MINUTES OF RULES CHANGE COMMITTEE 117th Regular Meeting (No. 2016-10)	
Meeting Date & Time:	03 August 2016, 9:00AM to 3:00PM
Meeting Venue:	19/F Conference Room, Robinsons Equitable Tower, Ortigas Center, Pasig City

Attendance List	
In-Attendance	**Not In-Attendance**
Rules Change Committee **Principal Members:** Maila Lourdes G. de Castro, Chairperson – Independent Francisco Leodegario R. Castro, Jr. – Independent Allan C. Nerves – Independent Ambrocio R. Rosales – System Operator (NGCP) Jose Ildebrando B. Ambrosio – Generation (NorthWind) Lorreto H. Rivera – Supply (TPEC) Theo Cruz Sunico – Generation (1590 EC) Jose P. Santos –Distribution (INEC) Ludovico D. Lim – Distribution (ANTECO) Juanito O. Tolentino, Jr. – Distribution (MECO) **Alternate Member:** Ma. Erliza C. Casas – Generation (PSALM) Edwin N. Mosa – Market Operator (PEMC) Henry V. dela Cruz – System Operator (NGCP)	Concepcion I. Tanglao – Independent Abner B. Tolentino – Generation (PSALM) Ciprinilo C. Meneses – Distribution (MERALCO) Isidro E. Cacho – Market Operator (PEMC)
PEMC – Market Assessment Group (MAG) Geraldine A. Rodriguez Divine Gayle C. Cruz Aldjon Kenneth M. Yap Kathleen R. Estigoy Hiyasminh Aleia D. Dagum	

PEMC – Legal Atty. Sheryll M. Dy **PEMC – BSMD** Renato B. Afurong Jacqueline Lee V. Paz
System Operator (NGCP) Emmanuel Sotomil
DOE Observers Ferdinand B. Binondo Lorelie Baguio-Moya

There being a quorum, Mr. Francisco L.R. Castro, Jr. commenced with the meeting upon the request of Chairperson Atty. Maila Lourdes G. de Castro as she could only attend in the afternoon. The meeting started at approximately 9:30 AM.

Mr. Castro, Jr., noting the items in the proposed agenda, suggested that the three (3) new proposals subject for the RCC's approval for publication be tackled first. The rest of the body agreed with the recommendation and approved the agenda, as revised.

1. Review of the Minutes of the Previous Meeting

The RCC reviewed the minutes of the 116th Regular Meeting held last 07 July 2016 and approved the same as presented.

2. Matters Arising from the Previous Meeting

2.1. Proposed Amendments to the WESM Manual on Dispatch Protocol Issue No. 11 – Flow chart on Market Intervention

Ms. Geraldine Rodriguez spearheaded the discussion on the proposed amendments to the Dispatch Protocol Manual (DPM).

She explained that following the recent promulgation by the DOE of the changes to the WESM Rules regarding market intervention and suspension, corresponding changes to the DPM were made by the Secretariat to align the DPM to these recent amendments to the WESM Rules.

She likewise informed the RCC that in line with the body's approval in its last meeting of the proposed changes to the DPM, she made a final check of the DPM before the same was to be submitted to the PEM Board. In her review, Ms. Rodriguez noted that the process flows for market intervention and suspension in the DPM as revised have not been updated to reflect the narrative changes made. Similarly, she mentioned that while the narrative comments of the Technical Committee's (TC) proposed revisions to the DPM were deliberated upon by the RCC in its previous meetings, the TC's proposed process flows on market intervention and suspension as aligned with its the proposed revisions were overlooked. She thus presented the flow charts, both for the proposed DPM version 12 and the TC's for the review of the RCC.

After a thorough review of the flowchart as reflected in the proposed DPM version 12, the RCC agreed that the flow chart in the said version needed to be updated. The RCC then proceeded to review the proposed flowchart revisions of the TC, covering the process flows of both the MO and SO procedures. Noting the need to make several more changes to the said flowcharts so as to reflect the current processes of both the MO and the SO, Mr. Ambrocio Rosales (NGCP-SO) suggested that the process flows instead be provided by the Market and System Operators to ensure that the same consist of the current processes that both operators undergo during market intervention and suspension.

The RCC agreed with the suggestion for the MO and SO to submit its process flow charts considering all processes (from the time the market intervention or market suspension is triggered up to when it is lifted) to the Secretariat on or before 10 August 2016, the same to be then forwarded by the Secretariat to the body for comments.

Agreements/Action Plans:
For the MO and the SO to submit respective process flowcharts on market intervention and suspension on or before 10 August 2016. The same shall be forwarded to the RCC for further comments.

2.2. PEMC's Proposed Amendments to the WESM Metering Manual regarding MSP Performance – Comments from NGCP

The RCC deliberated on the proposed amendments to the WESM Metering Manual regarding the Metering Service Provider (MSP) Performance giving due consideration to the comments received from NGCP, the TC and MERALCO.

Said proposal aims to update the measures considered in evaluating the MSP's performance.

The RCC reviewed the comments received and made further revisions to the proposal, except for some items where the NGCP raised its issues, to wit:

a) on Section 10.3.5 regarding the Metering Installation Compliance; and

b) On Section 10.5.1 (d) regarding the manner of measuring the timeliness and completeness of the Monthly Meter Data.

Mr. Emmanuel Sotomil (NGCP) and Mr. Renato Afurong (PEMC) initiated the discussion with the explanation of the comments and responses from both ends.

On item 10.3.5, specifically on new metering installations, Mr. Sotomil pointed out that the rating for the performance of the MSP with regard to installation of new meters can solely be performed by the Trading Participants (TP) since these are the entities coordinating with the MSP regarding the matter. TPs shall then be responsible for submitting the documents provided by the MSP to the Market Operator for its registration to the WESM. Ms. Lorreto H. Rivera (TPEC) confirmed that the submissions enumerated on Section 10.5.2 (a) of the proposal are submitted to the TPs and agreed that it will be more appropriate for the TPs to rate the MSPs rather than the MO.

Mr. Afurong, on the other hand, expressed his concern regarding instances wherein unregistered TPs withdraw or inject power to the grid as captured and reflected in the data given to the spot market. He stated that there are certain instances where the Market Operator encounters unknown meters that appear for settlement in the spot market. These are cases when a new generator, customer or station service meter data are sent to PEMC without the meter installation being officially registered with PEMC, thereby having such tagged as orphan meters.

Mr. Rosales explained that such events really occur in the grid, but NGCP is able to trace the metering point where the withdrawal or injection of energy in the grid occurred through the installed metering facilities. Without the meter, it will be hard to identify the responsible entity for the said injection or withdrawal. He further added that the issue on the unmonitored withdrawal or injection to the grid is not within the responsibility of the MSP. Mr. Sotomil then suggested to strengthen the procedure for registration and connection to the grid and not to reflect the same on the performance of the MSP, since its only obligation is to provide metering facilities to TPs who requested for the same.

On item 10.5.1, NGCP raised a concern on the manner by which the timeliness and completeness of monthly meter data delivery is being computed. From the measure indicated, it was noted that it only measured completeness of meter data delivery and no consideration was given to timeliness. It was suggested therefore that timeliness and completeness both be considered in the proposed measure. After discussing the various ways on how the performance rating may be measured through several suggested formulae, without a clear agreement on the same, the RCC agreed to further study the proposed measure for assessing timeliness of monthly Meter Data Delivery.

[redacted]

In view of the above, the RCC agreed as follows:

a) that the measure of performance for Metering installation Compliance be reflected in the Customer Satisfaction Rating of the MSP to be undertaken by TPs, the manner by which the same shall be incorporated in the Customer Satisfaction Rating and the corresponding allocation of percentage weights, to be subject of further discussion by the Sub-Committee constituted by the RCC for the purpose of finalizing the proposal; and
b) that the measure and corresponding formula for assessing timeliness of monthly Meter Data Delivery also be part of the tasks of the Sub-Committee.

The members of the Sub-Committee constituted to finalize the proposal are the following:

1) Mr. Renato Afurong – PEMC (MO)
2) Mr. Emmanuel Sotomil – NGCP (SO)
3) Mr. Theo Sunico – Generation (Vivant)
4) Mr. Ludovico Lim – Distribution (ANTECO)
5) Ms. Lorreto H. Rivera – Supply (TeamEnergy)
6) *One (1) RCC independent member*

The discussion and agreements made by the RCC per provision are presented in Annex A of this minutes of meeting.

The proposal as finalized by the RCC Sub-committee shall be subject for final deliberation of the RCC in its next scheduled meeting.

Agreements/Action Plans:
For the RCC Sub-committee to finalize the subject proposal before the next RCC meeting.

2.3. PEMC's Proposed Amendments to the WESM Market Manual on Price Determination Methodology and Constraint Violation Coefficients – Comments from the DOE, APC, SNAP and TC

Agreements/Action Plans:
Deferred for discussion in the next meeting.

2.4. Proposed Amendments to the WESM Market Manual on Metering Standards and Procedures – Comments from TC

The RCC deliberated on the proposed amendments to the WESM Metering Standards and Procedures Manual together with the comments received from the TC.

As background to the proposal, the Secretariat explained that the PEM Board raised the following concerns when it remanded the proposal back to the RCC in 2015 when the same was first presented to the PEM Board:

- application/relevance of the proposed amendment to the wholesale market and the RCOA. The PEM Board suggested 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;
- whether or not it is mandatory to have a back-up meter for all WESM participants; and
- the cost impact of the metering equipment required by the proposal (who shall bear the cost, etc.)

The RCC at that time then agreed to defer further actions as regards the proposal in order to take into consideration the results of the then ongoing metering audit. Eventually released in March 2016, said metering audit observed that:

- 90 percent of WESM connection points in Luzon and Mindanao have already been installed with a back-up meter;
- some jurisdictions only require high-capacity metering points to have a back-up meter; and
- other jurisdictions do not require back-up meters at the retail level

Ms. Kathleen R. Estigoy, Secretariat for the PEM Audit Committee, presented the summary of the observations from the 2nd Metering Review Report on the matter of back-up meters at the wholesale level:

[redacted]

Table 1-1 Market summary of check meter requirements

Country	Backup meters required?	Installation threshold	Who pays?
AUS (NEM)	Yes	Above 1,000 GWh (and partial check metering from 100 to 1,000 GWh) At 100% load or capacity factor, this represents around 114M and 11 MW respectively.	Market participant (customer)
SGP	Yes	Generators, pool meters, intertie meters and high voltage connection points (above 1,000 volts). Some distinction based on transmission or distribution, but not likely to be significant in practice.	Basic facility, testing and audit paid by MSP, bit customer must pay somehow. Generally, market participant, pays directly for additional features and requests, with agreement.
NZ	No	Not applicable	Not researched
UK	Yes	Above 1 MVA	Not researched

Ms. Estigoy explained that, according to the audit report, international practice regarding back-up meters varies widely. The New Zealand market does not require back-up metering since metering installation failure occurs very rarely, while the UK and NEMS only require back-up meters for loads or generation above 1MW. The threshold is much higher for Australia, only requiring back-up metering for large facilities (above 11 MW or 114 MW). Ms. Estigoy clarified that the auditors did not make any recommendation one way or another for the WESM.

In addition, Mr. Afurong stated that back in 2008, main meters bogged down and the MO needed to make estimations almost daily. Mr. Sotomil explained that amendments were thereafter proposed to the WESM Metering Manual and also the Grid Code that prescribed the installation of alternate meters. But there are certain retail DUs that objected because back-up meters would entail additional costs. The NGCP, for its part, accepted the policy and installed alternate meters in its metering facilities. Regarding the extent to which metering points were already installed with back-up meters, Mr. Sotomil provided the percentages:

- Luzon – 95%
- Visayas – slightly lower than 95%
- Mindanao – 80%

Dr. Allan Nerves asked if the MSPs have requirements as regards the performance of their metering facilities. Mr. Ludovico Lim (ANTECO) explained that presently, the MSP provides the meters. The causes of the problem are mostly due to the metering infrastructures, such as the current transformers (CT) or the potential transformers (PT), provided by the customers, but these are subject to the testing and approval of the MSPs. If this is the case, Dr. Nerves commented that it is the MSPs who should certify that a metering facility is accurate and reliable, which includes specifying the make and model of the metering infrastructures. He stated that the reliability of the main meters should perhaps be ensured first rather than altogether requiring back-up meters. Mr. Lim opined that the MSPs should already give the specifications of the metering equipment that need to be purchased to the customers requesting for the installation. He also explained that, in the case of the DUs, feeder meters serve as the back-up to the main meters, but these do not go through testing by the MSPs. Mr. Castro, Jr. then commented that requiring back-up meters seems to be on a case to case basis as some customers have reliable meters while some do not.

The RCC referred to the recommendation of the TC, which in summary states that the installation of back-up meters should only be optional and the cost of the installation should be shouldered by the requesting entity. The body was reminded at this point that the original RCC-approved proposal that was submitted to the PEM Board in 2015 mandated back-up meter installation at the wholesale level.

Noting the comments raised and the extent of metering points where back-up meters are already installed, as reported by NGCP, the RCC agreed to retain its original proposal to make the installation of back-up meters mandatory for WESM metering points, including those serving FIT generators. The body also agreed to propose that the cost for the installation will be shouldered by the MSP (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 RCC subsequently approved the proposed amendments to the WESM Metering Manual for re-endorsement to the PEM Board, as revised. The Secretariat shall finalize that corresponding revisions to the WESM Metering Manual in order to reflect the agreements of the RCC. The same shall be sent to the RCC for approval.

Agreements/Action Plans:

a) The proposal to be re-submitted by the RCC shall prescribe that the installation of back-up meters is mandatory for WESM metering points and the cost will be shouldered by the MSP.
b) For the Secretariat to finalize the revisions to the WESM Metering Manual to reflect the agreements made and submit the same to the RCC, for approval.

2.5. Technical Committee's Proposed Amendments to the WESM Market Manual on Guidelines Governing the Constitution of PEM Committees – Comments from DOE, SNAP and MERALCO

The RCC deliberated on the proposed amendments to the WESM Market Manual on the Guidelines Governing the Constitution of PEM Committees with comments received from the DOE, SNAP and MERALCO.

The proposal intends to align the provisions of the above manual with the guidelines of the DOE on the appropriate referencing of entities and to clarify provisions regarding the conduct of business, voting and procedures of the TC.

During the discussion, proposed revisions from the DOE were adopted by the RCC, as follows:

- For Section 8.01:**"The Technical Committee shall consist of at least five (5) members with a representative from the following:**

  a) One (1) member from the Grid Management Committee;
  b) One (1) member from the Distribution Management Committee;
  c) One (1) member from the System Operator; and
  d) at least two (2) Independent members."

- For Section 8.04 (d): **"Propose amendments to the WESM Rules in relation to technical matters, when necessary or appropriate, with a view to:**

  xxx"

For Section 8.06 – *Vacancy*, MERALCO proposed putting a 30-day timeline for the PEM Board to fill up any vacancy in the TC for it to be able to operate effectively. Mr. Castro, Jr. inquired from Ms. Rodriguez if said proposal is doable. Based from the Selection Committee's procedures, Ms. Rodriguez explained that a call for nomination to fill-up a vacancy is published in the market website, giving interested parties within 30 days to nominate. After which, the Selection Committee will convene to deliberate on the nominations. However, based from previous experiences and how long it took the Selection Committee to vet and appoint vacancies for various committees, Ms. Rodriguez informed that the proposed timeline may not be possible. The RCC hence disapproved MERALCO's proposal.

On the matter regarding the establishment of a quorum [Section 8.07 (a)], the RCC also rejected MERALCO's proposal to explicitly specify that a quorum for the TC be established through the presence of three (3) members. Referring to the TC's internal rules and as confirmed by the Ms. Hiyasminh Aleia D. Dagum, Secretariat for the TC,

the presence of a majority shall constitute a quorum. Atty. Jose B. Ambrosio (NorthWind) stated that the current provision is already flexible enough and need not be revised. The RCC agreed to retain the current provision.

SNAP and MERALCO both disagreed with the TC's proposal to require consensus among its members, from the current majority vote, to come up with a decision. SNAP, for its part, commented that consensus voting might be potentially dragging for addressing time-sensitive issues. MERALCO also commented that unanimous decision-making might delay the completion of studies and submission of recommendations. Mr. Castro, Jr. then asked if the TC had historically put an issue to a vote, to which Ms. Dagum answered that the committee has not; its decisions had been made unanimously. Ms. Rodriguez further explained that, from the point of view of the TC members, they should have a common understanding of technical matters so consensus voting is just appropriate. Considering the justifications, the RCC adopted the original proposal.

Having no other matters left for discussion, the RCC approved the endorsement of the proposed amendments to Guidelines on the Guidelines Governing the Constitution of PEM Committees to the PEM Board. The Secretariat shall draft the corresponding RCC Resolution for the proposal to be submitted to the RCC, for approval.

Agreements/Action Plans:
a) The RCC approved the proposal for endorsement to the PEM Board as revised. b) For the Secretariat to draft the corresponding RCC Resolution, for approval of the body.

3. New Business

3.1. Proposed Amendments to the WESM Rules, Dispute Resolution Market Manual and Registration Manual regarding WESM Disputes

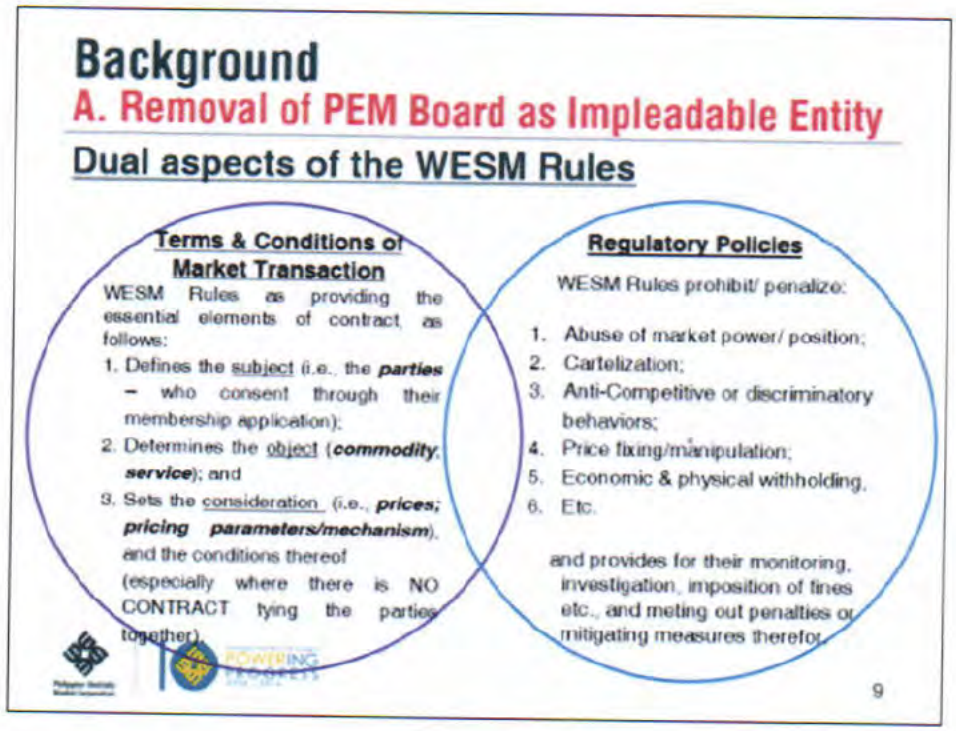
Dispute Resolution Administrator (DRA) Atty. Jesusito G. Morallos presented the first of the DRA's two (2) proposed amendments, with the first one being the Proposed Amendments to the WESM Rules, Dispute Resolution Market Manual and Registration Manual regarding WESM Disputes. Said proposal aims to:

(i) remove the PEM Board as an impleadable entity in WESM Disputes under Clause 7.3.1.1 of the WESM Rules; and
(ii) delete the disapproval of WESM Membership application as a subject matter of disputes cognizable under WESM Dispute Resolution Process

The proposal intends to align the relevant provisions of the WESM Rules and pertinent Market Manuals related to the nature of WESM Disputes with the agreement-based or commercial arbitration framework, as the WESM Dispute Resolution Process was contemplated to be.

(i) Removal of the PEM Board as an impleadable entity in WESM Disputes under Clause 7.3.1.1 of the WESM Rules

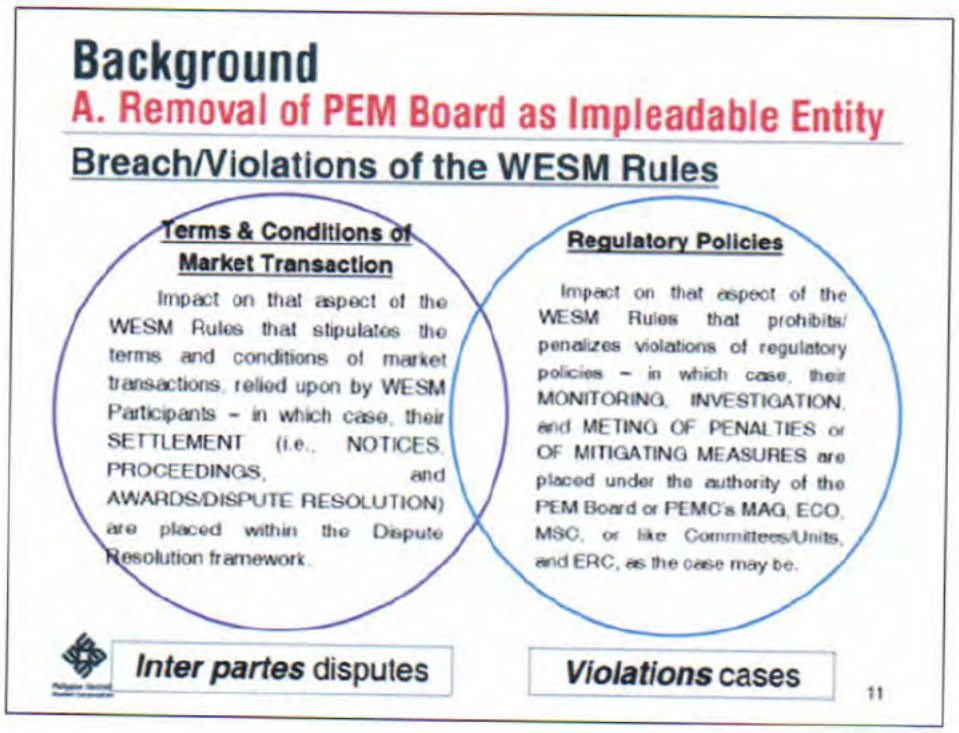
To provide context to the proposal, Atty. Morallos first explained the dual aspect of the WESM Rules as presented in the slide below:



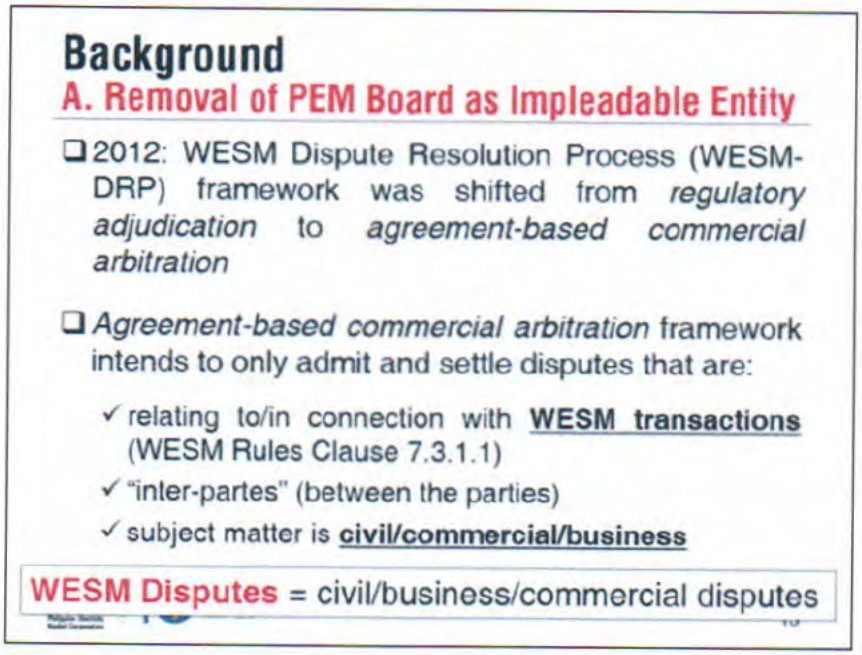
Atty. Morallos proceeded to explain that the WESM Rules contain both [i] the essential elements of a contract (in the sale of electricity) or the terms and conditions of market transactions, and [ii] regulatory policies. Expounding on the first point, the DRA stated that the WESM Rules stand as the contract between and among WESM Members considering that sellers and buyers of electricity in the WESM would not know beforehand who their counter-part in a given transaction is.

Atty. Morallos continued that, with these two aspects, it is possible that a WESM Member could commit a violation against either or both of these. A distinction should also be made between the two kinds of violations or "breaches" of the provisions of the WESM Rules. They can be understood as either a [i] a breach of the terms and conditions of market transactions (with the provisions of the WESM Rules being understood as partaking the nature of a contract between or among the parties), or [ii] a

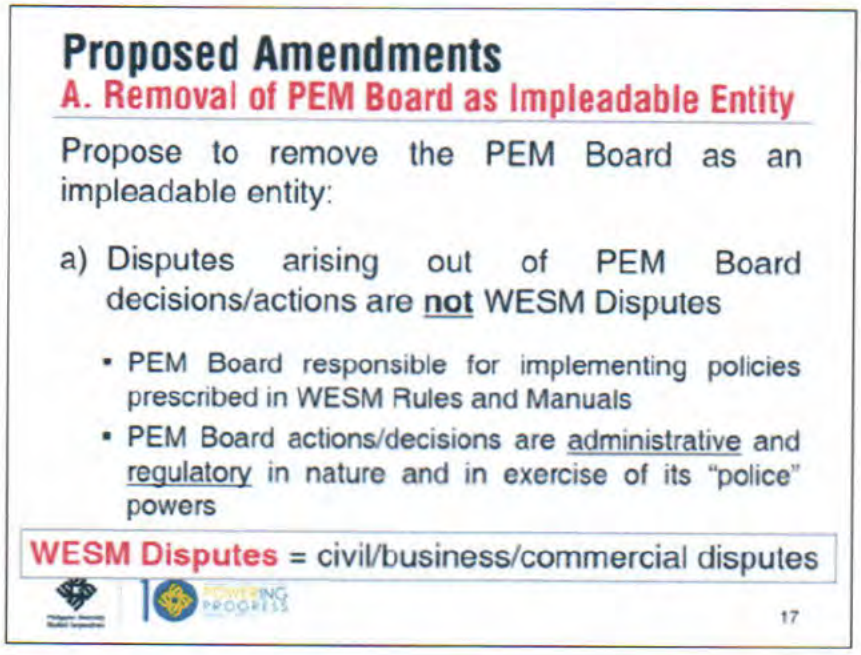
violation of the regulatory policies (with the provisions of the WESM Rules being the repository of regulatory policies). To illustrate:

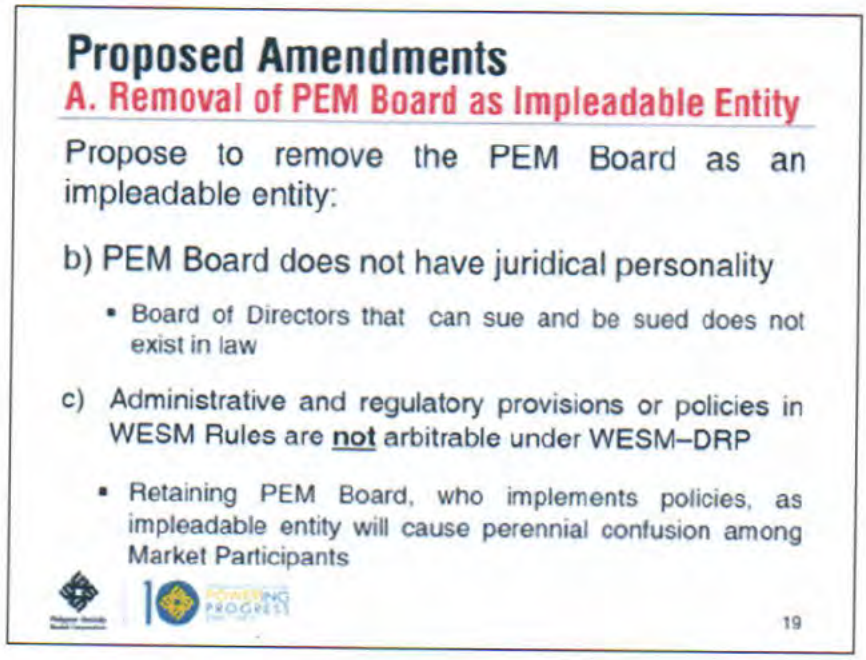


The DRA explained that with the shift of framework of the WESM Dispute Resolution from regulatory adjudication to agreement-based commercial arbitration in 2012, WESM Dispute Resolution is contemplated to only admit disputes for resolution that are civil, commercial or business in nature that arose from WESM transactions, i.e., *inter partes* disputes. Disputes related to regulatory and administrative policy violations are intended to be inadmissible for resolution under the WESM.



317 As stipulated under WESM Rules Clause 7.3.1.1, the PEM Board and its Working
318 Groups, i.e., Governance Committees, is listed as an entity that may be impleaded in a
319 WESM dispute. Having established what WESM disputes are, the DRA argued that the
320 PEM Board should be deleted under the subject clause for the following reasons:





(ii) Deletion of the disapproval of WESM Membership application as a subject matter of disputes cognizable under WESM Dispute Resolution Process

For the second part, the DRA continued to explain that the disapproval of an Intending WESM Member's application should not be included as a subject matter of disputes admissible in WESM Dispute Resolution since it is merely an administrative issue. As earlier emphasized, for a dispute to be cognizable under WESM Dispute Resolution, it should be civil, commercial or business in nature, which the disapproval of a WESM membership application is not. Further, issues on WESM Membership application are, in practice, addressed through administrative correction by the applicants themselves, the relevant PEMC unit or the PEMC Management.

The relevant provisions that will be affected by this particular proposed amendment are:

- ✓ Clause 7.3.8 of WESM Rules,
- ✓ Section 3.1.1 of Dispute Resolution Market Manual
- ✓ Section 5.7 (c) of Registration, Suspension and De-registration Criteria and Procedures Manual

After the DRA's presentation, Dr. Nerves inquired from Atty. Morallos if the proposal has any direct impact on existing procedures or if the PEM Board is currently exercising functions that it should not. Atty. Morallos responded that the proposal has no adverse impact, but simply aims to correct misstatements in the WESM Rules. Mr. Castro, Jr.

expressed that, in his view, the proposal intends to pre-empt possible problems that might arise related to disputes that may be submitted in the WESM.

The RCC approved the publication of the proposal, as presented, for stakeholders' comments.

Agreements/Action Plans:
For the Secretariat to publish the subject proposal in the market website, as presented, to solicit comments from stakeholders.

3.2. Proposed Amendments to the WESM Rules and Dispute Resolution Market Manual regarding WESM Dispute Resolution Process

Atty. Morallos continued his presentation with the Proposed Amendments to the WESM Rules and Dispute Resolution Market Manual (DRMM), which intends to enhance and clarify vague procedures in the WESM Dispute Resolution Process. In summary, the proposal calls for the following revisions:

a) addition of provisions in the WESM Rules allowing for Emergency Arbitration and its procedures in the DRMM;
b) revision of the default schedule of arbitration fees under the applicable section in the DRMM;
c) revision of the default schedule of administrative costs under the applicable section in the DRMM; and
d) General revisions throughout various sections in the DRMM, for enhancement and clarity.

a) Addition of provisions in the WESM Rules allowing for Emergency Arbitration and its procedures in the DRMM

Atty. Morallos stated that per the DRMM, an Arbitral Tribunal may issue interlocutory/interim orders requiring an action or measure on matters related to the dispute. Parties shall be bound by such interlocutory orders pending the final decision of the Arbitral Tribunal. However, there could be cases when parties may need urgent interim measures that cannot await the constitution of an Arbitral Tribunal, or obtaining court ruling is deemed inefficient. Atty. Morallos explained that there is a timeline in constituting an Arbitral Tribunal. If a party has a very urgent matter that needs to be resolved, an Arbitral Tribunal, since it has yet to be constituted, would not be able to address it. In these instances, emergency arbitration may be a viable option to serve such needs of parties.

380 The DRA presented a matrix comparing regular arbitration with emergency arbitration:

	Regular Arbitration	Emergency Arbitration
No. of Arbitrators	Three (3) – Arbitral Tribunal	Sole Arbitrator
Nature of Decision	**Award** is final and non-appealable	**Order** is temporary/provisional, pending Final Award
Time Limit for Rendering Decision	Up to six (6) months	Up to fifteen (15) calendar days
Support to Arbitrator/s	WESM-accredited Alternative Dispute Resolution Support Service Center	DRA Secretariat

381 Atty. Morallos further stated that the proposed addition of emergency arbitration in
382 WESM Dispute Resolution necessitates adding enabling provisions and procedures in
383 both the WESM Rules and the DRMM, as follows:

WESM Rules	Dispute Resolution Market Manual
✓ Add enabling provision for Emergency Arbitration under **Clauses 7.3.8 and 7.3.8.1***	✓ Add provisions for the process of Emergency Arbitration under **Sections 9.8.2 and sub-sections 9.8.2.1 to 9.8.2.6***
	✓ Add Emergency Arbitration Rules under **Annex C*** providing for the procedures for Emergency Arbitration: ▪ Application for Emergency Measures ▪ Appointment of Emergency Arbitrator ▪ Transmission of Files ▪ Challenge of an Emergency Arbitrator ▪ Place of Emergency Proceedings ▪ Proceedings ▪ Order ▪ Costs of Emergency Proceedings ▪ General Rules
**would displace existing provisions and require re-numbering*	

384 The DRA informed that most of the proposed provisions and procedures for the
385 emergency arbitration process were adopted from the International Chamber of
386 Commerce.

b) Revision of the default schedule of arbitration fees under the applicable section in the DRMM

As background to the proposal, the DRA stated that the scheme for paying WESM Arbitrators was adopted from the Construction Industry Arbitration Commission (CIAC) and the Philippine Dispute Resolution Center, Inc. (PDRCI). The current scale of WESM Arbitrators' fees, proposed back in 2012, was relatively lower than the CIAC's, which has increased much since then. Atty. Morallos further relayed that unlike in the WESM, both the CIAC and the PDRCI apply adjustment factors or multipliers to the base amount of arbitrators' fees depending on the: (i) number of parties, and (ii) complexity of the case.

For comparison, the DRA presented the current scale of fees between the WESM, CIAC and PDRCI:

CURRENT ARBITRATORS' FEES (IN PHP) - FOR THREE (3) ARBITRATORS						
SUM IN DISPUTE (SID)	WESM		CIAC		PDRCI	
	Base Amount	Highest Possible Fees	Base Amount	Range of Fees	Base Amount	Range of Fees
UP TO 100M	250,000	250,000	from 705,500 to 987,700 + 0.10% of SID in excess of 50M	from 755,500 to 1,037,700	from 2,160,000 to 5,400,000 + 1.0% of SID in excess of 50M	from 2,660,000 to 5,900,000
OVER 100M TO 200M	250,000 + 0.1% of SID in excess of 100M	350,000		from 925,500 to 1,275,700		from 3,670,000 to 8,425,000
OVER 200M TO 400M	350,000 + 0.075% of SID in excess of 200M	500,000	from 875,500 to 1,225,700 + 0.05% of SID in excess of 100M	from 1,025,500 to 1,375,700	from 3,170,000 to 7,925,000 + 0.5% of SID in excess of 100M	from 4,170,000 to 8,925,000
OVER 400M TO 500M	400,000 + 0.05% of SID in excess of 400M	450,000		from 1,075,500 to 1,425,700		from 5,170,000 to 9,925,000
OVER 500M – 1B	550,000 + 0.01% of SID in excess of 500M	600,000	from 1,555,500 to 2,177,700 + 0.035% of SID in excess of 500M	from 1,075,500 to 1,425,700	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	---	---	from 2,150,560 to 3,010,784 + 0.025% of SID in excess of 1B	---		---

The proposal seeks to increase the WESM arbitrators' fees as, the DRA reasoned, an an appropriate level of professional arbitrators' fees begets the quality of service they would render. The proposed new schedule of fees is provided below:

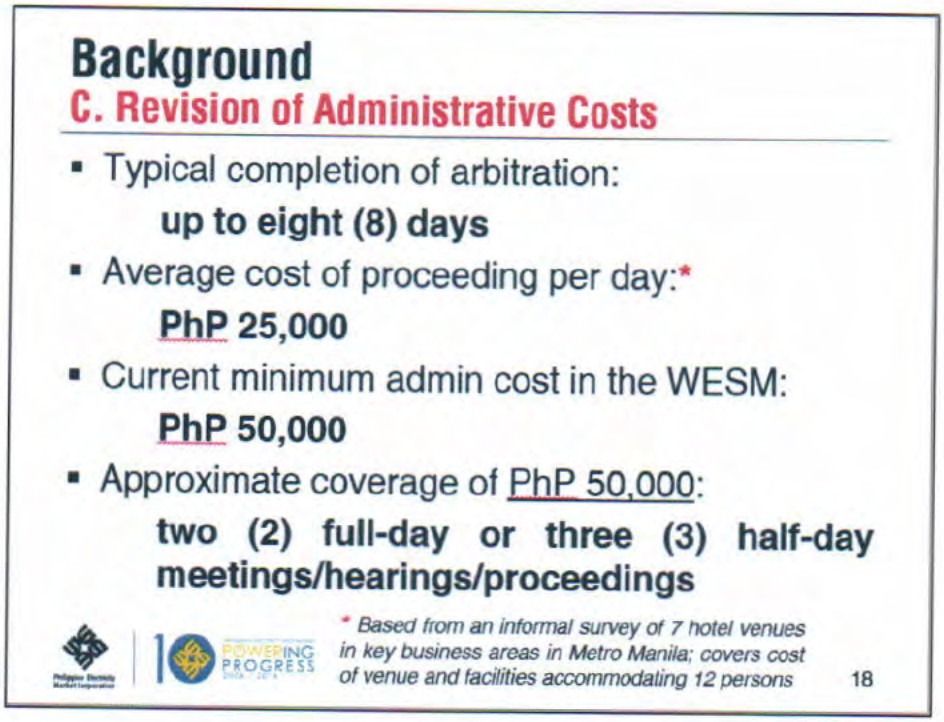
Schedule of WESM Arbitrators' Fees				
SUM IN DISPUTE (SID)	Current		Proposed	
	Fee for 3 Arbitrators	Highest Possible Fee per SID	Fee for 3 Arbitrators	Highest Possible Fee per SID
up to 100M	250,000	250,000	500,000	500,000
over 100M - 200M	250,000 + 0.1% of SID in excess of 100M	350,000	500,000 + 0.2% of SID in excess of 100M	700,000
over 200M - 300M	350,000 + 0.075% of SID in excess of 200M	500,000	700,000 + 0.2% of SID in excess of 200M	900,000
over 300M - 400M			900,000 + 0.2% of SID in excess of 300M	1,100,000
over 400M - 500M	500,000 + 0.05% of SID in excess of 400M	550,000	1,100,000 + 0.2% of SID in excess of 400M	1,300,000
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
over 1B - 2B	600,000 + 0.01% of SID in excess of 1B	700,000	2,050,000 + 0.1% of SID in excess of 1B	3,050,000
over 2B - 5B	700,000 + 0.01% of SID in excess of 2B	1,000,000	3,050,000 + 0.075% of SID in excess of 2B	5,300,000
over 5B	1,000,000 + 0.01% of SID in excess of 5B	1,500,000	5,300,000 + 0.05% of SID in excess of 5B	7,800,000

c) *Revision of the default schedule of administrative costs under the applicable section in the DRMM*

Atty. Morallos explained that the costs of arbitration proceedings cover the use of venue, facilities and logistics required by parties, arbitrators and case secretariat. Again, compared with the PDRCI, the administrative costs for conducting arbitration proceedings in the WESM are much lower.

CURRENT ADMINISTRATIVE COSTS (in PhP)				
SUM IN DISPUTE (SID)	WESM		PDRCI	
	Costs	Highest Possible Amount per SID	Costs	Highest Possible Amount per SID
up to 100M	50,000	50,000	250,700 + 0.17% of SID in excess of 50M	335,700
over 100M to 200M	50,000 + 0.03% of SID in excess of 100M	80,000	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	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	835,700 + 0.16% of SID in excess of 400M	995,700
over 500M	130,000 + 0.005% of SID in excess of 500M	–	1,005,700 + 0.16% of SID in excess of 500M	–

410 Atty. Morallos expounded that the current minimum admin cost of PhP 50,000 could only
411 accommodate a limited number of hearings/meetings/proceedings, as presented in the
412 slide below:



413 The proposal, hence, seeks to increase the schedule of administrative costs for the
414 WESM, as follows:

Schedule of WESM Administrative Costs				
SUM IN DISPUTE (SID)	Current	Value	Proposed	Value
up to 100M	50,000	50,000	200,000	200,000
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
over 200M to 400M	80,000 + 0.02% of SID in excess of 200M	100,000	320,000 + 0.08% of SID in excess of 200M	480,000
over 400M to 500M	120,000 + 0.01% of SID in excess of 400M	110,000	480,000 + 0.04% of SID in excess of 400M	520,000
over 500M	130,000 + 0.005% of SID in excess of 500M		520,000 + 0.02% of SID in excess of 500M	

Aside from the increase, the proposal also seeks to add a provision allowing parties to veer away from the default scale of administrative costs, *provided they agree to do so.* Failing an agreement between parties, the Arbitral Tribunal may fix the admin costs as it deems fit. Per the DRA, this means that the parties may agree to spend higher or lower than that provided in the default scale of admin costs.

d) *General revisions throughout various sections in the DRMM, for enhancement and clarity.*

The following provisions are proposed to be added in the DRMM:

(i) Definition of 'DRA Secretariat'
(ii) New provision allowing DRA to engage/outsource individuals to serve as case secretariat, pending accreditation of an ASSC (Section 6.2.4.2)
(iii) New provision requiring appointed Mediator to submit *Statement of Acceptance, Impartiality and Independence,* similar with arbitrators(Section 8.5.7)
(iv) New provision allowing parties to veer away from prescribed admin cost for Mediation (i.e., currently maximum of PhP 150,000), *provided they agree to do so* [Annex C (B)]
(v) Term 'calendar days' in the timeline of certain procedures (various Sections)
(vi) Deletion of inconsistent or non-applicable provisions

After the presentation, Dr. Nerves sought clarification on the quantifiable basis for the increase in the administrative costs and the arbitrators' fees. Atty. Morallos explained that the proposed increase in the administrative costs was a result of an informal survey of key business centers to determine the approximate cost of meeting rooms and

services to be incurred during arbitration. For the arbitrators' fees on the other hand, Atty. Morallos admitted that the proposed increase were arbitrary since lawyers have different rates per hour depending on their experience and level of expertise. However, the proposed fees are based from public and private sector comparators that provide the same services, namely the CIAC and the PDRCI that, respectively, charges around three and ten times higher than the WESM. Mr. Castro, Jr. stated his impression that the proposal to increase the arbitrators' fees is in order to incentivize at a reasonable level the WESM arbitrators so they would accept cases from the WESM. He then inquired from Atty. Morallos if the proposal would also allow parties to negotiate the fees of the arbitrators. The DRA responded that only in *ad hoc* arbitration are the arbitrators' fees negotiable, but with its looser structure, arbitrators might still turn down being appointed to resolve a WESM dispute. For administered or institutional arbitration, such as in the International Chamber of Commerce, Singapore International Arbitration Center and the WESM, Atty. Morallos stated that arbitrators' fees are non-negotiable since the amount are already prescribed. Further, it is advisable to stick with the prescribed fees so that parties are already certain of the amount they would have to pay to the arbitrators. A default scale of fees is also convenient for multi-party disputes, which WESM disputes likely are, since managing negotiations between several parties would be difficult.

Mr. Lim subsequently asked the DRA who would determine if a dispute is for regular arbitration or emergency arbitration, and how the emergency arbitrator will be paid. For the first question, Atty. Morallos replied that it is up to the parties to assess whether its claim is in need of an urgent decision or response, in which case it may consider emergency arbitration. As for the second question, he replied that unlike for regular arbitrators whose fees are a function of the sum in dispute, an emergency arbitrator will be paid a fixed fee, specifically PhP 250,000, in consideration of being able to promptly respond to a specific need.

Mr. Lim then asked if the arbitrators' fees will be separate for regular and emergency arbitration, to which the DRA responded in the affirmative. The DRA explained that a party would still find it worth it to use emergency arbitration despite the additional costs and fees if it deems that an urgent response or decision is needed to solve its problem.

Atty. Ambrosio commented that he assumes emergency arbitration is similar with securing a relief in the nature of, say, a temporary restraining order from the regular courts to prevent an irreparable harm. Atty. Morallos agreed with Atty. Ambrosio's comment. He also added that if the objective is for the WESM to be a mature, self-governing market, intervention from the ERC should no longer be necessary because the market already has institutions and facilities in place to serve particular needs of WESM Members, an example of which would be the emergency arbitration process.

Mr. Rosales subsequently inquired from Atty. Morallos the basis of the current WESM arbitrators' fees. The DRA answered that back in 2012 when the current WESM arbitrators' fees was being proposed, the CIAC arbitrators' fees was used as public

sector comparator. However, it was decided then to set the WESM fees a bit lower than the CIAC's for two reasons: first, it was deemed that WESM Members might object if the fees are set high. It so happened that the CIAC at that time was already a decade old and its arbitrators' fees were about to be increased. Second, the daily transaction values that go through the grid are ordinarily large. These values were the basis of the sum in dispute, which serves as the scale against which the WESM arbitrators' fees will be determined. Compared with the CIAC, the sums in dispute in the WESM were expected to be large so adopting the CIAC scale of fees as is would yield to high arbitrators' fees. Atty. Morallos clarified as well that the CIAC arbitrators' fees will still be higher even with the proposed WESM arbitrators' fees. He informed that most WESM arbitrators are also arbitrators from the CIAC and PDRCI. The purpose of the proposed increase is to somehow lower the gap between the arbitrators' fees in the WESM, CIAC and PDRCI.

The RCC thereafter thanked Atty. Morallos for the presentation. The body approved the publication of the proposal, as presented, to solicit comments from the WESM stakeholders.

Agreements/Action Plans:
For the Secretariat to publish the subject proposal in the market website, as presented, to solicit comments from stakeholders.

3.3. NGCP's Proposed Amendments to the WESM Market Manual on Management Procedure for Load Shedding

Mr. Rosales presented NGCP's proposed amendments to the WESM Market Manual on Management Procedure for Load Shedding. The proposal intends to address a perennial finding raised from the System Operator's (SO) internal audit, which looks for the PEM Board's approval of the SO's load shedding program. Mr. Rosales explained that the program itself, which both the SO and MO have respective procedures for, was never subject for the PEM Board's approval since it is an internal program of the NGCP. If the load shedding program will at all need to be approved, the approving body should either be the Grid Management Committee or the Distribution Management Committee. The SO hence proposed to revise the relevant provision, as follows:

3.1. The System Operator shall be responsible for the following:

--xxx--

3.1.9 Annually review the load shedding program ~~*in coordination with the Market Operator and the WESM Members subject to the approval of the PEM Board*~~.

Given the proposal, Mr. Edwin N. Mosa (PEMC-MO) asked Mr. Rosales if the SO will indeed no longer consult with the MO regarding the SO's load shedding program. Mr. Mosa offered that the SO may still coordinate with the MO in the SO's review of its own load shedding program, but not necessarily submit the same to the PEM Board. Mr. Rosales answered that the coordination with the MO will still be done, but its own load shedding program should not be subjected to the approval of the PEM Board as this is not exercised in practice.

Mr. Lim suggested that it is better to retain the SO's coordination with both the MO and WESM Members in the review of the SO's load shedding program, but not the need for the PEM Board's approval. After all, it is known that the SO is the one who comes up with the load shedding scheme to secure the grid during emergency. Mr. Rosales agreed with Mr. Mosa and Mr. Lim's suggestions as long as the need for the PEM Board's approval is deleted.

However, Mr. Ferdinand B. Binondo (DOE) commented that the proposal might be inconsistent with the general policy of submitting amendments to market Manuals to the PEM Board for approval. To this, Mr. Rosales responded that the whole Manual itself will still be subject to the approval of the PEM Board except the load shedding program of the SO. He also reiterated that it has been a constant finding in the SO's internal audit that there is no documentation of the PEM Board's approval for the SO's review of its load shedding program because it is not done in the first place. This translates to a "high risk" rating on this matter for the SO.

For clarity, Mr. Binondo then suggested to look for the definition of "load shedding program" in the relevant manual. The Secretariat referred to the manual, but found no clear definition of the term. Mr. Rosales explained that even distribution utilities like MERALCO have their own load shedding programs that are not submitted to the PEM Board for approval. To his knowledge, only the SO's load shedding procedures, which are aligned with the MO's procedures, are being subjected to the approval of the PEM Board. Mr. Rosales also imparted that there is no single load shedding program, such that for instance, the program being applied to Luzon is different for the Visayas. Mr. Castro, Jr., noting the information from Mr. Rosales, commented that every WESM Member with a load shedding program must therefore submit their respective programs for the approval of the PEM Board if the substance of the concerned provision is to be followed.

Ms. Erliza C. Casas (PSALM) opined that perhaps there is inadequate enforcement in requiring certain WESM Members to submit their load shedding programs. There must be a reason why they do not submit their programs to the PEM Board for approval which should also be looked into. In response, Mr. Rosales stated that a better line of inquiry would be why is there a need to submit load shedding programs to the PEM Board in the first place? He said that the PEM Board might not have the capacity or basis to either approve or disapprove the SO's load shedding program.

Mr. Binondo recommended to define what a load shedding program in the Manual. It should be specified that the detailed implementation of load shedding procedures in the Manual is the load shedding program exercised by the SO and will not itself be subjected to the PEM Board's approval.

Atty. Sheryll M. Dy (PEMC) inquired from Mr. Rosales if it is the regulator that approves the SO's load shedding program. The latter responded that it is the Grid Management Committee who approves the load shedding program, not only of the SO but also of the distribution utilities.

Noting the preliminary comments, Mr. Castro, Jr. moved to approve the publication of the proposal, as revised with the agreement of the proponent. The proposal to be published shall be read as follows:

> *3.1 The System Operator shall be responsible for the following:*
>
> *--xxx--*
>
> *"3.1.9 Annually review the load shedding program in coordination with the Market Operator and the WESM Members* ***subject to the approval of the PEM Board****."*

The rest of the RCC subsequently agreed to the publication of the revised proposal to solicit comments from interested WESM stakeholders.

Agreements/Action Plans:
For the Secretariat to publish the subject proposal in the market website, as revised, to solicit comments from stakeholders.

4. Next Meeting

The next RCC meetings were set as follows:

- 118th RCC Meeting – 07 September 2016
- 119th RCC Meeting – 05 October 2016

5. Adjournment

There being no other matter to be discussed, the meeting was adjourned at around 4:30 PM.

Prepared By:	Reviewed By:	Noted By:
[redacted] Divine Gayle C. Cruz	[redacted] Geraldine A. Rodriguez	[redacted] Elaine D. Gonzales
Analyst – *Market Governance Administration Unit*	***Assistant Manager*** – *Market Governance Administration Unit*	***Manager*** – *Market Data and Analysis Division*
Market Assessment Group	***Market Assessment Group***	***Market Assessment Group***

[redacted]

Approved by: RULES CHANGE COMMITTEE [redacted] **Maria Lourdes G. de Castro** Chairperson Independent	
Members:	
Concepcion I. Tanglao Independent	[redacted] **Francisco L.R. Castro, Jr.** Independent
[redacted] **Allan C. Nerves** Independent	[redacted] **Isidro E. Cacho, Jr.** Market Operator Philippine Electricity Market Corporation (PEMC)
[redacted] **Ambrocio R. Rosales** Transmission Sector National Grid Corporation of the Philippines (NGCP)	[redacted] **Abner B. Tolentino** Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
[redacted] **Atty. Jose Ildebrando B. Ambrosio** Generator Sector NorthWind Power Development Corp. (NorthWind)	[redacted] **Theo C. Sunico** Generation Sector Vivant Corporation
Ciprinilo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO)	[redacted] **Jose P. Santos** Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)
[redacted] **Juanito O. Tolentino, Jr.** Distribution Sector (EC) Mactan Electric Company (MECO)	[redacted] **Ludovico D. Lim** Distribution Sector (EC) Antique Electric Cooperative, Inc. (ANTECO)
[redacted] **Loreta H. Rivera** Supply Sector TeaM (Philippines) Energy Corporation (TPEC)	

ANNEX A

Proposed Amendments to the WESM Manual on Metering Standards and Procedures regarding MSP Performance

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
10. PERFORMANCE MEASUREMENT – METERING SERVICE PROVIDER	PERFORMANCE MEASUREMENT – METERING SERVICE PROVIDER (As approved by PEM Board Resolution No. 2010-58dated 25 August 2010)	**METERING SERVICES PROVIDER PERFORMANCE MEASUREMENT** ~~(As approved by PEM Board Resolution No. 2010-58 dated 25 August 2010)~~	New Section Title					**RCC: adopt PEMC proposal** **METERING SERVICES PROVIDER PERFORMANCE MEASUREMENT**
10.1 INTRODUCTION	The integrity of meter data and timeliness of submission/delivery of meter data to the Philippine Electricity Market Corporation (PEMC) by the Meter Service Provider/s (MSP) are the objectives of the WESM to produce and transmit the settlement ready data to the trading participant/s (TP). Erroneous meter data and/or a delay in submission/delivery of meter data may affect the billing and settlement of WESM generators, customers	The integrity of meter data and timeliness of ~~submission~~/delivery of meter data to the ~~Philippine Electricity Market Corporation (PEMC)~~ **Market Operator** by the ~~Meter Service Provider/s (MSP)~~**Metering Services Provider** are the objectives of the WESM to produce and transmit the settlement ready data to the ~~trading participant/s (TP)~~**Trading Participants.** Erroneous meter data and/or a delay in submission/~~delivery~~ of	To correct/update an entity. To align with the WESM Rules, replacing Meter Service Provider to Metering Services Provider. To align with the WESM Metering Manual, replacing Philippine Electricity Market Corporation to Market Operator.					**RCC: adopt PEMC proposal** The integrity of meter data and timeliness of ~~submission~~/delivery of meter data to the ~~Philippine Electricity Market Corporation (PEMC)~~ **Market Operator** by the ~~Meter Service Provider/s (MSP)~~**Metering Services Provider** are the objectives of the WESM to produce and transmit the settlement ready data to the ~~trading participant/s (TP)~~**Trading Participants.** Erroneous meter data and/or a delay in submission/~~delivery~~ of

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
	and other entities.	meter data may affect the billing and settlement of WESM generators, customers and other entities.						meter data may affect the billing and settlement of WESM generators, customers and other entities.
10.2 PURPOSE	This section provides the Trading Participant/s, Metering Services Provider and PEMC steps required for the review, evaluation and measurement of the performance of a Metering Services Provider (MSP). The measurement process monitors the conformance of an MSP to the WESM Rule Section 4.3.3 – MSP Obligation and as discussed in this section.	This section ~~provides the Trading Participant/s, Metering Services Provider and PEMC steps required for the review, evaluation and measurement of the performance of a Metering Services Provider (MSP).~~ **describes the steps required for the review, evaluation and measurement of the performance of a Metering Services Provider.** The measurement process monitors the conformance of **the Metering Services Provider** ~~MSP~~ to **this manual and to** the WESM Rules Section 4.3.3–MSP Obligation ~~and as discussed in this~~	Revised for clarity		This section describes the steps required for the review, evaluation and measurement of the performance of a **Wholesale** Metering Services Provider. The measurement process monitors the conformance of the Metering Services Provider to this manual and to the WESM Rules Section 4.3.3 – MSP Obligation. *To ensure alignment and consistency with other Rules.* *It is mentioned under the aforequoted provision that this would cover the steps required for the*		**To MERALCO:** The proposed revision will be applied to the MSPs for the WESM covering Grid connected meters including FIT Generator meters which is also settled in the WESM. For clarity, there is an existing separate Metering Manual for RCOA. Note: The distribution system is different from the Grid system but metering installation is the same except for single phase metering installations and voltage ratings. The	**RCC: adopt PEMC proposal** This section ~~provides the Trading Participant/s, Metering Services Provider and PEMC steps required for the review, evaluation and measurement of the performance of a Metering Services Provider (MSP).~~ **describes the steps required for the review, evaluation and measurement of the performance of a Metering Services Provider.** The measurement process monitors the conformance of **the Metering Services Provider** ~~MSP~~ to **this manual and to** the WESM Rules Section 4.3.3–MSP Obligation ~~and as discussed in this section~~.

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
		~~section~~.			*review, evaluation and measurement performance of a Metering Services Provider. In relation thereto, we deem that the WESM Manual on Metering Standards and Procedures should only apply to the Wholesale Metering Services Provider (WMSP). For clarity, this should be explicitly stated in this provision. This is also aligned with the distinction made in the existence of a Retail Manual on Metering Standards and Procedures that is separate and distinct from the manual on Wholesale Metering.* *Accordingly, it should be explicitly provided under said Manual that its applicability shall exclude those that are connected to*		TC and the DOE may provide their input on the MI issue. The distribution and grid codes need to be harmonized by the ERC on the periodic test of instrument transformers for metering installation 1 MW above. The TC as well as the DOE may provide input on this issue.	

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
					the distribution system considering that said metering installation and equipment are governed by the Philippine Distribution Code (PDC), particularly Chapter 8, which specified that said Chapter applies to all distribution system participants, and by ERC Rules on Metering such as the ERC Meter Test and Maintenance Rules. *In line with the foregoing, we recommend that Retail Metering Services Provider should be governed by a separate manual for their metering standards and procedures since the distribution systems differ in nature and operation (i.e. more on retail market and embedded*			

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
					generators) from transmission systems (i.e. wholesale market and grid connected generators). This is similar to the distinction between the Grid and Distribution Codes and also the distinction between WESM Metering Manual and WESM Retail Metering Manual that contain the standards and procedures for metering.			
10.3 SCOPE	This procedure is intended to provide the Trading Participant/s, Meter Service Provider/s and PEMC information and/or steps in rating the performance of the Metering Service Provider/s. The procedural work flows described in this section serve as	This procedure is intended to provide the Trading Participant/s, Metering Services Provider/s and ~~PEMC~~ **Market Operator the** information and/~~or~~ steps in ~~rating~~ **evaluating** the performance of the Metering Service**s** Provider/s. The procedural workflows described in this section	To correct/update an entity. Revised for clarity. Inclusion of new Subsection 10.3.4. The Metering Installations Compliance.			The scope of Performance Rating of the WESM MSP should be based on its deliverables to the Market Operator and to the Trading Participant. The ratings are to be given by the Market Operator and by the Trading Participant for the Performance	**To MERALCO:** The WESM Rules are very specific on the obligation and responsibility of a TP & MSP. WESM Rule 4.3.1 (b) clearly state the obligation of the TP was the MI installed is in accordance with	**RCC Discussion:** **NGCP Clarification**: The determination of the performance of the MSP with regard to getting the metering facilities documented and compliant with applicable rules is primarily through the Trading Participant. The WESM Participant on the other hand has the

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
	reference for the trading participant/s, metering service provider/s and PEMC in reflecting the requirement in the WESM Rules. The scope of an MSP Performance Measurement includes the following: **10.3.1.** The integrity of meter data provided by the Meter Service Provider/s to PEMC and the Trading Participant/s. **10.3.2.** The daily and monthly meter data delivery by the Meter Service Provider/s in accordance with the WESM Rules. **10.3.3.** The timely resolution to the daily and monthly meter trouble report by the Meter Service Provider/s. **10.3.4.** The Customer	serve as reference ~~for the trading participant/s, metering service provider/s and PEMC~~ in reflecting the requirement of the WESM Rules. The scope of ~~an~~ MSP Performance Measurement includes the following: **10.3.1.**The daily and monthly meter data delivery by the Metering Services Provider/s in accordance with the WESM Rules. **10.3.2.**The integrity of meter data provided by the Metering Services Provider/s to PEMC **Market Operator** and the Trading Participant/s. **10.3.3.** The timely resolution to the daily and monthly **M**meter **T**trouble **R**report **(MTR)**by the Metering				Measures associated with the MSP deliverables to the Market Operator, and the Trading Participant, respectively. Under the present procedure, 10.3.1 to 10.3.3 consist of Performance Measures on the delivery of meter data, ensuring meter data integrity, and correction of meter data defects that are on deliverables of the MSP to the Market Operator. The present 10.3.4 which is on Customer Satisfaction is rated by the Trading Participants. The proposed insertion of a new 10.3.4, on Metering Installation Compliance, should	the WESM Rules, Grid & Distribution Codes. However, in WESM Rule 4.3.2.1 (a) the TP shall elect an MSP that shall be responsible for the provision, installation, testing, calibration and maintenance of MI and WESM Rule 4.3.3 (a) the MSP obligation was to ensure the MI are provided, installed, tested, calibrated and maintained in accordance with the WESM Rules, Grid & Distribution Codes and all applicable laws, rules and regulations. (b) the MSP shall ensure the accuracy of MI complies with the requirements of WESM Rules, Grid & Distribution Code. Metering Installation	obligation to have the metering facility under their account registered in the WESM. MIRF, test reports and other documents are sent to the TPs for review and signing for submission of the MO as part of the application for registration. So if for example, the submission of the MIRF is delayed, it may not be appropriate for the MSP to be rated based on the timeline for the submission of such documents, since before these documents are given to the MSP, the same still have to go through the review of the TP. The only person/entity who can say whether the MSP is delayed in the metering installation is the TP and not PEMC. **Vic Lim**: Maybe standards can be put in place that can be the basis for measuring

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
	Satisfaction Rating/s.	Service**s** Provider~~/s~~. **10.3.4.**~~The Customer Satisfaction Rating/s~~ **The Metering Installation Compliance.** **10.3.5. The Customer Satisfaction Rating.**				be more closely examined on the basis of the concept of deliverables. From WESM Rules 4.3.1.1 the Trading Participant is responsible for the registration of metering installations under its account in the WESM, and to ensure compliance of such metering installations to the WESM, the PGC, and the PDC requirements. WESM Rules 4.3.2 requires the Trading Participant to engage the services of a WESM MSP to undertake the specific tasks of ensuring the compliance of the metering installations. WESM Rules 4.3.3 specifies obligations of the	Compliance (proposed in item 10.5.2 (a) & (b)) includes the submission of MIRF, SLD, MI Test Report, etc. These are the primary obligation of an MSP with the coordination of a TP.	the performance of the MSP, upon the acceptance or upon submission of the necessary equipment (e.g., Instrument transformers) by the TP. **NGCP:** It is more appropriate that the TP rate the MSP on the readiness, timeliness of documentation submission. It is only the TP which can say that the MSP is delayed is the TP, not PEMC. It is not fair that the MSP should be penalized because of that situation because in the eyes of PEMC, MSP may have been at fault with the delayed submission but it should be considered that the completion of the submission is also dependent on the TP. Maybe there is a misunderstanding on the matter because there are many customer substations

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
						WESM MSP over the metering installations for which it is responsible, in terms of installation, testing, calibration, maintenance, and accuracy as per the WESM Rules, the PGC, the PDC, and other applicable rules. Thus, the MSP obligation to ensure compliance of the metering installations to the applicable rules is primarily to the Trading Participant and to the Market Operator as well.		or generator substations which are energized with incomplete documents and it is not the fault of the MSP that the TP or the generator is always in a hurry so that they can already operate. **PEMC (R. Afurong):** Timeliness on the submission of the compliance is not being rated but the completion of the submission. PEMC has an issue as regards a TP already energizing when the TP's registration of the meter has not been approved yet. **E. Sotomil** - Those instances are the not fault of the MSP because the NGCP has no control over it. It cannot prevent the event from happening because intervention from higher authorities might have occurred in the process.

ANNEX A

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
								RCC agreement: In view of the above, the RCC agreed that the measure of performance for Metering installation Compliance be reflected in the Customer Satisfaction Rating of the MSP to be undertaken by TPs, the manner by which the same shall be incorporated in the Customer Satisfaction Rating and the corresponding allocation of percentage weights, to be subject of further discussion by the Sub-Committee constituted by the RCC for the purpose of finalizing the proposal. **RCCagreement - revise the proposal as follows:** This procedure is intended to provide the Trading Participant/s, Metering Services Provider/s and ~~PEMC~~ **Market Operator**

[redacted]

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
								the information and/~~or~~ steps in ~~rating~~ **evaluating** the performance of the Metering Service**s** Provider/**s**. The procedural workflows described in this section serve as reference ~~for the trading participant/s, metering service provider/s and PEMC~~ in reflecting the requirement of the WESM Rules. The scope of ~~an~~ MSP Performance Measurement includes the following: **10.3.1.** The daily and monthly meter data delivery by the Meter**ing** Service**s** Provider/**s** in accordance with the WESM Rules. **10.3.2.** The integrity of meter data provided by the Meter**ing** Service**s** Provider/**s** to ~~PEMC~~ **Market Operator** and the Trading Participant/s. **10.3.3.** The timely

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								resolution to the daily and monthly **M**~~m~~eter **T**trouble **R**~~r~~eport **(MTR)**by the Metering Service**s** Provider/~~s~~. **10.3.4.**The Customer Satisfaction Rating/s ~~**The Metering Installation Compliance.**~~ ~~**10.3.5. The Customer Satisfaction Rating.**~~
10.4 PERFORMANCE MEASURES	The performance of a Metering Services Provider/s shall be rated against the standards set forth in this procedure. The MSP shall abide and comply with the measures as detailed below for successful and efficient operation of the WESM.	*Section renumbering* **10.5.** The performance of a Metering Services Provider/s shall be rated ~~against~~ **using** the standards set forth in this procedure. **In calculating the MSP performance rating, force majeure events and market suspension as defined in the WESM Rules shall be considered. These are the events outside the control of the MSP. Metering**	To formalize the consideration of force majeure events in computing MSP performance rating. The change in numbering was to allow the Performance Standard to come before the discussion of each performance measure so that					**RCC: adopt PEMC proposal** **10.5.** The performance of a Metering Services Provider/~~s~~ shall be rated ~~against~~ **using** the standards set forth in this procedure. **In calculating the MSP performance rating, force majeure events and market suspension as defined in the WESM Rules shall be considered. These are the events outside the control of the MSP.**

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		Installations under this condition shall be excluded in the MSP rating computation for affected trading intervals. The MSP **Metering Services Provider** shall abide and comply with the measures as detailed below for successful and efficient operation of the WESM.	the discussion flow is from general to specific, making the document more readable.					**Metering Installations under this condition shall be excluded in the MSP rating computation for affected trading intervals.** The ~~MSP~~ **Metering Services Provider** shall abide and comply with the measures as detailed below for successful and efficient operation of the WESM
10.5 PERFORMANCE STANDARDS	10.5 PERFORMANCE STANDARDS The Performance Standard as set by the WESM is the following:	*Section renumbering* ~~10.5~~**10.4**PERFORMANCE STANDARDS The **following table provides the Performance Standard** ~~Performance Standard~~ as set by the WESM ~~is the following~~: *Refer to the attached table for the complete changes. (Table 1)*	The change in numbering was to allow the Performance Standard to come before the discussion of each performance measure so that the discussion flow is from general to specific, making the document more readable.					**RCC: adopt PEMC proposal** *Section renumbering* ~~10.5~~**10.4**PERFORMANCE STANDARDS The **following table provides the Performance Standard** ~~Performance Standard~~ as set by the WESM ~~is the following~~: *Refer to the attached table for the complete changes.*

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10.4.1 Service Delivery	10.4.1. Service Delivery 10.4.1.1. Data Meter Data Delivery Daily Meter Data Delivery or Meter Retrieval Success is the ratio of number of metering installation successfully communicated to the total number of registered metering installations. Required average daily result shall be greater than or equal to 95% as reported. 10.4.1.2. Integrity of Metering Data Integrity of Metering Data is the valid meter data that passed the validation process as set forth by WESM. This measures the ratio of the number of metering installations	*Section renumbering* **10.5.1 Service Delivery** **a) Timeliness of Daily Meter Data Delivery** **This measures the ability of the Metering Services Provider to deliver meter data of the previous trading day, within 0800H of the succeeding day. The required average daily result shall be greater than or equal to 95%. "** **Daily Meter Data Delivery = Total MI's Meter Data Received / Total Active Metering Installation** **b) Integrity of Daily Meter Data (Issuance of Daily MTR)** **This measures the number of daily meter data that have successfully passed**	Revised for clarity and reordering of subsections. Inclusion of formula in each criteria. Inclusion of new criteria the integrity of monthly meter data. Since this is the data which is being utilized in the preliminary and final settlement calculation.	**10.5.1 Service Delivery** **a) Timeliness and Completeness of Daily Meter Data Delivery** **This measures the ability of the Metering Services Provider to deliver meter data of the previous trading day, withinby 0800H of the succeeding day. The required average daily result shall be greater than or equal to 95%.**	We propose the following: *"10.5.1 Service Delivery* *a) Timeliness of Daily Meter Data Delivery* *This measures the ability of the Metering Services Provider to deliver meter data of the previous trading day, within **1200H** of the succeeding day. The required average daily result shall be greater than or equal to 95%."* **Daily Meter Data Delivery = Total MI's Meter Data Rece / Total Active Metering Install** *Daily data submission will not only involve collection but also data validation, thus, longer period is needed as the volume of data increases with the growth in the number of customers.*		**To MERALCO:** 10.5.1 (a) Meter Data once received by PEMC undergoes validation and these are send to the WESM customers within 1-2 hours for their BCQ declarations. Customer normally request whenever the meter data were not received by them or not send by the DU-MSP to PEMC. On the average PEMC received the meter data from the following MSP: • NGCP (Grid meter data) - between 7am to 8am for 1200 metering installations (MI) daily. • Meralco (Embedded FIT) - before 11 am for 8 FIT Metering	**RCC discussion:** 10.5.1 (a) In addition to PEMC's response to MERALCO, Mr. Afurong explained that the TPs need the data on their metered quantities for their BCQ declaration so the schedules of daily meter data delivery should just be retained. The RCC accepted PEMC's response and adopted the original proposal. 10.5.1 (b) Mr. Afurong further explained that if an MSP failed to submit meter data from, say 10 out of 100 metering points, PEMC will continue to validate the meter data from the remaining 90 metering points using the 6-month

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	for which the data passes the validation process to the total number of metering installation successfully retrieved (communicated). Required average daily result shall be greater than or equal to 95% as reported. 10.4.1.3. Timeliness and Percentage Resolution to the Daily Meter Trouble Report This measure the percentage of the total number of metering installation for which a daily meter trouble reports (MTR) is issued, that has been resolved or corrected in 10 calendar days. Required average daily result shall be greater than or equal to 90% as reported. 10.4.1.4. Timeliness	**the daily metering validation process. The required average daily result shall be greater than or equal to 95%** $\text{Integrity of Daily Meter Data} = \frac{\text{Total MI passed the Daily Validation}}{\text{Total MI's Meter Data Received}}$ **c) Timeliness and Percentage Resolution to the Daily Meter Trouble Report** **This measures the number of daily MTRs that have been resolved and corrected within 10 calendar days. The required result should be greater than or equal to 90%."** $\text{Timely Resolution to the Daily MTR} = \frac{\text{Resolved Daily MTR}}{\text{Total Daily MTR Issued}}$		$\text{Daily Meter Data Delivery} = \frac{\text{Total MI's Meter Data Receive}}{\text{Total Active Metering Installati}}$ xxx **d) Timeliness and Completeness of Monthly Meter Data Delivery** **This measures the ability of the Metering Services Provider to deliver monthly meter data within 3 calendar days after the billing period. It is rated 100% for complete delivery of meter data submitted in a compact disk or other type of storage media.**	*Considering the volume of metering data being gathered and submitted to the MO everyday, the MO has already agreed that the meter data submission deadline be moved to **12NN**.* **10.5.1 (b)** The MSP is prepared to provide settlement-ready metering data, using the internationally accepted and established Validation, Estimation and Editing (VEE) procedure, when necessary. Moreover, the MSP is more familiar with the historical metering data and operations of its customer and is in the best position to validate daily meter data.	d) Timeliness of Monthly Meter Data	Installations combined with 378 RCOA metering installations received by the CRB. • Other MSP (Embedded FIT) - between 8 am to 9 am. • Other RMSP (RCOA Metering Installations) - 8 am to 9 am. PEMC shall retain the existing procedure in the issuance of MTR. 10.5.1 (b) Currently, PEMC uses the historical max from summer meter data. Meter data that exceeded the set value is considered uncertain. PEMC shall retain the existing procedure on the issuance of MTR.	historical max meter data from the summer months. Mr. Lim asked what if the incomplete meter data happened during the rainy season? Then there would naturally be a discrepancy in the validation since the benchmark is the data from the summer months. Mr. Afurong reiterated that what PEMC does is just validation, not estimation. If the meter data exceed the max historical data, then PEMC would issue an MTR. Going back to MERALCO's inquiry on the validation rules to be applied, Mr. Afurong responded that it is written in the WESM Rules. 10.5.1 (d) • The RCC accepted PEMC's response to MERALCO's proposal to extend delivery of monthly

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	and Percentage Resolution to the Monthly Meter Trouble Report The MTR issued (for each metering installation) based on the submitted monthly compact disc containing all meter data for the billing period shall be resolved and corrected within 2 business days. Required result shall be greater than or equal to 90% as reported. 10.4.1.5. Timeliness of Monthly Meter Data Delivery This involves the delivery/review/compilation/part retrieval of meter data for all the metering installations by the meter service provider. The standard shall be rated 100% for	**d) Timeliness of Monthly Meter Data Delivery** **This measures the ability of the Metering Services Provider to deliver monthly meter data within 3 calendar days after the billing period. It is rated 100% for complete delivery of meter data submitted in compact disk.** **Timeliness of Monthly Meter Data Delivery** = **Total MI's Meter Data Received** / **Total Active Metering Installation** **e) Integrity of Monthly Meter Data (Issuance of Monthly MTR)***(new proposed criteria)* **This measures the number of monthly meter data that have successfully passed the monthly metering validation process. The**		Timeliness of Monthly Meter Data Delivery = Total MI's Meter Data Receive / Total Active Metering Installati xxx	We request clarification on which validation rules would be used to evaluate the integrity of the MSP-provided data. **10.5.1 (d)** d) Timeliness of Monthly Meter Data Delivery This measures the ability of the Metering Services Provider to deliver monthly meter data within **7 calendar days** after the billing period. It is rated 100% for complete delivery of meter data submitted **via secured, electronic means, including but not limited to, PEMC's SFTP site and B2B system**.	Delivery. Since the MSP is required to deliver 100% of the end-of-month meter data to the Market Operator within 3 days or 72 hours, and the Performance Measure is prescribed as Timeliness, the formula should be revised to reflect the concept of Timeliness, as follows: **= 72 Hours/No. of Hours to Complete the Meter Data Delivery** **The Passing Mark should be 90%.**	The VEE procedure is used for defective metering installations. The submitted estimated meter data is not the registered data in the meter and subject to the issuance of an MTR. The MSP is required to present and/or explain the estimation to the customer and PEMC during the monthly reconciliation. 10.5.1 (d) Currently the procedure requires all meter data shall be transmitted on the 3rd day after the billing period. This shall be validated by PEMC Metering within 2 days and PEMC Settlement processes is another 2 days. Overall processes is 7 days for the release of	meter data from within 3 days to 7 calendar days, thus agreeing to retain the original timeline. • The RCC also adopted MERALCO's proposal to add "secure electronic means" for submitting meter data aside from via compact disk but not mention any specific means to allow flexibility. • On item 10.5.1 (d), NGCP raised a concern on the manner by which the timeliness and completeness of monthly meter data delivery is being computed. From the measure indicated, it was noted that it only measured completeness of meter data delivery and no consideration was given to

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	the complete delivery of meter data for all metering installations within 3 calendar days after the billing period. Incomplete Metering Data shall be rated based on the ratio of the number of metering points with meter data submitted to total metering installations as registered in the WESM.	**required average monthly result shall be greater than or equal to 95%** Integrity of Monthly Meter Data = Total MI passed the Monthly Validation / Total Active Metering Installations **f) Timeliness and Percentage Resolution to the Monthly Meter Trouble Report** **This measures the number of monthly MTRs that have been resolved and corrected within 2 business days based on the submitted compact disc containing all meter data for the billing period. The required result should be greater than or equal to 90%."** Timely Resolution to the Monthly MTR = Resolved Monthly MTR / Total Monthly MTR Issued				*Monthly data submission will not only involve collection but also data validation, thus, longer period is needed.* *Historically, the submission of monthly meter data takes 5 calendar days or more to be completed.* *Currently, data submission is done online. This is the fastest way to submit meter data. In view of this, we need to ensure data security between the MSP and the MO.* *Monthly meter data submission deadline should be within **7 calendar days** after the billing period to give ample time for data collection and validation. We suggest that the data be*		preliminary settlement. RCOA is an integral part of WESM and both process for settlement are run at the same time. This is only a collation of daily meter data already reviewed and corrected by the MSP during the daily process. Customer normally request and/or complain whenever the meter data were not send by PEMC due to non-submission of meter data on time by the DU-MSP. MRLCOLRE, SNAPRES, ADVENTRES & AESIRES request for the preliminary settlement data whenever there is incomplete or no data received by the said	timeliness. It was suggested therefore that timeliness and completeness both be considered in the proposed measure. After discussing the various ways on how the performance rating may be measured through several suggested formulae, without a clear agreement on the same, the RCC agreed to further study the proposed measure for assessing timeliness of monthly Meter Data Delivery. **RCC agreed** that the measure and corresponding formula for assessing timeliness of monthly Meter Data Delivery also be part of the tasks of the Sub-Committee. 10.5.1 (e) The RCC accepted PEMC's response to MERALCO's

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					submitted via secured, electronic means as currently practiced. These include, but not limited to, PEMC's SFTP site, email, and B2B system. **10.5.1 (e)** The MSP is prepared to provide settlement-ready metering data, using the internationally accepted and established Validation, Estimation and Editing (VEE) procedure, when necessary. Moreover, the MSP is more familiar with the historical metering data and operations of its customer and is in the best position to validate monthly meter data. We request clarification on which		RES. PEMC shall retain the existing procedure on the timely submission of monthly meter data. 10.5.1 (e) This is a new criteria for the integrity of monthly meter data submitted by the MSP. The procedure was to compare the daily meter data (good or corrected data) to the monthly meter data submitted by the MSP. Discrepancies of daily and monthly meter data may affects the BCQ declaration of customers. There is no re-declaration of BCQ, the customer may gain or lost during settlement.	comments and adopted the original proposal. 10.5.1 (f) The RCC accepted PEMC's response to MERALCO's proposed extension of timeline and adopted the original timeline. The RCC also agreed to revise the proposal to reflect that meter data may also be submitted online through PEMC's SFTP site, as proposed by MERALCO. **The RCC adopted the revised proposal, as follows (except the formula on 10.5.1 [d] to be tackled by the Sub-committee):** **10.5.1 Service Delivery** **a) Timeliness of Daily Meter Data Delivery** **This measures the ability**

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					validation rules would be used to evaluate the integrity of the MSP-provided data. Please see our rationale for 10.5.1 (d) **10.5.1 (f)** f) Timeliness and Percentage Resolution to the Monthly Meter Trouble Report This measures the number of monthly MTRs that have been resolved and corrected **within 3 business days from the issuance of Monthly Meter Trouble Report. Meter data for the billing period shall be submitted online through PEMC's SFTP site, email,**		Any discrepancies on the submission of data shall be part in the measurement of MSP Performance. This new criteria is a must for all MSP to submit the correct meter data. 10.5.1 (f) This is basically the same issue of daily and monthly meter data discrepancies. Revision of monthly meter data means there was already a validation made by the MSP prior to the issuance of the MTR. Data could have been retrieved directly from the meter installation. Currently, the meter data are submitted thru SFTP. (The MSP shall submit the compact disc	**of the Metering Services Provider to deliver meter data of the previous trading day, by 0800H of the succeeding day. The required average daily result shall be greater than or equal to 95%. "** $\text{Daily Meter Data Delivery} = \frac{\text{Total MI's Meter Data Received}}{\text{Total Active Metering Installations}}$ **b) Integrity of Daily Meter Data (Issuance of Daily MTR)** **This measures the number of daily meter data that have successfully passed the daily metering validation process. The required average daily result shall be greater than or equal to 95%** $\text{Integrity of Daily Meter Data} = \frac{\text{Total MI passed the Daily Validation}}{\text{Total MI's Meter Data Received}}$

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					B2B system or other method as agreed upon by the MO and MSP. The required result should be greater than or equal to 90%." **Timely Resolution to the Monthly MTR** = **Resolved Monthly MTR** / **Total Monthly MTR Issued** *Historically, the resolution and correction of Meter Trouble Reports (MTRs) take 2 calendar days or more to be completed.* *Currently, data submission is done online. This is the fastest way to submit meter data. In view of this, we need to ensure data security between the MSP and the MO.* *Monthly meter data*		containing all meter data for the billing period for audit purposes). PEMC shall retain the existing timely resolution to the monthly MTR (within 2 days). **To NGCP:** 10.5.1 (d) The proposed 72 hours (MSP no. of hours submittal) over 72 hours (required timely submittal) is 100%. Consider the submission is earlier say 48 hours, this will reflect (48/72)100% = 66.66% which is lower. Or late submission 4 days, this will reflect (96/72)100% = 133.33% which is higher. This is inappropriate.	**c) Timeliness and Percentage Resolution to the Daily Meter Trouble Report** **This measures the number of daily MTRs that have been resolved and corrected within 10 calendar days. The required result should be greater than or equal to 90%."** **Timely Resolution to the Daily MTR** = **Resolved Daily MTR** / **Total Daily MTR Issued** **d) Timeliness of Monthly Meter Data Delivery** **This measures the ability of the Metering Services Provider to deliver monthly meter data within**

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					*submission deadline should be within **3 business days from the issuance of Monthly Meter Trouble Report** after the billing period to give ample time for data collection and validation. We suggest that the data be submitted online, as currently practiced. These include, but not limited to, PEMC's SFTP site, email, and B2B system.* *Data submission will not only involve collection but also data validation, thus, longer period is needed.*		The existing procedure is for 100% rating within 3 days for a complete submission of active MI. Consider total no. of active metering installation is 100 meters and the MSP submitted 98 MI meter data, the monthly meter data delivery shall be: (98/100)100% = 98% PEMC shall retain the existing procedure in determining the Timeliness of Monthly Meter Data Delivery.	**3 calendar days after the billing period. It is rated 100% for complete delivery of meter data submitted in compact disk or via secured, electronic means.** $\text{Timeliness of Monthly Meter Data Delivery} = \frac{\text{Total MI's Meter Data Received}}{\text{Total Active Metering Installations}}$ **e) Integrity of Monthly Meter Data (Issuance of Monthly MTR)** **This measures the number of monthly meter data that have successfully passed the monthly metering validation process. The required average monthly result shall be greater than or equal to 95%** $\text{Integrity of Monthly Meter Data} = \frac{\text{Total MI passed the Monthly Validation}}{\text{Total Active Metering Installations}}$ **f) Timeliness and**

Title	Provision	Proposed Amendment	Rationale	TC	MERALCO	NGCP	PEMC Response	RCC Agreements/ Discussions
								Percentage Resolution to the Monthly Meter Trouble Report **This measures the number of monthly MTRs that have been resolved and corrected within 2 business days** from the issuance of Monthly Meter Trouble Report based on the submitted meter data for the billing period. Meter data shall be submitted in a compact disk or online through PEMC's SFTP site. **The required result should be greater than or equal to 90%."** $\text{Timely Resolution to the Monthly MTR} = \frac{\text{Resolved Monthly MTR}}{\text{Total Monthly MTR Issued}}$
10.5.2 Metering Installation Compliance	New	**10.5.2 Metering Installations Compliance** **a) New Metering**	The MSP should strictly follow the metering registration process and	**10.5.2 Metering Installations Compliance** **a) New Metering**	**10.5.2 (b)** b) Compliance with Periodic Metering Installation Testing	**Metering Installations Compliance.** a. **New Metering**	**To MERALCO:** 10.5.2 (b) This is a new criteria	**RCC Discussion:** 10.5.2 (a) PEMC's comment was

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		Installations **Before a metering installation is energized, the Metering Services Provider shall register the metering facility and submit the following documents:** **1. Accomplished Metering Installation Registration Form (MIRF)** **2. Single Line Diagram (SLD)** **3. ERC Meter Test Certification/MSP Meter Test** **4. Current Transformer Ratio Tests** **5. Potential Transformer Ratio Tests** **The required result should be 100%."**	provide consistent updating of metering installations test for all registered Metering Installations in the WESM as based in Section 8.4.1.1 and 8.4.2.3 of the Philippine Grid Code.None updated MIRF and other metering documents were the findings of Auditor in the previous Metering Facility Audit.	**Installations** **Before a metering installation is energized, the Metering Services Provider shall register the metering facility and submit the following documents:** **1. Accomplished Metering Installation Registration Form (MIRF)** **2. Single Line Diagram (SLD)** **3. ERC Meter Test Certification/ MSP Meter Test** **4. Current Transformer**	This measures the number of Metering Installations which have been tested as accurate within the periods provided in the Section 8.4.1.1 and 8.4.2.3 of the Philippine Grid Code. As stated, all registered main and backup meters **of grid users** shall be re-tested annually and every 5 years for all instrument transformers. The required result shall be greater than or equal to 90%. " XXX *To ensure alignment and consistency with other Rules.* *Consistent with our comment in Item 1 above, we deem that the required testing*	**Installations**. The WESM registration of a new metering installation is the responsibility of the Trading Participant. The MSP is responsible for providing the complete documents specified in 10.5.2a) to the Trading Participant within an agreed timeframe between the Parties. Thus, the relevant performance measure should be **Timeliness** of the provision of the complete documents, and	for MSP to regularly submit test requirement of WESM Grid Connected metering installations (MI) including FIT registered MI. The eter data happened happened during the ny season? Then e would naturally be a e a discrepancy in the e validation since the e the benchmark is the data from the mmer monthspriate test of FIT MI should follow the same rule applied to the grid. All grid MI follows the said test requirement of the code for 1 MW above (WESM). The following are the sample of embedded FIT generators registered in the WESM indicating its capacity. • Alternergy Wind One Corp.- 54 MW	noted. It was recognized that the withdrawals/ consumption not registered in the meters in effect result to this withdrawal not being billed and thus end up non billable and not payable for the generator. **A. Rosales** - Why are there instances when there are injections in the grid? There are even instances when injections are made into the grid without having been registered and the MSP cannot be faulted in that case as they have nothing to do with the same. There are several other issues that need to be looked at. **L. Lim** - The completeness of data shall come from the MSP, right? On the other hand, once the MSP has connected the meter either to the generator or the customer, it then shall submit the data for the registration. Can the

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		New Metering Installation Energized MI with approved documentations / Total New MI for the month **b) Compliance with Periodic Metering Installation Testing** **This measures the number of Metering Installations which have been tested as accurate within the periods provided in the Section 8.4.1.1and 8.4.2.3 of the Philippine Grid Code.As stated, all registered main and backup meters shall be re-tested annually and every 5 years for all instrument transformers. The required result shall be greater than or equal to 90%. "**		**Ratio Tests** **5. Potential Transformer Ratio Tests** ~~The required result should be 100%."~~ ~~New Metering Installation Energized MI with approved documentations / Total New MI for the month~~ *The specific documents were listed already, thus it should be considered as "all or nothing".* **b) Compliance with Periodic Metering Installation Testing** **This measures the number of Metering**	*mentioned in the aforequoted provision should only apply to those connected to the grid and not to those connected to the distribution system. It should be clear that what would apply to those connected to the distribution system would be the Energy Regulatory Commission's (ERC's) metering standards and procedures, in particular, for meter testing, ERC Resolution No. 12, Series of 2009 (later amended under Resolution No. 21, Series of 2013)[1], wherein meter tests are conducted based on a statistical sampling program (i.e., meter testing*	this measure should be part of the **Customer Satisfaction Rating.** Following adoption of this recommendation, the % Weight for CSR should be increased from the present 10% to say 15%. This arrangement considers the reality that the Trading Participant is partly responsible for the preparation of these documents, particularly in cases where they own the metering VT's and CT's.	• Bulacan Solar Energy Corp. - 15 MW • Montalban Methane Power Corp. - 5.1 MW • Pangea Green Energy Phil. - 0.8 MW • Solar Philippines Commercial Rooftop Projects, Inc. - 1.2 MW • SPARC-Solar Powered Agri-Rural Community Corp. - 1.2 MW • Valenzuela Solar Energy, Inc. - 8.5 MW Other Issues and Concerns: The DU is the MSP of the embedded generators whose injection shall be consumed by the DU itself, a violation of WESM Rule 4.4.2 - A generation company	registration be made without the documentation just to be able to recognize the meter since the meter is already compliant? **E. Sotomil** - The schedule for the installation of meters follows the availability of the equipment that NGCP installs. The moment that these are available, they can wire and install the metering facility and the moment that energy flows, this would be recorded. The process of energizing the connection point is a bigger on the side of NGCP and metering is just one aspect. In fact, the situation would be worse if power is drawn without a meter. At least in some situations, there is an MQ and PEMC would just have to bill whoever needs to pay. It should not be a case for PEMC to include this in the

[1] *A Resolution Adopting the Rules and Procedures for the Test and Maintenance of Electric Meters of Distribution Utilities*

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		Compliance with Periodic MI Testin = Total MI Tested / Total number of MI for Test Update *Refer to attached appendix A for sample computation Need to renumber other appendix already in the Manual to B*		**Installations which have been tested as accurate within the periods provided in the Section 8.4.1.1and 8.4.2.3 of the Philippine Grid Code. As stated, all registered main and backup meters shall be re-tested annually and every 5 years for all instrument transformers. The required result shall be greater than or equal to 90%. "** Compliance with Periodic MI Testing = Total MI Tested / Total number of MI for Test Update	*shall be done on meter samples representing the meter population per lot once every two years). Meanwhile, for instrument transformers of those connected to the distribution system, the applicable Rules should be: (1) the Philippine Distribution Code, wherein the required testing of instrument transformers would only be during the test and commissioning stage and as the need arises due to questions on accuracy[2], and (2) the ERC's Meter Test and Maintenance Rules, wherein instrument transformers are tested before being placed in service[3] and*	**Compliance with Periodic Testing Requirements.** This is an acceptable Performance Measure. However, since the PGC is undergoing revisions, it is recommended that the specific sections of the PGC and the periodicity be omitted. The formula should be segregated into 2: **"Meters Tested/Meters Due for Testing"** and **"VT-CT's Tested/VT-CT's Due for Testing" for the Rating Year.**	or customer which is involved in the trading of energy shall not be registered as a Metering Services Provider for any market trading node assigned to it and WESM Rule 4.4.3 - If a Trading Participant is a Customer and also a Network Service Provider, the Trading Participant may register as a Metering Service Provider only for connection points that it does not own. *Scenario: Consider the registered embedded generator meter at the DU franchise is reading low: • The generator whose injected energy to the DU	rating of the NGCP without the registration because the MSP action there is to install the meter and provide documentation. **L. Lim** –On the part of the DUs, the energization request form forms part of the documents for registration. **A. Rosales** - It is true that there are those that inject without having registered first and they see it often in embedded generators. This is the only time that they see the injection. There are several cases where generators inject on their own. It is better that that is recorded in the meter. **R. Afurong** - PEMC is at times surprised that there is a meter data and they have

[2] *As mentioned under Section 8.5, Clause 8.5.1 of the PDC.*
[3] *As provided in Section 5.1 of ERC Meter Test and Maintenance Rules.*

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				The measure should only be 'compliant' or 'not compliant'. *Refer to attached appendix for sample computation*	*in case they are already in-service, if their outward appearance shows evidence of physical damage, discolored terminals or change in texture or appearance of the insulation of the bushings[4]. Therefore, those meters of customers that are connected to the distribution system should not be covered by the aforequoted provision and should only be applicable to grid users.*		franchise shall be paid less by PEMC but the injection is actually higher than as registered in the meter. • PEMC shall bill the DU based on the registration of the generator meter which is actually less than what was injected. The DU stand to gain in this scenario. This criteria of MI Test is assurance of the accuracy of meter data submitted by the MSP. The discrepancies between the Grid and Distribution Codes more particularly of MI Test needs harmonization by the ERC. Both DOE and PEMC TC should	to inquire on whose meter this that belongs to. **E. Sotomil** - There is a need to perhaps strengthen the procedures and pre-requisites for energization or to be embedded in the distribution meter for that matter, such that everybody will recognize that there are certain requirements that have to be met before energization or power withdrawal can happen. These should be included in the procedures for registration and connection. These instances may have happened when the MO and NGCP have not coordinated to address these instances. **L. Lim** -When an additional substation meter is requested, it has to also submit an application to PEMC and inform the NGCP about the same for it

[4] *As provided in Section 5.2 of ERC Meter Test and Maintenance Rules.*

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							provide input to the said codes. **To NGCP:** Section 10.5.2 is a new criteria for WESM and FIT Metering Installations. The criteria does not require a time frame. The requirement is the complete submission of documents by the MSP. There were issue when a new generator, customer or station service meter data is sent to PEMC without officially registering the MI. This is tagged as orphan meter in the PEMC Metering Process. Without the assigned trading node & location of metering point to compute the SSLA, this metering	to be energized. **E. Sotomil** -It would be better if the TP already provide the necessary data for the meter to be modelled **R. Afurong** - It will not be modelled unless there are official documents. **A. Rosales** - Once all documents from the TP have been given to the MO, including those required by the SO, and the TP is already registered with the MO, that is the only time that the NGCP gives the approval to connect. Actual energization will only be allowed by NGCP if the TP is already registered in WESM. It will then synchronize the TP in the grid once it has been registered in the market. The delay may not be attributed solely to the delay in the submission of documents. The moment

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							point cannot be settled. Worse is the consumption of a customer meter will not be billed. For generator this is TY. It is important that all requirement for registration were approved by PEMC before withdrawal (Customer) or injection (generator) is allowed in the grid and/or distribution system. MI compliance is an important criteria for MSP performance measure.	NGCP sees that the injection is unauthorized, it will have the breaker opened, but it may already have injected initially. Improvement in the protocols need to be made, say, in registration. **Atty. De Castro -**Whose responsibility is it, at the end of the day, to register meters? Is it the TP or the MSP? **F. Binondo (DOE)** - The TP or the WESM Member is the one who applies. It is up to the MO if it will approve or disapprove the application based on the completeness of the submitted documents. If the application is not yet approved and the TP is able to inject in the grid, then the NGCP is the one responsible for that. **A. Rosales -** If a TP injects to the grid on his own without securing a

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								clearance, then it is the one responsible for the violation. If the TP is given a schedule by the MO, but it is not yet cleared by the SO, the fault is on the MO. If the TP is not yet registered in the WESM but it has been cleared by the NGCP to synchronize, then the fault is on the SO. **E. Sotomil** –The NGCP had in fact a customer who still refused to register its metering facility in the WESM although the NGCP has already installed its metering facility and accomplished the MIRF. That TP's metering facility is a totalizer, where it has several connections in a single feeder. But because that facility will start to record and measure even the line loss, the TP realized that it'll incur losses, so it stalled the registration of its metering facility in the WESM. That

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								totalizer sat there for 2 years without being registered. So it's really the TP who holds the key and is responsible for the registration of metering facilities, not the MSP. The MSP simply provides the facility and the documentation. The NGCP therefore suggests the following: (1) strengthen the procedure for registration and connection; and (2) performance of the MSP in regard to submission of documentations (Metering Installation Compliance) be made part of the Customer Satisfaction Rating (CSR) accomplished by the TPs, rather than the MO to do the rating **L.H. Rivera:** We agree that the criteria for Metering Installation Compliance should be transferred to the

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								CSR since the TPs are the ones who receive the enumerated documentations from the MSP and therefore is in the better position to rate the MSP. If the MSP submits them late, then the TP wouldn't in turn be able to achieve its target to register on time. **RCC agreement:** Transfer the Metering Installation Compliance criteria under the Customer Satisfaction Rating to be accomplished by the TPs. 10.5.2 (b) • PEMC agreed with the NGCP's proposal to separate the rating formula between the meters tested and instrument transformers tested (one measure for

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								meters and another measure for instrument transformers). • The RCC accepted PEMC's response to MERALCO's comment to explicitly specify that the provision should only apply to grid users. The RCC disapproved MERACO's proposal. **RCC agreement:** Separate the rating formula between the meters tested and instrument transformers tested, as proposed by NGCP.
10.4.2 Customer Satisfaction	10.4.2. Customer Satisfaction is a measurement of the Meter Service Provider corporate image, its responsiveness to emergency situation and on call meeting/s,	*Section Renumbering* ~~10.4.2~~. **10.5.3.** Customer Satisfaction is a measurement of the Metering Services Provider corporate image, its	To correct/update an entity.			To be revised accordingly following adoption of the recommendation to include the **Timeliness of Provision of Documents for**	**To NGCP:** This criteria is for the TPs, FIT generators &generators to rate the MSP for services rendered in the operation and	**RCC agreement:** *Section Renumbering* ~~10.4.2~~.**10.5.3.** Customer Satisfaction is a measurement of the Metering Services Provider

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	the safety/behavior of its personnel and its compliance to the requirement of the metering facilities. A Meter Service Provider Customer Satisfaction Rating Sheet shall be issued to measure the service satisfaction provided by a Meter Service Provider as rated by the WESM trading participant/s. Required annual average result shall be greater than or equal to 90%.	responsiveness to emergency situation and on call meeting/s, the safety/**and** behavior of its personnel, and its compliance to the requirement of the metering facilities. A Metering Services Provider Customer Satisfaction Rating Sheet shall be issued to measure the service satisfaction provided by **a**the Metering Services Provider as rated by the WESM **T**trading **P**participant/s. Required annual average result shall be greater than or equal to 90%.				**WESM Registration of Metering Installations** under Customer Satisfaction Rating.	maintenance of the registered MI. This is not related to the MI Compliance in Section 10.5.2.	corporate image, its responsiveness to emergency situation and on call meeting/s, the safety/**and** behavior of its personnel, and its compliance to the requirement of the metering facilities. A Metering Services Provider Customer Satisfaction Rating Sheet shall be issued to measure the service satisfaction provided by **a**the Metering Services Provider as rated by the WESM **T**trading **P**participant/s. Required annual average result shall be greater than or equal to 90%.
10.6 OVERALL PASSING PERCENTAGE	The following is the overall passing percentage of a meter service provider rated annually.	The following **table provides** is the overall passing percentage of **the** a metering services provider rated annually. *Refer to the attached table for the complete*				The Performance Standards Table (10.4) that prescribes the Performance Measures under the Service Delivery and Customer Satisfaction categories and which allocates the %	**To NGCP:** Service Delivery & MI Compliance are rated based on actual recorded performance of the MSP. While the Customer	**RCC agreement:** The RCC Sub-committee was instructed to work on the re-allocation of the % weights of the Performance Standards after the Customer Satisfaction Rating categories are

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		changes.				Weights are recommended to be revised following finalization of the Performance Rating System. Table 10.6, which prescribes the distribution of percentages for Passing Rating also needs to be revised accordingly.	Satisfaction Rating (CSR) is subjective. The integrity of meter data is given a higher percent by weight and the passing grade was reference to other International MO.	revised (per agreement to transfer Metering Installation Compliance to the CSR).
10.7.1 Monthly Performance Rating	After every billing period, the Philippine Electricity Market Corporation shall issue or release to the trading participant/s and meter service provider/s the actual generated performance rating of the MSP measured under Section 10.4.1 – Service Delivery. The result of the MSP performance ratings shall be discussed with the MSP by the PEMC	After every billing period, the ~~Philippine Electricity Market Corporation~~ **Market Operator** shall ~~issue or~~ release in the **WESM website** ~~to the trading participant/s and meter service provider/s the actual generated~~ **the** performance rating of the MSP measured under Section 10.**5**.1 – Service Delivery **and Section 10.5.2 Metering Installation Compliance.** The result of the MSP performance	To correct/update an entity. Revised for clarity.					**RCC: approve PEMC proposal** After every billing period, the ~~Philippine Electricity Market Corporation~~ **Market Operator** shall ~~issue or~~ release in the **WESM website** ~~to the trading participant/s and meter service provider/s the actual generated~~ **the** performance rating of the MSP measured under Section 10.**5**.1 – Service Delivery **and Section**

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	if so requested by the concerned MSP and its trading participant/s. The generated performance rating of the MSP shall be published in the website.	ratings ~~shall~~ **can** be **verified and** discussed with the ~~MSP~~ **Metering Services Provider and Trading Participants** by the ~~PEMC~~ **Market Operator upon request.** ~~if so requested by the concerned MSP and its trading participant/s. The generated performance rating of the MSP shall be published in the website.~~						**10.5.2 Metering Installation Compliance.** The result of the MSP performance ratings ~~shall~~ **can** be **verified and** discussed with the ~~MSP~~ **Metering Services Provider and Trading Participants** by the ~~PEMC~~ **Market Operator upon request.** ~~if so requested by the concerned MSP and its trading participant/s. The generated performance rating of the MSP shall be published in the website.~~
10.7.2 Semi-Annual Customer Satisfaction Rating	Every six (6) months, the PEMC Metering & Settlement Department shall conduct a CSR on the MSP performance through the issuance of the CSR form to all the WESM trading participants to be accomplished and submitted back to PEMC. The CSR forms are to be accomplished every first week of July of the current year and	Every six (6) months, the ~~PEMC Metering & Settlement Department~~ **Market Operator** shall conduct a **Customer Service Rating** (CSR) on the MSP performance through the issuance of the CSR form to all the ~~WESM~~ **T**trading **P**participants to be accomplished and ~~submitted back~~ **returned** to ~~PEMC~~ **Market**	To correct/update an entity. Revised for clarity.			Since the MSP Performance Rating is being utilized by NGCP as part of its Corporate Performance Management System, it is recommended that the Rating Year be defined as October of the Previous Year to September of the Current Year, so that the MSP Ratings are		**RCC: adopt NGCP's recommendation** Every six (6) months, the ~~PEMC Metering & Settlement Department~~ **Market Operator** shall conduct a **Customer Service Rating** (CSR) on the MSP performance through the issuance of the CSR form to all the WESM **T**trading **P**participants to be accomplished and

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	January of the following year. The July rating comprises the MSP performance from January to June of the current year and the January rating correspond to the second half of the previous year (July to December).	**Operator. This form shall be** ~~The CSR forms are to be~~ accomplished every first week of July of the current year and January of the following year. The July rating comprises the MSP performance from January to June of the current year and the January rating correspond to the second half of the previous year (July to December).				guaranteed to be available by December of the Current Year.		~~submitted back~~ **returned** to ~~PEMC~~ **Market Operator. This form shall be** ~~The CSR forms are to be~~ accomplished every first week of April ~~July~~ of the current year and October ~~January~~ of the following year. The April ~~July~~ rating comprises the MSP performance from ~~January~~ October of the previous year to March ~~September~~ of the current year ~~June of the current year~~ and the October ~~January~~ rating correspond to the period from April to September of the current year. ~~the second half of the previous year (July to December).~~
10.7.3 Annual Performance Rating	Annual Performance Rating covers the billing periods January to December of each year. It shall consist of: a) The annual Performance Measures	Annual Performance Rating covers the billing periods January to December of each year. It shall consist of: a) The annual Performance Measures under Sub- section	To update references. Addition of MSP, PEM Board, DOE and ERC as recipients of annual MSP Performance			Following the recommendation to adjust the Rating Year, the First Semester Rating will cover October of the Previous Year to March of the Current		**RCC: adopt NGCP's recommendation** Annual Performance Rating covers the billing periods from October of the previous year to September of the current

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	under Sub- section 10.4.1 – Service Delivery (Average of the 12 months billing). b) The Customer Satisfaction Rating under Sub-sections 10.4.2 and 10.7.2. The annual MSP Performance Rating shall be submitted by the PEMC Metering & Settlement Department to PEMC Management.	10.5.1 and 10.5.2 (Average of the 12 months billing). b) The Customer Satisfaction Rating under Sub-sections 10.5.32 and 10.7.2. The annual MSP Performance Rating shall be submitted by the ~~PEMC Metering & Settlement Department~~ **Market Operator** to ~~PEMC Management~~ **the MSP, PEM Board, DOE and ERC every first quarter of the year.**	Rating result.			Year, and the Second Semester Rating will cover April to September of the Current Year.		year ~~January to December of each year.~~ It shall consist of: a) The annual Performance Measures under Sub-section 10.5.1 and 10.5.2 (Average of the 12 months billing). b) The Customer Satisfaction Rating under Sub-sections 10.5.32 and 10.7.2. The annual MSP Performance Rating shall be submitted by the ~~PEMC Metering & Settlement Department~~ **Market Operator** to ~~PEMC Management~~ **the MSP, PEM Board, DOE and ERC every first quarter of the year.**