The table below provides a matrix of the current and proposed WESM schedule of arbitration administrative costs compared with the PDRCI, a private institution.

ADMINISTRATIVE COSTS (in PhP)						
	WESM (Current)		WESM (Proposed)		PDRCI	
Sum in Dispute	Costs	Highest Possible Amount per SID	Costs	Highest Possible Amount per SID	Costs	Highest Possible Amount per SID
up to 100M	50,000	50,000	200,000	200,000	250,700 + 0.17% of SID in excess of 50M	335,700

ADMINISTRATIVE COSTS (in PhP)						
	WESM (Current)		WESM (Proposed)		PDRCI	
Sum in Dispute	Costs	Highest Possible Amount per SID	Costs	Highest Possible Amount per SID	Costs	Highest Possible Amount per SID
over 100M to 200M	50,000 + 0.03% of SID in excess of 100M	80,000	200,000 + 0.12% of SID in excess of 100M	320,000	340,700 + 0.16% of SID in excess of 100M	500,700
over 200M to 300M	80,000 + 0.02% of SID in excess of 200M	120,000	320,000 + 0.08% of SID in excess of 200M	480,000	505,700 + 0.16% of SID in excess of 200M	665,700
over 300M to 400M					670,700 + 0.16% of SID in excess of 300M	830,700
over 400M to 500M	120,000 + 0.01% of SID in excess of 400M	130,000	480,000 + 0.04% of SID in excess of 400M	520,000	835,700 + 0.16% of SID in excess of 400M	995,700
over 500M	130,000 + 0.005% of SID in excess of 500M	---	520,000 + 0.02% of SID in excess of 500M	---	1,005,700 + 0.16% of SID in excess of 500M	---

To comply with the PEM Board's directive, the RCC sought assistance from the Dispute Resolution Administrator to provide samples of fees and costs from actual arbitration cases with the intent of evaluating how the proposed WESM Schedule fares compared with other arbitration institutions. The DRA obtained three (3) sample cases from the CIAC and the PDRCI, both of which are active institutions that facilitate commercial arbitration.

The RCC deemed that the comparison of fees and costs presented through the sample cases adequately justify the proposed increase in the Schedule of WESM Arbitration Fees and Costs. Further, the RCC also recognized that:

(a) most WESM-accredited arbitrators are themselves practitioners of commercial arbitrations facilitated by the CIAC and PDRCI, and the proposed new Schedule would reasonably close the gap between WESM arbitrators' fees and those from the other two institutions; and

(b) The current maximum amount intended to cover the expenses of a WESM arbitration falling under the lowest tranche of sum in dispute (i.e., up to 100 million) is not sufficient to cover the typical duration of arbitration proceedings. This makes it reasonable to increase the default administrative costs for WESM arbitration.

The RCC was likewise informed that in February 2017, the DRA solicited comments on the proposed WESM Schedule from three (3) arbitration organizations, namely the Philippine Institute of Arbitrators, PDRCI, and the Office of Alternative Dispute Resolution under the Department of Justice, but no responses were received.

In view of the supplementary information, the RCC re-affirmed its approval of the proposed new Schedule of WESM Arbitration Fees and Costs. The body re-submitted its decision through a letter to the PEM Board dated 27 September 2017[7].

The proposed WESM Arbitration Fees and Costs was again presented to the PEM Board on 26 October 2017 and was approved for endorsement to the DOE.

4. Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Metering Standards and Procedures and Metering Point Location

The subject proposal is a consolidation of four (4) separate proposals received by the RCC from various proponents, as follows:

a) Proposed Amendments to the WESM Rules and WESM Manual on Metering Standards and Procedures relative to Back-up Meters and Audit Findings

The proposal merges the proposed amendments submitted by the Technical Committee and PEMC in June and July 2014, respectively. After due deliberation, the RCC approved these proposals, as revised, for endorsement to the PEM Board through RCC Resolution No. 2014-18 dated 01 October 2014.

The proposal aims to address possible instances when main revenue meters fail, and enhance documentation and metering processes to address Market Operator audit findings.

The PEM Board remanded the proposal to the RCC with the instruction to address the following recommendations/issues:

[7] COR-INT-RCC-17-13 – *Confirmation of Approval of the Proposed New Schedule of WESM Arbitration Fees and Costs*

(i) that pertinent provisions relating to RCOA such as "distribution revenue meter" (e.g. Section 2.4.2) be deleted if the Proposal intends to be applicable only to the WESM;
(ii) whether or not it is mandatory to have a backup meter for all WESM participants; and
(iii) the cost impact of the metering equipment required by the Proposal (i.e., *who shall bear the cost*, etc.)

The RCC again discussed and revised the proposal during its 95th and 96th meetings on 03 December 2014 and 14 January 2015, but decided to defer re-submitting the proposal to the PEM Board to await the findings of the 2nd Metering Audit, which was on-going at that time, to consider audit recommendations regarding back-up meters.

With the conclusion of the 2nd Metering Audit in March 2016, and considering that its findings have no relevant impact to the subject proposal, the RCC discussed the proposal anew during its 113th Meeting on 27 April 2016. The body agreed to have the proposal, as revised, published in the market information website to seek further comments from WESM Members and stakeholders.

The RCC re-deliberated on the proposal during its 117th Meeting on 03 August 2016 considering the comments received from the Technical Committee, NGCP and MERALCO. The body agreed to retain its original proposal to make the installation of back-up meters in WESM metering points mandatory, including those serving Feed-In-Tariff generators. The RCC also agreed to propose having the costs for the installation shouldered by the Metering Services Provider (i.e., NGCP) since there is already a cost recovery mechanism in place such that seeking the approval of the ERC for additional capital expenditure will not be necessary.

The proposed changes to the WESM Rules and WESM Manual on Metering Standards and Procedures relative to Back-up Meters and Audit Findings were adopted on 07 December 2016 during the RCC's 122nd Meeting. It was agreed that the same shall be submitted to the PEM Board together with other proposals to amend the WESM Metering Manual.

b) *Proposed Amendments to the WESM Manual on Metering Standards and Procedures relative to Metering Service Provider (MSP) Performance Rating*

During the 112th RCC Meeting on 30 March 2016, PEMC presented its proposed amendments to Section 10 of the WESM Manual on Metering Standards and Procedures, which aim to add new categories for the new MSP rating computation. This proposal emanated from discussions between PEMC and the NGCP which resulted to the recommendation to adjust the percentage weights of the different performance factors in order to follow the requirements of the Philippine Grid Code on the accuracy of monthly meter data and testing of metering installation.

The proposal was then approved by the RCC for publication in the market information website to seek comments from Market Participants.

Following a 30-working day commenting period from 01 April to 16 May 2016, comments were received from the Technical Committee and MERALCO. The deliberation of the proposal was held during the 115th, 117th, 118th and 119th regular meetings held on 01 June, 03 August, 07 September and 05 October 2016, with a RCC Sub-committee meeting likewise held on 17 August 2016 to work out the details of the changes to the percentage weights and performance factors.

The RCC approved the proposal, as revised, for endorsement to the PEM Board during its October 5th meeting. The proposal's submission to the PEM Board was deferred subject to the finalization of other proposed amendments to the same Manual relative to back-up meters and WESM design enhancements.

c) *Proposed Amendments to the WESM Manual on Metering Standards and Procedures on the Implementation of WESM Design Enhancements*

During the RCC's 122nd Meeting on 07 December 2016, PEMC presented the Proposed Amendments to the WESM Manual on Metering Standards and Procedures, among other Rules and Manuals, for the Implementation of Enhancements to WESM Design and Operations[8].

With the approval of the changes to the WESM Rules regarding enhancements to WESM design and operations as embodied under DOE Department Circular Nos. 2015-10-0015 and 2016-10-0014 dated 23 October 2015 and 14 October 2016 respectively, the proposed revisions intend to:

(i) revise the capability of the mass memory of meters from recording 15-minute demand interval to 5-minute demand interval;
(ii) require load profiles to be submitted by the Trading Participant upon registration of metering installation to include 5-minute data;

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[8] ORCP-WR-RR-WM-16-26 – *Proposed Amendments to the WESM and Retail Rules and Manuals for the Implementation of Enhancements to WESM Design and Operations*

(a) WESM Rules, as amended by DOE DC 2016-10-0014;
(b) Dispatch Protocol Manual, Issue 12, as approved by the PEM Board on 29 November 2016;
(c) WESM Manual on Billing and Settlements, Issue 4;
(d) WESM Manual on Load Forecasting Methodology, Issue 2;
(e) WESM Manual on Metering Standards and Procedures, Issue 10
(f) Retail Rules, as approved by DOE DC 2013-01-0002
(g) Retail Manual on Metering Standards and Procedures, Issue 2

(iii) revise the resolution of meter data submitted by MSPs to the Market Operator from fifteen (15) minutes to five (5) minutes;
(iv) revise the resolution of meter data used by the Market Operator for data validation, estimation and editing from fifteen (15) minutes to five (5) minutes; and
(v) revise the calculation of site-specific loss adjustment to consider 5-minute meter data.

Following the RCC's initial review, the proposal was published in the market information website on 21 December 2016 to solicit comments from Market Participants and stakeholders, giving them until 06 February 2017, 30-working days from the date of publication, to submit comments. Upon the request of Market Participants, the deadline for the submission of comments was extended until 08 February 2017[9], after which comments were received from the DOE, MERALCO and Aboitiz Power Corporation on the proposed amendments to WESM Manual on Metering Standards and Procedures.

Deliberations on the proposal were held during the 126th and 129th through 132nd RCC meetings held on 02 March, 19 May, 09 June, 07 July and 10 August 2017, respectively, wherein the body considered the comments received and PEMC's responses to the same. Extensive discussions were made particularly regarding the required submissions to the Market Operator and on the revised formula for the calculation of site-specific loss factor and adjustment.

As with the previous agreement of the RCC on the proposed amendments to the Retail Manual on Metering Standards and Procedures relative to enhancements to WESM design and operations, the RCC agreed to likewise recommend that transitory arrangements be included in the Department Circular to be promulgated by the DOE, stating that MSPs may submit 5-minute interval meter data by dividing the current 15-minute interval meter data by three (3), until such time that MSPs are able to upgrade their meters to comply with the 5-minute interval meter data requirement.

The RCC approved the proposal, as amended, for endorsement to the PEM Board.

d) Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Metering Point Location

The proposal aims to clarify the location of metering points in the WESM and improve the accounting of losses in the transmission system. The proposal specifically called for the following:

[9] Upon the request of Market Participants, the PEMC-MO conducted two (2) forums on 03 February 2017 for Customers and Generators, respectively, to provide them with an overview and better appreciation of the proposed amendments. Following the forums, Market Participants were given an extension until 08 February 2017 within which to submit their respective comments.

(i) indicate that Trading Participants' metering points should be located at their connection points instead of at associated market trading nodes;
(ii) provide that corresponding adjustments shall take into account losses up to the connection point only;
(iii) provide that Metering Service Providers shall perform the adjustment on the metered quantities and submit the same to the Market Operator for use during settlement; and
(iv) provide that market trading nodes shall be classified into either *scheduling nodes*, which would be associated with remote telemetering facilities, and *settlement nodes*, which would represent connection points and have associated revenue metering.

Aside from the WESM Rules, the WESM Manuals proposed to be amended were:

(i) Metering Standards and Procedures Issue 11.0;
(ii) Market Network Model Development and Maintenance – Criteria and Procedures Issue 3.0; and
(iii) Registration, Suspension and De-registration Criteria and Procedures Issue 3.0

The proposal was presented to the RCC by PEMC, the proponent, on 07 July 2017 and, upon the body's initial discussion, was approved for publication in the market information website for comments of Market Participants and stakeholders. The period of submission of comments was set until 24 August 2017, 30-working days from the date of publication.

The RCC proceeded to deliberate on the proposal during its 133rd Meeting on 14 September 2017, giving due consideration to the comments received from the DOE and MERALCO and the responses of the proponent to said comments. The RCC agreed to convene a Sub-committee meeting to address the issues raised during the initial deliberations. The RCC Sub-committee Meeting, held on 22 September 2017, was attended by representatives from the RCC, the DOE, PEMC, NGCP-MSP and MERALCO. The Sub-Committee recommended the following changes to the original proposal:

Original Proposal	Revised Proposal by RCC Sub-committee	Rationale
Indicate that Trading Participants' *metering points* should be located at their *connection points* instead of at associated *market trading nodes* (MTN).	• Retain the current provision stating that *metering points* should be located at the MTNs for consistency with the DOE's policy (i.e. DC2016-05-0007). • Designate MTNs to represent in the market network model the	• Re-defining MTN and the introduction of the term *scheduling point* would consider cases where a Trading Participant must be scheduled at a different location other than in the connection point. The location of remote

Original Proposal	Revised Proposal by RCC Sub-committee	Rationale
	connection point and the location of metering points from where settlement will be determined. • Introduction of the term *scheduling point,* instead of *scheduling node* as originally proposed, defined as a point in the market network model associated with remote telemetering facilities where dispatch schedules will be determined.	telemetering facilities shall instead be modelled as *scheduling points* in the market network model.
Provide that corresponding adjustments shall take into account losses up to the connection point only	Retain the current provision stating that site-specific loss adjustments shall be applied to the meter data if the metering points and the market trading nodes are not co-located	To be consistent with retaining the provision stating that metering points should be located at the MTNs, SSLA shall be applied to account for losses up to the MTN as currently done.
Metering Service Providers shall perform the adjustment on the metered quantities and submit the same to the Market Operator to be used in settlement	Retain the task of applying SSLA with the Market Operator	Retain the task with the Market Operator, but MSPs shall also be coordinated with in addition to Trading Participants and Network Service Providers in determining appropriate adjustments to account for losses

On 06 October 2017 during the RCC's 134th Meeting, the Sub-committee presented to the RCC the revisions made to the original proposal. The RCC, following due deliberation, subsequently adopted and approved the consolidated version of the four (4) separate proposals (items *a* to *d*) for endorsement to the PEM Board as embodied in the RCC Resolution No. 2017-10.

The proposal was submitted to the PEM Board on 16 November 2017. Except for the proposed amendments related to MSP performance rating which was remanded to the RCC and Market Operator for further study (per PEM Board Resolution No. 2017-35D), the rest of the proposal was approved by the PEM Board for endorsement to the DOE, as further amended, on 06 December 2017 per PEM Board Resolution Nos. 2017-35A, 2017-35B and 2017-35C.

5. **Proposed Amendments to the WESM Rules, Retail Rules and Retail Manual on Metering Standards and Procedures regarding Clarifications on Retail Market Integration**

PEMC submitted the subject proposal to the RCC on 06 July 2017 and presented the same during the RCC's 131st Meeting on 07 July 2017. The proposal sought to clarify the following:

(i) the application of WESM processes on retail market participants,
(ii) the treatment of retail market participants under the WESM Rules; and
(iii) that the standards under the Philippine Distribution Code shall apply to contestable customers within distribution utilities, with interval metering being the only additional requirement by the market

It was noted that the proposal shall supersede the previous RCC-approved proposed amendments to the Retail Rules and Retail Metering Manual.[10]

Following preliminary discussions, the RCC approved the publication of the proposal in the market information website to solicit comments from Market Participants and stakeholders. After 30 working days from the date of publication of the proposal, comments were received from the DOE and MERALCO.

The RCC deliberated on the proposal during its 133rd Meeting on 14 September 2017, giving due consideration to the comments received and PEMC's responses to the same. Although it was noted that no objections on the proposal were received and the RCC could have already approved the proposal during the same meeting with only minor revisions, the body deferred endorsing the subject proposal to the PEM Board to ensure that the proposal would be consistent with the parallel proposal to amend the WESM Manual on Metering Standards and Procedures, which was for further deliberation and revision by the RCC Sub-committee created for the purpose.

Following its deliberation held on 22 September 2017, the RCC Sub-committee found that the revisions to the proposed amendments to the WESM Manual on Metering Standards and Procedures did not affect the subject proposal. The RCC thereafter adopted and approved the Proposed Amendments to the WESM Rules, Retail Rules and Retail Manual on Metering Standards and Procedures Issue 2.0 for endorsement to the PEM Board during its 134th Meeting on 06 October 2017 per RCC Resolution No. 2017-11.

The proposal was submitted to the PEM Board on 16 November 2017 and was approved by the same on 06 December 2017 as recorded in the PEM Board Resolution No. 2017-36.

[10] Previous RCC-approved proposal per RCC Resolution No. 2017-04 dated 11 April 2017. This proposal was subsequently approved by the PEM Board for endorsement to the DOE per PEM Board Resolution No. 2017-18 dated 18 September 2017.

6. Proposed Amendments to the WESM Manual on Dispute Resolution regarding Mediation and Arbitration Procedures

The RCC received the subject proposal from the DRA on 04 September 2017. The proposal, which was thereafter presented during the RCC's 133rd meeting on 14 September 2017, sought to fill-in procedural gaps in the WESM mediation and arbitration procedures, specifically related to the following:

(i) procedures to be undertaken if a dispute is filed for arbitration without first going through mediation;
(ii) parties' payment of advances on mediation and arbitration fees and costs;
(iii) procedures for the selection and appointment of mediator; and
(iv) selection and appointment of ADR Support Service Centers (ASSC)

The foregoing proposed amendments were integrated into the previous amendments to the WESM Manuals on Dispute Resolution and Registration, Suspension and De-registration Criteria and Procedures as approved by the PEM Board for endorsement to the DOE on 29 November 2016[11]. Through a letter to PEMC dated 04 April 2017, the DOE deferred to promulgate the previous proposed amendments until the RCC has finalized its re-study of the proposed new schedule of arbitration fees and costs (see item #3).

During the same meeting on September 14th, the RCC approved the publication of the proposal in the market information website to solicit comments from Market Participants and stakeholders.

The body deliberated on the proposal on 10 November 2017 during its 135th meeting, taking into account the comments received from the DOE and MERALCO and the DRA's responses to these comments.

During the same meeting, the RCC approved the proposal, as amended, for endorsement to the PEM Board per RCC Resolution No. 2017-12.

7. Proposed Amendments to the WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0

The RCC developed its proposed amendments to the WESM Rules and WESM Manual of Procedures for Changes to the WESM Rules Issue 2.0 during its meetings held on 07 July, 10 August and 14 September 2017. The proposal sought to:

[11] PEM Board Resolution No. 2016-40 dated 29 November 2016

(i) reflect in the WESM Manual, the changes per DOE DC 2015-07-0013[12], which provides the revised procedures for approval of amendments to the WESM Rules and Market Manuals requiring the approval of the DOE, as well as for new Market Manuals;
(ii) amend the specified timeline in the WESM Manual to cover the applicable process for rules change procedures and to be consistent with the WESM Rules; and
(iii) reflect clerical and minor amendments for clarity and consistency

The proposal was published in the market information website for comments of Market Participants and stakeholders. Comments were received from the DOE and MERALCO following the 30-day commenting period from the date of publication.

The RCC proceeded to deliberate and finalize the proposal during its 135th Regular Meeting on 10 November 2017. The body adopted recommendations received regarding the procedures for processing urgent amendments and the inclusion of the proponent during the deliberation of general proposals.

The RCC approved the revised proposal for submission to the PEM Board on 08 December 2017 during its 136th meeting.

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 aims 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.

[12] DOE DC 2015-07-0013. *Adopting Further Amendments to the WESM rules (procedures for changes to the WESM rules and market manuals)*

The proposal was presented before the RCC on 13 January 2017 during its 123rd meeting. The body preliminarily discussed that proposed amendments and approved the same for publication in the market information website for comments of Market Participants and stakeholders.

Following the receipt of comments from the DOE and SN Aboitiz Power, 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.

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.

II.C. Status Update of Proposals Approved by the Rules Change Committee from January to December 2017

	RCC Resolution	Proposals	PEM Board Resolution	DOE Approval
1	**RCC Resolution No. 2017-01**	Proposed Amendments to the a) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run and the b) Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transactions in the WESM	*Board Review Committee: deferred endorsement to PEM Board since subject manuals are to be abolished and incorporated in the PDM Manual Issue 1.0*	DC2017-03-0001 (20 Mar 2017) *Amended provisions regarding the proposal were already incorporated in the promulgation of the PDM Manual Issue 1.0*
2	**RCC Resolution No. 2017-02**	Proposed Amendments to the WESM Manuals on Registration, Suspension and De-registration Criteria and Procedures Issue 2.0 and Billing and Settlement Issue 4.0 regarding Bilateral Contract Quantity (BCQ) Declaration and Line Rental Calculation	*Board Review Committee: Deferred endorsement to the PEM Board to await DOE's promulgation of the commercial launch of CRSS and new MMS*	n/a
3	**RCC Resolution No. 2017-03**	Proposed Urgent 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	*Re-submitted as general amendments per DOE recommendation as provided in a letter to PEMC dated 10 March 2017 (see RCC Resolution No. 2017-07)*	n/a
4	**RCC Resolution No. 2017-04**	Proposed Amendments to the Retail Rules and Retail Manual on Metering Standards and Procedures	2017-18 (18 September 2017) **Except for the optional installation of back-up meters for CCs, the rest of the proposal was approved*	*This proposal will be superseded by the Proposed Amendments to the WESM Rules, Retail Rules and Retail Metering Manual for Clarifications on Retail Market Integration (see RCC Resolution No. 2017-12 below)*

	RCC Resolution	Proposals	PEM Board Resolution	DOE Approval
5	**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)	Pending
6	**RCC Resolution No. 2017-06**	Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures	2017-19 (18 September 2017) **Remanded to the Market Operator for holistic review of registration process and procedures*	n/a
7	**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)	Pending
8	**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)	Pending
9	**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)	Pending
10	**RCC letter to PEM Board (dated 27 September 2017)**	Confirmation of Approval of the Proposed New Schedule of WESM Arbitration Fees and Costs	(26 October 2017)	Pending

	RCC Resolution	Proposals	PEM Board Resolution	DOE Approval
11	**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)	Pending
12	**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)	Pending
13	**RCC Resolution No. 2017-12**	Proposed Amendments to the WESM Manual on Dispute Resolution regarding Mediation and Arbitration Procedures	*For submission to the PEM Board*	n/a
14	**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	*For submission to the PEM Board*	n/a

III. WAY FORWARD

The RCC agreed to include in the 2018 Work Plan as carried-over activities those proposals that are yet to be submitted by the proponent to the RCC, and those which have been remanded by the PEM Board for further study.

Approved by: RULES CHANGE COMMITTEE [redacted] Chairperson Independent	
Members:	
[redacted] Independent	[redacted] Independent
[redacted] Independent	**Isidro E. Cacho, Jr.** Market Operator Philippine Electricity Market Corporation (PEMC)
Ambrocio R. Rosales Transmission Sector National Grid Corporation of the Philippines (NGCP)	[redacted] Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
[redacted] Generation Sector North Wind	[redacted] Distribution Sector (PDU) Manila Electric Company (MERALCO)
[redacted] **Jose P. Santos** Distribution Sector (EC) IlocosNorte Electric Cooperative, Inc. (INEC)	[redacted] **Juanito O. Tolentino, Jr.** Distribution Sector (PDU) Mactan Electric Company (MECO)
[redacted] Distribution Sector Antique Electric Cooperative, Inc. (ANTECO)	[redacted] Supply Sector TeaM (Philippines) Energy Corporation (TPEC)

[redacted]

ANNEX A: Members of the RCC as of December 2017

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	Jose Ildebrando B. Ambrosio	-
	Power Assets & Liabilities Management (PSALM) Corporation	Abner B. Tolentino	Ma. Erliza C. Casas
Distribution	PDU – Manila Electric Company (MERALCO)	Ciprinilo C. Meneses	Ryan S. Morales
	PDU – Mactan Electric Company (MECO)	Juanito O. Tolentino, Jr.	-
	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
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)	Atty. Debora T. Layugan	-

RCC- REP-17-02

ANNEX B: Status of the 2017 RCC Work Plan

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
1	Proposed Amendments to the WESM Manuals on Pricing Error Notice and Price Substitution Methodology regarding Publication Timeline	PEMC	submitted on 28 October 2016	Q1 2017	WESM Manual	Completed	• carried-over from 2016 • **approved on 13 January 2017 per RCC-RESO-17-01** • **approved per DOE DC2017-03-0001 (20 March 2017)**
2	Proposed Amendments to the WESM Manuals on Registration, Suspension and De-registration Criteria and Procedures and Billing and Settlement regarding Bilateral Contract Quantity Declaration and Line Rental Calculation	PEMC	submitted on 03 November 2016	Q1 2017	WESM Manual	Completed	• carried-over from 2016 • To revise the bilateral declaration timeline and incorporate changes to the line rental calculation to address previous audit findings; • **approved on 13 January 2017 per RCC-RESO-17-02** • **Board Review Committee deferred endorsement to the PEM Board to await DOE's promulgation of the commercial launch of CRSS and new MMS**

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
3	Proposed Urgent Amendments to the WESM Manuals on (a) Price Determination Methodology and (b) Constraint Violation Coefficient and Pricing Re-run	PEMC	submitted on 20 February 2017	Q1 2017	WESM Manual	Completed	• deliberated by RCC on 20 February 2017 • **approved on 20 February 2017 per RCC-RESO-17-03** • **withdrawn with the submission of the same proposal as general proposed amendments via RCC-RESO-17-07 (09 June 2017)** • **approved by the PEM Board per PEM Board Resolution No. 2017-17 dated 18 September 2017**
4	Proposed Amendments to the WESM Manual on Metering Standards and Procedures regarding MSP Performance Rating	PEMC	submitted on 10 March 2016	Q2 2017	WESM Manual	Completed	• carried over from 2016 • Proposed New Computation of MSP Rating • RCC Sub-committee convened on 17 Aug 2016 • approved on 07 December 2016 during RCC's 122nd Meeting; • **incorporated with proposals regarding back-up Meters, WESM Design Enhancements and Metering Point Location (item nos. 5, 11 and 21)** • **approved on 10 November 2017 per RCC-RESO-17-10** • **remanded by the PEM Board for further study per PEM Board**

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
							Resolution No. 2017-35D dated 06 December 2017
5	Proposed Amendments to the WESM Rules and WESM Manual on Metering Standards and Procedures regarding Back-up meters	RCC	submitted in 2014	Q2 2017	WESM Rules and Manual	Completed	• carried-over from 2014 • Originally proposed by PEMC and Technical Committee • Deferred further deliberations awaiting results of 2nd Metering Audit Review; • resumed deliberations in April 2016 • approved during 122nd RCC Meeting on 07 Dec 2016 **• incorporated with proposals on MSP Performance Rating, WESM Design Enhancements and Metering Point Location (item nos. 4, 11 and 21)** **• approved on 10 Nov 2017 per RCC-RESO-17-10** **• approved by the PEM Board per PEM Board Resolution No. 2017-35C dated 06 December 2017**

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
6	Proposed Amendments to the Retail Manual on Metering Standards and Procedures to Address Audit Findings	PEMC	submitted on 05 December 2016	Q2 2017	Retail Manual	Completed	• carried-over from 2016 • In response to RSM Bird Cameron's findings (5th MO Audit) • Submitted to the RCC on 05 Dec 2016 • Presented before the RCC on 07 Dec 2016 • Published in the market website on 12 December 2016, commenting period until 26 January 2017 **• approved on 11 April 2017 per RCC-RESO-17-04** **• Except for the optional installation of back-up meters for CCs, the PEM Board approved the rest of the proposal (PEM Board Resolution No. 2017-18 dated 18 September 2017)**
7	Proposed Amendments to the WESM Manual on Procedures for Load Shedding	NGCP-SO	submitted on 20 July 2016	Q2 2017	WESM Manual	Completed	• carried-over from 2016 • deferred by the RCC on 13 January 2017 (123rd Meeting) pending update on Load Shedding Procedures by MO and SO **• as of 20 Feb 2017: Manual will be abolished and incorporated in the proposed Dispatch Protocol Manual**

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
							13 to reflect WESM design enhancements (item no. 11) **• approved on 07 July 2017 per RCC-RESO-17-08** **• approved by the PEM Board (PEM Board Resolution No. 2017-16 dated 18 September 2017)**
8	Proposed Amendments to the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures	PEMC	submitted on 29 December 2016	Q2 2017	WESM Manual	Completed	• carried-over from 2016 • To streamline procedures and address audit observations • To incorporate the treatment/modelling of embedded generation and generation monitoring (gross or net of station use) • Proposal submitted to the RCC on 29 December 2016 • published on 18 January 2017 (commenting period until 01 Mar 2017) **• approved on 19 May 2017 per 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 dated 18 September 2017)**

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
9	Proposed Amendments to the WESM Rules and Proposed Enforcement and Compliance Manual	PEMC and MSC	submitted on 06 December 2016	Q2 2017	WESM Rules and Manual	Deferred	• carried-over from 2016 • To provide for the authority of PEMC and the PEM Board to investigate and impose sanctions to non-complying participants; • published on 18 January 2017 (commenting period until 01 Mar 2017) **• proponent requested to defer endorsement to the PEM Board pending finalization of amendments to the WESM Penalty Manual**
10	Proposed Amendments to the WESM Rules and Market Surveillance, Compliance and Enforcement Manual	MSC	submitted on 29 December 2016	Q2 2017	WESM Rules and Manual	Deferred	• carried-over from 2016 • To set out the definitions of breaches and the procedures on compliance monitoring and enforcement actions • published on 18 January 2017 (commenting period until 01 Mar 2017) **• proponent requested to defer endorsement to the PEM Board pending finalization of amendments to the WESM Penalty Manual**

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
11	Proposed Amendments to the WESM and Retail Rules and Various Manuals for the Implementation of WESM Design Enhancements (Batch 2): (a) WESM Rules (b) Retail Rules (c) Dispatch Protocol Manual (d) Load Forecasting Manual (e) Billing and Settlement Manual (f) WESM Metering Manual (g) Retail Metering Manual	PEMC	submitted on 16 December 2016	Q2 2017	WESM Rules and Manual	Completed	• carried-over from 2016 • In compliance with DOE Circular No. DC2015-10-0015 • presented to the RCC on 07 Dec 2016 • published in the market website for comments of Market Participants (commenting period until 06 Feb 2017, extended until 08 Feb) **• amendments to the Retail Rules and Retail Metering Manual: approved on 11 April 2017 per RCC-RESO-17-04; approved by the PEM Board per PEM Board Resolution No. 2017-18 dated 18 September 2017** **• amendments to the Billing and Settlement and Load Forecasting Manuals: approved on 11 April 2017 per RCC-RESO-17-05; approved by the PEM Board per PEM Board Resolution No. 2017-16 dated 18 September 2017** **• amendments to the WESM Rules and Dispatch Protocol Manual approved on 07 July 2017 per RCC-RESO-17-08;**

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
							approved by the PEM Board per PEM Board Resolution No. 2017-16 dated 18 September 2017 **• amendments to WESM Metering Manual incorporated with amendments regarding back-up meters, MSP Performance Rating and Metering Point Location (item nos. 4, 5 and 21); approved on 10 Nov 2017 per RCC-RESO-17-10; approved by the PEM Board per PEM Board Resolution No. 2017-35C dated 06 December 2017**
12	Proposed Amendments to the Retail Manual on Metering Standards and Procedures regarding Back-up Meters	RCC	submitted in 2014	Q2 2017	Retail Manual	Completed	• carried-over from 2014; • originally proposed by MERALCO in 2014 • Deferred further deliberations awaiting results of 2nd Metering Audit Review • resumed deliberations on 03 March 2017 (126th Meeting) **• incorporated with the proposals regarding audit findings and WESM design enhancements (items 6 and 11)** **• approved on 11 April 2017 per RCC-RESO-17-04;**

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
							• **disapproved the optional installation of back-up meters for the CCs (the PEM Board approved the rest of the proposal per PEM Board Resolution No. 2017-18 dated 18 September 2017)**
13	Proposed WESM Rules revision regarding reportorial requirements of the Daily Significant Variations Report	PEMC	Q4 2017	Q1 2018	WESM Rules and Manual	To be submitted to RCC	• carried-over from 2016 • 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).
14	Proposed Amendments to the WESM Rules (as applicable) and WESM Manual on Information Disclosure and Confidentiality for the Implementation of WESM Design Enhancements (Batch 3)	PEMC	Q2 2017	Q2 2017	WESM Rules and Manual	Completed	• carried-over from 2016 • In compliance with DOE Circular No. DC2015-10-0015 • **approved on 07 July 2017 per RCC-RESO-17-09** • **approved by the PEM Board (PEM Board Resolution No. 2017-20 dated 26 October 2017)**

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
15	Proposed Amendments to the Manual of Procedures for Changes to the WESM Rules Issue 2	RCC	Q2 2017	Q2 2017	WESM Manual	Completed	• to align the Manual with the WESM Rules • to enhance the RCC process • **approved on 08 December 2017 per RCC-RESO-17-13** • **for submission to the PEM Board**
16	Proposed Amendments to the Financial Penalty Manual	PEMC	Q2 2017	Q3 2017	WESM Rules and Manual	Requested to be Removed from Work Plan by the proponent	• carried-over from 2016 • To set out the penalty to be applied for each type of breach and for breach of the dispatch conformance standards based on the enhanced WESM design, and to simplify the penalty system • ***WESM Penalty Manual c/o of the MSC is not required to go through the Rules Change process of the RCC***

[redacted]

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
17	Proposed Amendments to the WESM Manual on Market Network Model Development and Maintenance Criteria and Procedures	PEMC	Q3 2017	Q4 2017	WESM Manual	Completed	• carried-over from 2016 • Proposal concerning the modelling of DUs, embedded generation, and generation monitoring (gross or net of station use) **• incorporated in the proposal regarding Metering Point Location (item no. 21)** **• approved on 10 November 2017 per RCC-RESO-17-10** **• approved by the PEM Board (PEM Board Resolution No. 2017-35C dated 06 December 2017)**
18	Exclusion of Contestable Customers in Registering as Indirect / Direct WESM Members and Establishment of process for their mapping through their Retail Electricity Suppliers (RESes)	RESA	Q2 2017	Q3 2017	WESM Rules and Manual	To be submitted to RCC	• carried-over from 2016 • To remove requirement for CCs to directly register with the WESM and to propose that CCs' registration be through the RES counter-party **• Currently being discussed by RESA with the PEMC Transition Committee**

[redacted]

RCC- REP-17-02

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
19	Representation of RESes in the WESM Model/ Operations	RESA	Q2 2017	Q3 2017	WESM Rules and Manual	To be submitted to RCC	• carried-over from 2016 • 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**
20	Proposed Amendments to the WESM Manual on Metering Standards and Procedures regarding SSLA for Generators	PEMC	Q2 2017	Q3 2017	WESM Rules and Manual	Completed	• carried-over from 2016 • To reflect the application of Site Specific Loss Adjustment (SSLA) for Generators **• Incorporated in the Proposed Amendments regarding Metering Point Location (item 21)** **• approved on 10 November 2017 per RCC-RESO-17-10** **• approved by the PEM Board (PEM Board Resolution No. 2017-35C dated 06 December 2017)**

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
21	Proposed Amendments to the WESM Rules for the Appropriate Location of Metering Points and Market Trading Node	PEMC	Q2 2017	Q3 2017	WESM Rules and Manual	Completed	• carried-over from 2016 • To adopt the DOE DC No. 2016-05-0007 **• incorporated with proposal on back-up meters, MSP Performance and WESM design enhancements (items 4, 5 and 11)** **• approved on 10 November 2017 per RCC-RESO-17-10** **• approved by the PEM Board (PEM Board Resolution No. 2017-35C dated 06 December 2017)**
22	Proposed Amendments to Proposed Rules Changes to the WESM Rules, Retail Manual and PAC Market Manual	PAC	Q2 2017	Q3 2017	WESM Rules and Manual	To be submitted to RCC	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.

Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
23	Proposed Amendments to the WESM Manuals and WESM Rules (as applicable) to enhance WESM design and operations and provide guidelines on the participation of BESS and other modes of operation in the WESM: (a) Registration Manual (b) Load Forecasting Manual	PEMC	Q4 2017	Q1 2018	WESM Rules and Manual	To be submitted to RCC	• 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 ***• to be submitted together with the Technical Committee***
24	Proposed Amendments related to Site-Specific Loss Adjustment (SSLA)	DU	Q2 2017	Q3 2017	WESM Rules and Manual	Requested to be removed from Work Plan by the proponent	***Already addressed through PEMC's amendments regarding Change in Metering Point Location***
25	Proposed Amendments to the WESM Manual on Dispute Resolution	DRA	Q3 2017	Q4 2017	WESM Manual	Completed	• Amendments relative to procedures, fees and costs of WESM Mediation and Arbitration **• approved on 08 December 2017 per RCC-RESO-17-12** **• for submission to the PEM Board**

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Item	Proposed Amendment	Proponent	Date Submitted/ Proponent's Target Period of Submission to the RCC	RCC's Target Period of Submission to the PEM Board	Deliverables (WESM Rules/ Retail Rules/ WESM Manual/ Retail Manual)	Status	Remarks
26	Proposed Amendments to the WESM Manuals regarding WESM Design Enhancements: (a) Ancillary Services Monitoring Manual (b) Guidelines on Significant Variations	PEMC	Q2/Q3 2017	Q3/Q4 2017	WESM Rules and Manual	Requested to be removed from Work Plan by the proponent	• In compliance with DOE Circular No. DC2015-10-0015 • ***Ancillary Services Monitoring Manual dependent on ERC issuances or orders on the reserve market***

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