MINUTES OF THE 32nd MEETING OF THE RULES CHANGE COMMITTEE

Date	:	07 April 2010
Time	:	9:00 A.M.
Venue	:	PEMC Board Room 18th Floor, Robinsons-Equitable Tower Ortigas Center, Pasig City

MEMBERS PRESENT:

Epictetus E. Patalinghug	-	Acting Chairperson/Independent
Gloria P. Gerilla-Teknomo	-	Independent
Ralph T. Crisologo	-	Generation Sector – SNAP
Liberty Z. Dumlao	-	Generation Sector – PSALM
Alfredo L. Licudine, Jr.	-	Generation Sector – NPC
Vicente C. Sioson	-	Distribution Sector – MERALCO
Jose P. Santos	-	Distribution Sector – INEC
Augusto D. Sarmiento	-	Distribution Sector – DECORP
Conrado D. Pecjo	-	Supply Sector – Angeles Power, Inc.

MEMBERS NOT PRESENT:

Cherry Aquino-Javier	-	Generation Sector – AES
Robinson P. Descanzo	-	Market Operator – PEMC
Raul Joseph G. Seludo	-	System Operator – NGCP

OBSERVERS PRESENT:

Mylene C. Capongcol	-	DOE
Eduardo B. Fernandez	-	DOE (Alternate)
Debora T. Layugan	-	ERC

OTHERS PRESENT:

Rogelio M. Avenido	-	Dispute Resolution Group
Emmanuel M. Sotomil	-	RCC Metering Subcommittee
Renato B. Afurong	-	RCC Metering Subcommittee
Millan H. Libongco	-	PEMC – Billing and Settlement
Roel B. Calano	-	PEMC – Billing and Settlement
Celina R. Encarnacion	-	PEMC – Legal
Hilary Romeli C. Florendo	-	PEMC – ECO
Mark Anthony C. Andrada	-	PEMC – ECO
Isidro E. Cacho, Jr.	-	PEMC – MO
Phillip C. Adviento	-	PEMC – MAG
Ruth C. Perez	-	DOE
Ferdinand B. Binondo	-	DOE

SECRETARIAT

Elaine D. Gonzales	-	PEMC – MAG
Ma. Delia B. Arenos	-	PEMC – MAG
Karen D. Abregana	-	PEMC – MAG
Rheinhart O. Banogon	-	PEMC – MAG

After determining the presence of a quorum, the 32nd meeting of the Rules Change Committee was called to order by the Acting Chairperson Mr. Epictetus E. Patalinghug, at about 9:22 A.M. The following agenda items were discussed:

1. Adoption of the Provisional Agenda

The Provisional Agenda for the 32nd RCC Meeting was presented and approved, as amended.

2. Reading and Approval of the Minutes

a. **Minutes of the 30th RCC Meeting.** Mr. Ralph Crisologo, in his email sent to the RCC on 11 March 2010, suggested further revisions to the Minutes of the 30th RCC Meeting which was already approved and signed by the RCC during its meeting on 10 March 2010. The RCC agreed to revise Item A, paragraph 2, bullet 12 (revisions are underlined and put in bold letters) to read as follows:

"Mr. Ralph Crisologo pointed out that there is no provision in the WESM MRU Manual that penalizes generators which are being designated but refuse to run as MRU. He proposed to impose specific penalty for these generators, ***based on emergency conditions of dispatch****."*

b. **Minutes of the 31st RCC Meeting.** The Minutes of the 31st RCC meeting was presented to the body, for approval.

Mr. Isidro Cacho clarified that the inclusion of MMS Market Network Model (MNM) Technical Data Parameters in the Market Information Catalogue is for the information of the RCC and not for approval, as was originally stated in the Minutes. The RCC agreed to delete the phrase "and approval by" in Item A, paragraph 2, last sentence to read as follows:

"Thus, as part of the audit compliance, the MO resolved to change its status from Confidential to Confidential with Permitted Disclosure, for initial information of ~~and approval by~~ the RCC."

3. Matters Arising from the Previous Minutes

a. **Proposed Changes to the WESM Rules concerning Software Changes.** It may be recalled that in the previous RCC meeting held on 10 March 2010, the RCC already approved and signed the Resolution on the proposed changes to the WESM Rules and PEM Audit Manual concerning Software Changes for endorsement to the PEM Board.

However, Atty. Liberty Dumlao submitted further comments on Section 5.2.6.2 (b) of the WESM Rules for discussion by the body. Atty. Dumlao suggested deleting the phrase "and valid audit certificates" from Section 5.2.6.2 (b) which originally read as follows: "*Minor software changes and valid audit certificates for urgent software changes, which were approved by the PEM Board for implementation prior to the acquisition of an audit certificate.*"

She remarked that urgent software changes do not have valid audit certificates since they are to be implemented prior to the acquisition of valid audit certificates.

After due deliberation, the RCC agreed to adopt the proposed revisions made by Atty. Dumlao to Section 5.2.6.2 (b) of the WESM Rules, as follows: "*Minor software changes or urgent software changes, which were approved by the PEM Board for implementation prior to the acquisition of an audit certificate.*"

4. Main Business

Issues/ Topics Discussed	Remarks	Agreement/ Action Item
A. Update on the PEMC Board Directive to the RCC	As a backgrounder, the Acting Chairperson informed the body that during the last PEM Board Meeting on 25 March 2010, he presented, for information of the PEM Board, the 2010 RCC Work Plan. This is following Dir. Luis Aboitiz's request that the PEM Board be kept apprised of RCC activities and accomplishments. Consequently, the PEM Board directed the RCC to modify its Work Plan for 2010 and prioritize for discussion/deliberation the following topics/issues in the following order: 1. Review on WESM Rules regarding DWS and Disconnection Policy Issues; 2. Proposed Changes to the WESM Manual on the Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transaction in the WESM; and 3. Review of Automatic Load Dropping (ALD)/Manual Load Dropping (MLD). Mr. Ralph Crisologo requested Dir. Mylene Capongcol to clarify whether the aforesaid priority issues are amenable to the DOE. Dir. Mylene Caponcol clarified that the DWS and Disconnection Policy issue is a DOE priority. In fact, the DOE is ready to issue a circular on DWS termination and disconnection policy anytime soon. In view of Dir. Capongcol's explanation, Atty. Debora Layugan asked whether the review of the RCC will come before or after the issuance of the circular. In addition to Atty. Layugan's query, Mr. Crisologo questioned whether the WESM has a Disconnection Policy to begin with and whether the RCC is capable of creating a rule on disconnection. Dir. Capongcol shared with the body that she is, in truth, wondering how and why the issue on DWS and Disconnection Policy was placed under the RCC. Atty. Dumlao explained that the DWS and Disconnection Policy issues were broached in the light of the provision in the WESM Rules that states that no person or entity shall be allowed to inject or withdraw electricity from the grid unless that entity or person is a registered member of the WESM. She viewed that to	The RCC reached the following agreements: a. The RCC agreed to defer the discussion of DWS and Disconnection Policy until the issuance of circular by the DOE. b. The RCC agreed to prioritize discussion of the Proposed Changes to the WESM Manual on the Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transaction in the WESM, as well as to include it in the agenda of the next RCC meeting. c. The RCC agreed that the Review of Automatic Load Dropping (ALD)/Manual Load Dropping (MLD) will be their number 2 priority for discussion/deliberation. d. The RCC acceded to the

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	that extent, the WESM Rules can have some sanctions over non-WESM members who continue to draw from the Grid. Mr. Crisologo pointed out that DWS is not a making of WESM, thus how can it be incorporated in the WESM Rules. Further, he stressed that, technically, a Market Operator cannot disconnect but can only deregister. Disconnection covers both WESM and non-WESM members, which the MO can definitely not disconnect a non-WESM Member. He opined that the RCC must determine whether the DWS and Disconnection Policy issues fall under its area of concern. Dir. Capongcol suggested that the RCC defers the discussion on DWS and Disconnection Policy Issues until the issuance of the circular by the DOE. Following Dir. Capongcol's recommendation, the RCC agreed to defer the discussion until the issuance of circular on DWS and Disconnection Policy by the DOE. On the Proposed Changes to the WESM Manual on the Methodology for Determining Pricing Errors and Price Substitution due to Congestion for Energy Transaction in the WESM, Mr. Vicente Sioson viewed that it should be a priority for discussion by the RCC, to which the RCC agreed. Accordingly, the RCC requested for the inclusion of the said proposed changes in the agenda of the next RCC meeting. The review of automatic load dropping and manual load dropping, Mr. Sioson opined, should also be prioritized by the RCC. He likewise suggested discussing this issue together with all the other demand-side control/response mechanisms, which include interruptible load and demand bidding. On the other hand, Mr. Crisologo remarked that load drops are physical set-up which is technically related to physical disconnection. It is the function of the System Operator to decide which connection it has to drop. Thus, WESM cannot formulate a rule on a physical connection network that determines those types of load drops. In this regard, he raised the need for Mr. Raul Seludo of the System Operations or his alternate to be present during RCC meetings to provide views/comments on the ALD/MLD issue. Upon discussion, the RCC agreed that the review of the ALD/MLD will be their number 2 priority for	PEM Board's directive to provide them with an update of RCC activities and accomplishments every quarter.

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	discussion/deliberation as part of their 2010 Work Plan. The RCC Acting Chairperson conveyed to the body that the PEM Board has also directed the RCC to provide them with an update of RCC activities and accomplishments every quarter, to which the RCC agreed.	
B. Proposed Amendments to the WESM Rules concerning a WESM Compliance Officer	Ms. Elaine D. Gonzales of the Market Assessment Group presented to the RCC the results of the Market Participant Survey conducted on the designation of WESM Compliance Officer for WESM Members, Market Operator and System Operator. The Secretariat disclosed that out of 25 surveys released, a total of 12 responses were received from the following Market Participants, including PSALM's response which was received by the Secretariat on 07 April 2010: ↓ Generator Sector • San Miguel Energy Corporation • SN Aboitiz Power • AES-MPPCL • PSALM ↓ Supply Sector • Trans-Asia Oil and Energy Development Corporation • Angeles Power, Inc. ↓ Distribution Sector • MERALCO • Peninsula Electric Cooperative, Inc. • Benguet Electric Cooperative, Inc. • Ilocos Norte Electric Cooperative • Albay Electric Cooperative, Inc. ↓ System Operator • National Grid Corporation of the Philippines Below is the summary of responses to the major/key questions in the survey: ↓ On whether their respective companies have a Compliance Officer: • Yes - 6 respondents; • No - 4 respondents; and • In the process of assigning one - 2	• The RCC approved the adoption of the proposed amendments to the WESM Rules which designates a WESM Compliance Officer for WESM Members, MO and SO. • The RCC approved and signed the Resolution, for endorsement to the PEM Board, approving the designation of WESM Compliance Officer.

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	respondents. - On whether their companies have a person, group or officer responsible for ensuring compliance to the WESM Rules and Manuals: • Yes - 6 respondents; • No - 3 respondents; and • In the process of assigning one - 3 respondents. - On whether their companies think that having a WESM Compliance Officer will be helpful to their organization: • Yes - 10 respondents; and • No - 2 respondents. The Secretariat disclosed that these two participants are AES-MPPCL and PSALM. In its response, the AES-MPPCL remarked that the traders and all other staff interacting with WESM should already be aware of such. It doesn't need another person to remind others and monitor activities in relation to the market. Trainings and seminars on compliance is necessary though. PSALM defended its position as well by stating that Compliance functions are already performed by all traders, to which Mr. Crisologo disagreed. He viewed that trading is only one portion of the WESM. - On whether their companies think that the market itself will benefit from having WESM Compliance Officers: • Yes - 10 respondents; and • No - 2 respondents. The AES-MPPCL explained that it is just passing blame from one person to another. WESM can interact with participants regarding policies without having the need to create a Compliance Officer position. PSALM viewed that it creates an unnecessary level of accountability that is artificial and would be redundant. - On the proposed responsibilities of the WESM	

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	Compliance Officer: • 10 respondents are amenable to each proposed responsibility; and • No response - 2 respondents. ➧ On the creation of or assigning a Compliance Officer: • Prefer to assign one of their Senior Officers - 9 respondents; and • Prefer to create a new position - 1 respondent. PSALM and AES-MPPCL, on the other hand, chose not to respond as they are not amenable to the idea of creating a Compliance Officer position in their organization. ➧ The AES-MPPCL suggested the following: • Training and seminars on compliance • Regular meetings with ECO/MSC and market participants Likewise, PSALM suggested to make rules as clear as possible and to require compliance from all persons transacting with WESM/PEMC. The results of the survey conducted showed that of the twelve (12) trading participants who responded, ten (10) agreed to the designation of WESM Compliance Officer for WESM Members, MO and SO. After the results of the survey were presented, Mr. Eduardo Fernandez suggested that the RCC approves the designation of WESM Compliance Officer. He added that it's about time that the WESM should come up with a Compliance Officer. Upon the request of the RCC, the proposed new provisions under the WESM Rules regarding the designation of Compliance Officer were presented again, for further review. Based on the results of the survey and upon review of the proposed rules change, the RCC approved the adoption of the proposed amendments to the WESM Rules which designates a WESM Compliance Officer for WESM Members, MO and SO.	
C. Proposed Changes to	As a backgrounder, Mr. Isidro Cacho related that during the last RCC meeting, the RCC directed the MO	The RCC approved the revised definitions

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Information Disclosure and Confidentiality Manual	to: (a) review and revise the Confidentiality Section in the WESM Rules (Section 5.3.2-Exceptions); and (b) to include in the WESM rules the Classification of Market Information. Mr. Cacho conveyed to the RCC the Market Operator's position on RCC's directive to review and revise the Confidentiality Section in the WESM Rules. He expressed that it is not the MO's intention to create a manual and then revise the Rules as the Information Disclosure and Confidentiality Manual is meant to operationalize the provisions in the WESM rules. On RCC's directive to include in the WESM Rules the different Market Information Classification, Mr. Cacho proposed that the RCC settles and finalizes first the definitions before having them incorporated in the WESM Rules. On that note, he presented to the RCC the following proposed revised definitions of Market Information Classification: 1. Confidential information – these are information which are classified as Confidential Information as defined under the WESM Rules and in Section 4.1 of this Manual. This type of information shall be considered as confidential at all times and will not be provided by the Market Operator to any person or entity except the data owner and exceptions under WESM Rules 5.3.2. 2. Confidential with expiration – these are information which are initially classified as Confidential Information as defined under the WESM Rules and in Section 4.1 of this Manual and will not be provided by the Market Operator to any person or entity except the data owner and exceptions under WESM Rules 5.3.2. However, upon completion of specified term or period as set forth in this Manual, such information will no longer be classified as Confidential Information. Upon expiration of the data confidentiality period, the said information may be provided to the general public. 3. Confidential with Permitted Disclosure – these are information which are classified as Confidential Information as defined under the WESM Rules and in Section 4.1 of this Manual and will not be provided to any person or entity except the data owner and exceptions under	of the following market information classification: (a) Confidential Information; (b) Confidential with expiration; (c) Confidential with Permitted Disclosure; and (d) Non-Confidential (Public) Information. To ensure confidentiality, the RCC further requested the MO to incorporate in the IDC Manual personal undertaking by entitled recipients that will preclude them from divulging any Market Information to unauthorized person/entity.

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	WESM Rules 5.3.2 and those included in the permitted disclosure clause of this Manual. If the information is disclosed to specified person or entity, it will not lose its confidentiality and the recipient has the obligation to maintain confidentiality. 4. Non-confidential (Public) Information – is information that are not considered as confidential and may be provided to the general public. Given the proposed definition of Confidential Information and the exceptions under the WESM Rules 5.3.2 which includes the System Operator as one of the entitled recipients, Mr. Sioson inquired whether the SO can provide or disclose such information to other parties within its mother company, the NGCP. In response, Atty. Layugan raised some important points. First, if the information treated as confidential will be personal, there is supposed to be a personal undertaking made by the person receiving the information to ensure that the person will keep the information confidential. Thus, if it is someone from the SO who receives the information, the person is not allowed to further disclose the information. On whether the SO can disclose the confidential information to other parties within NGCP, Atty. Layugan explained that under the WESM Rules, the SO is defined separately from the National Transmission Company. It is the intention of the WESM Rules Clause 5.3.2 that the information be disclosed alone to SO and not to the entire transmission company. She added that there should be an internal arrangement with regard to the treatment of confidential information between the SO and its mother company, the NGCP. Finally, Atty. Layugan wanted to know whether there are existing safeguards to ensure that the confidential with permitted disclosure clause will not be subject to abuse, given that there are people, in addition to exceptions under clause 5.3.2, who will be permitted to receive confidential information. She also noted the lack of distinction between Confidential Information and Confidential Information with Permitted Disclosure. Mr. Cacho replied that the Market Information Catalogue specifies the entities that are authorized to	

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	receive the information. He added that there is a provision in the IDC Manual that allows the MO to change the Information Catalogue from time to time, subject to confirmation and approval by the RCC and the PEM Board. Mr. Crisologo and Mr. Sioson both expressed their reservation on the inclusion of the SO as one of the entitled recipients of Confidential Information in the exceptions under WESM Rules clause 5.3.2. They opined that not all Market Information, as specified in the Catalogue, should be provided to the SO. To ensure confidentiality, Mr. Crisologo recommended to incorporate in the IDC Manual personal undertaking by SO and other entitled recipients that will preclude them from divulging any Market Information to unauthorized person/entity, to which the RCC agreed. Upon deliberation, the RCC approved the revised definitions of the following market information classification: (a) Confidential Information; (b) Confidential with expiration; (c) Confidential with Permitted Disclosure; and (d) Non-Confidential (Public) Information.	
D. Proposed Amendments to the WESM Rules concerning Alternative Dispute Resolution	Engr. Rogelio M. Avenido, the Acting Dispute Resolution Administrator (DRA) of the Dispute Resolution Group (DRG), presented to the RCC the proposed amendments to the WESM Rules on Alternative Dispute Resolution, which was remanded by the PEM Board to the RCC for review and further deliberation so as to incorporate new developments in the market and the power industry. As a backgrounder, Engr. Avenido explained that the original proposed rules change was prepared by the DRG to harmonize the Dispute Resolution Manual and the WESM Rules concerning the alternative dispute resolution process particularly on Negotiation, Mediation and Arbitration. It was submitted to and approved by the previous RCC who was then chaired by Dr. Phares Parayno. He added that the DRG came up with the proposed amendments with the goal of attaining harmonious relations among trading participants through dispute mitigation. Engr. Avenido apprised the RCC of the present idle status of the DRG, which completion of membership is still awaiting confirmation by the PEM Board Selection	Upon review and deliberation, the RCC approved the Proposed Amendments to the WESM Rules concerning Alternative Dispute Resolution Provision, for endorsement to the PEM Board.

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	Committee. Accordingly, he stressed the need to reactivate the DRG so as to be effective to all other PEM Committees. Atty. Dumlao expressed PSALM's position that all disputes should be handled by the ERC. In response, Engr. Avenido opined that the existence of DRG under the PEM Board as one of the Governance Committees is provided under the WESM Rules. While he acknowledged the fact that the ERC is the sole deciding body on conflicts, he asserted that the ERC may refer to the DRG any conflict received by their office. On the other hand, any conflict that cannot be resolved at PEMC level through the DRG has to be raised to the ERC. Given that the ERC has dispute resolution functions, Atty. Layugan wanted to be clarified on the nature of the functions of the DRG. While Atty. Layugan posed no objection to the proposed insertions/amendments in the WESM Rules, she expressed her reservation on the proposed revisions to Section 7.3.10.4 which states that *"If a party to a dispute is not satisfied with the resolution of the Dispute Resolution Panel, the party may file a formal complaint with the ERC within fifteen (15) days from receipt of the resolution of the Dispute Resolution Panel. Unless otherwise restrained by the ERC, the decision of the Dispute Resolution Panel shall be immediately executory notwithstanding the filing of a complaint before the ERC."* She recommended that the RCC retains the original provision and disapproves the proposed amendments. She viewed that any action taken by the DRG shall not be allowed to take precedence over that of the ERC, while it is still pending with the ERC. On Mr. Fernandez's query as regards the number of cases received by the DRG, Engr. Avenido replied that the DRG has received none despite the information drive. Mr. Fernandez emphasized that it is about time that the functions of the DRG shall be recognized. Mr. Crisologo viewed that there is probably no need to approve the proposal at the moment since the present situation suggests that disputes are directly filed to the ERC and not to the DRG.	

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	The Acting Chairperson asserted that the issue at hand is for the RCC to approve or not the proposed amendments. The question on the existence of the DRG is another issue which is for the Court of Appeals to decide. In view of that, he suggested that the RCC approves the proposed amendments. Following the Acting Chairperson's suggestion, the RCC agreed to approve the proposed amendments to the WESM Rules on Alternative Dispute Resolution, for endorsement to the PEM Board.	
E. Proposed Amendments to the Metering Manual	**New Section 11 - Metering Service Provider (MSP) Performance Measurement** Following the RCC's recommendation during its previous meeting last 10 March 2010 to have the Customer Satisfaction Survey conducted semi-annually instead of annually, the RCC Metering Subcommittee presented to the body the proposed Sections 11.7.2 and 11.7.3 which incorporate the said RCC recommendations. Mr. Renato Afurong expound that the proposed Section 11.7.2 pertains to the submission of the Semi-Annual Customer Satisfaction Rating by the trading participants, which states that: *"Every six (6) months, all trading participants shall submit the customer satisfaction rating for their meter service provider/s to the PEMC. The submission shall be every first week of July and January of the following year. The July rating comprises the customer satisfaction from January to June of the same year and the January rating correspond to the remaining month of the year or July to December."* The proposed Section 11.7.3 refers to the submission of the Annual Customer Satisfaction Rating, which reads as follows: *"The Annual Performance Rating covers the billing periods January to December of each year. It shall consist of:* 1. *The annual Performance Measures under Section 11.4.1 – Service Delivery (Average of the 12 months billing).* 2. *The Customer Satisfaction Rating under*	The RCC reached the following agreements: • **Proposed Metering Service Provider Measurement.** The RCC approved, in principle, the proposed new Section 11 of the Metering Manual which establishes the Metering Service Provider Performance Measurement, subject to minor revisions in the language/wording of the proposed Section 11.7.2 and 11.7.3. • **Proposed Removal of Application of SSLA for Generators.** The RCC requested the Billing and Settlement to present during the next RCC meeting their

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	Section 11.4.2. This shall be provided and submitted as required in Section 11.7.2 by all trading participants of the Meter Service Provider/s. *Every year, annual MSP Performance Rating shall be submitted to PEMC Management and endorse to the Department of Energy and the Energy Regulatory Commission."* Mr. Sioson noted that the language of the proposed Sections 11.7.2 and 11.7.3 imposed burden on the trading participants to submit a Customer Satisfaction Rating. Thus, he suggested revising the wordings/language of the said sections. The RCC Metering Subcommittee agreed to revise the said sections in such a way that the trading participants will not be compelled to submit a Customer Satisfaction Rating for their MSP/s. The RCC approved, in principle, the proposed new Section 11 of the Metering Manual which establishes the Metering Service Provider Performance Measurement, subject to minor revisions in the language/wording of the proposed Section 11.7.2 and 11.7.3. **Revision of Section 9 – Removal of Application of Site Specific Loss Adjustment for Generators** Following Mr. Sioson's recommendation to request the Billing and Settlement's comments and assessment on the proposed removal of application of SSLA for generators, Mr. Roel Calano of the Billing and Settlement in his email dated 12 March 2010, raised the following issues/clarifications that need to be addressed: 1. Does the station load with corresponding metering quantities entitled for NSS rebate, how about the allocated NSS rebate for the generator? 2. What will be the line rental value or the procedure for the line rental if in case the generator has submitted a bilateral contract quantity to the SEIN corresponds to the meter data? 3. What will be the new procedure in computing for the gen mix ratio for the VAT component if	settlement computation processes. It was further agreed to request the MO's attendance during the Billing and Settlement's presentation.

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	the meter quantity of the generator is net of station load? 4. What will be the basis of PSM price for the station load that are included in the MNM? Upon the RCC's request in the previous meeting, Messrs. Millan Libongco and Roel Calano of the Billing, Settlement and Metering Department (BSMD) of PEMC was called to serve as resource persons to respond to issues pertaining to SSLA application for generators. Mr. Crisologo sought clarification on the rationale behind the proposed removal of application of SSLA for generators. Mr. Emmanuel Sotomil explained that the settlement of station service cannot be done accurately because the metering facilities for the generators are normally net of station service. Based on the diagram shown by the RCC Metering Subcommittee, the metering point is at the high side of the transformer, while the market trading node that was established by the Market for the generator is at the generator bus. The station usage is taken almost right after the market trading node, which is not visible to the meter. In this case, the station usage is estimated, which can be subject to inaccuracies. The translation of the metering quantity to the market trading node denotes additional uncertainties by the fact that the transformer loss is also an estimated quantity. Mr. Crisologo pointed out that the RTU and the pricing is in the market trading node and not in the metered quantity. Mr. Millan Libongco enlightened the body that the application of SSLA for generators is not performed in the present settlement calculation processes. Since there is no SSLA for generators, Mr. Sioson wanted to know who pays for the station usage. Mr. Crisologo commented that the computation of pricing should be clear and that there should be reconciliation between the pricing computation and the metering processes. On Mr. Sioson's query, Mr. Libongco clarified that the station usage is already modeled in the settlement mechanism.	

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	Based on the statement made by Mr. Libongco, Mr. Crisologo surmised that, apparently, the SSLA is being implemented. Thus, he viewed that there is no need to do away with the SSLA. Mr. Sioson noted that the SSLA process is not well documented. In this regard, he requested the MO and the Billing and Settlement to properly document what is actually being performed. Following Mr. Sioson's observation, the RCC requested the Billing and Settlement to present during the next RCC meeting their settlement computation process. Further, Mr. Crisologo raised the need for the MO to be present during the presentation, to which the RCC agreed. In addition to the proposed removal of SSLA application for generators, Mr. Sioson requested the RCC Metering Subcommittee to look into the possibility of maintaining the metered quantities as measured and apply the SSLA on the pricing instead. He explained that the impact of SSLA as far as the Distribution Utilities are concerned distorts the metered quantities.	

5. Other Matters

a. **Alternate Member for MO in the RCC.** Considering the MO's critical role in the RCC deliberation and processes, the RCC requested for an MO alternate member, who will represent the MO while Mr. Robinson Descanzo is recuperating from his operation. The Secretariat agreed to convey the RCC's request to the Board Selection Committee.

b. **Proposed Amendments to the WESM Rules regarding the Creation of IPP Administrator as another Category of WESM Membership.** The Secretariat advised the RCC that the proponent MPPCL has yet to submit the revised discussion paper, as requested by the RCC Acting Chairperson. The Secretariat then sought the approval of the RCC to include the proposed rules change in the agenda of the next RCC meeting, to which the RCC acceded.

6. Next Meeting

The RCC agreed to hold its 33rd meeting on 05 May 2010.

7. Adjournment

There being no matter to be discussed, the meeting was adjourned at 1:22 P.M.

Prepared by:

[redacted]

Rheinhart O. Banogon

Noted by:

[redacted]

Elaine D. Gonzales

[redacted]

Approved by : RULES CHANGE COMMITTEE [redacted] **Epictetus E. Patalinghug** Acting Chairperson Independent University of the Philippines (UP)
Members:

Cherry Aquino-Javier Generation Sector AES Philippines (AES)	[redacted] **Ralph T. Crisologo** Generation Sector SN Aboitiz Power (SNAP)
[redacted] Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)	[redacted] **Alfredo L. Licudine, Jr.** Generation Sector National Power Corporation (NAPOCOR)
Raul Joseph G. Seludo Transmission Sector National Grid Corporation of the Philippines (NGCP)	**Robinson P. Descanzo** Market Operator Philippine Electricity Market Corporation (PEMC)
[redacted] Distribution Sector (PDU) Manila Electric Company (MERALCO)	[redacted] Distribution Sector (PDU) Dagupan Electric Corporation (DECORP)
[redacted] Distribution Sector (EC) Ilocos Norte Electric Cooperative (INEC)	[redacted] **Conrado D. Pecjo** Supply Sector Angeles Power, Inc.
[redacted] **Gloria P. Genilla-Teknomo** Independent CPI-Energy Phils., Inc.	