

PAC WORK PLAN 2019 - 2021

ANNEX A

I. MISSION: POWER

Desired Outcome: Ensuring Supply of Power: The market is conducive to attracting new resources and investments to meet the growing demand of the Filipino consumers

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
P.1. Indicator: Availability of relevant and accurate market signals					
P.1.1 Implement the enhanced market design in Luzon and Visayas	2. Complete parallel operations without any significant incidents within three consecutive months.	1. Engage the services of a third-party expert who will assess market readiness 2. Oversee the overall implementation of the Market Readiness Assessment (MRA) activity 3. Assess and provide recommendations on the readiness of MO, SO, PEMC, Market Participants and MSPs in the implementation of the enhanced market design	1. Engagement of a third-party expert (March 2019) 2. Sector Readiness Reports <ul style="list-style-type: none"> a) Completed three months' parallel operations without any significant incidents by July 2019 b) Readiness certificate on the implementation of the enhanced market design signed by market participants by July 2019 3. Market Readiness Reports (holistic) <ul style="list-style-type: none"> a) Luzon-Visayas by August 2019 b) Mindanao by September 2019 	1. TWG: CGO, LEG, IST, CSD & MAG <ul style="list-style-type: none"> o HRAS & Legal for the competitive selection process o IT for internet access and SFTP o Finance for budget 2. <ul style="list-style-type: none"> a. PEMC Management for the review of reports b. IT for internet access and SFTP c. Finance for budget d. CSD for workspace, communication & transportation for the Third Party Expert process e. CPC for communications with external parties and news releases f. Market Participants g. NGCP h. MSPs 	MAG PAC

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Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
				i. DOE j. ERC k. IEMOP l. Third-party expert 3. Same as item 2	
	3. Readiness certificate on the implementation of the enhanced market design signed by market participants	Refer to P.1.1 Target 2			MAG PAC
	4. Complete the software certification audit of the New Market Management System (NMMS).	Supervise the conduct of NMMS software certification by IES	Signed software certificates and Final Audit Reports by June 2019	1. PEMC Management 2. IT for internet access 3. Finance for budget 4. Legal for contract addendum 5. IES 6. IEMOP	MAG PAC
	5. Commercial operations of the NMMS.	Refer to P.1.1 Target 2			MAG, PAC
P.2 Indicator: Commercial operations of WESM Mindanao					
P.2.1 Assess the Market in Mindanao	1. Assess the market in Mindanao.				TC CPC
	2. Completed the readiness assessment of Mindanao market participants.	Refer to P.1.1 Target 2			

II. MISSION: EFFICIENCY

Desired Outcome: Exceptional Market Operations: The operations of the market, and the performance of the market operator and service providers are among the best in the global electricity markets.

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
E.1 Indicator: The operation and performance of the Market operator, service providers, and PEMC continue to improve to be among the best in the global electricity markets.					
E.1.1 Establish performance management framework, on market and system operations, and market governance functions with corresponding provisions on incentives and penalties	1) Revised MOPS to include 1. Financial and institutional compliances of the market operator; and 2. global electricity market practices on identified/specific criteria with respect to market and system operations and market governance functions and prescribe the stages to attain global benchmarks to the PEM Board	1. Conduct Study/benchmarking on global electricity market practices 2. Develop revised MOPS 3. Monitor the performance of the MO (continuing activity) and submit MOP Report for PEM Board approval	1. Completed study/benchmarking of MOPS on December 2019 2. PEM Board-approved MOPS on March 2020 3. Quarterly reports for submission to DOE on February, May and August Annual Report for submission to DOE on November	Inputs/comments from: 1. Legal 2. CPC 3. ECO 4. IST 5. CSD for financial standards 6. IEMOP 7. Stakeholders 8. DOE 9. IST for the provision of NAGIOS data 10. Legal for the Undertaking necessary to have access to confidential market data, (e.g. settlement data)	MAG PAC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
	2) Performance metrics for NGCP-SO	1. Conduct Study/benchmarking on global electricity market practices 2. Develop System Operator Performance Standards (SOPS)	1. Completed study/benchmarking of SOPS (subject to NGCP-SO-IEMOP Protocol) 2. PEM Board - approved SOPS (6 months after the signing of PEMC-NGCP Protocol)	Legal on the basis for PEMC to monitor SO performance; for discussion with PEM Board	MAG PAC
	3. Performance metrics for PEMC				CPC
	4. Performance metrics for MSPs	1. Conduct study/benchmarking on global electricity market practices 2. Recommend changes to the Metering Manual on the enhanced MSP performance metrics	1. Completed study/benchmarking and draft proposed rules changes 2. PAC Approved proposed rules changes (6 months after the signing of PEMC-MSP)	Legal and CPC – for consideration of this activity in the PEMC	MAG PAC
E.2 Indicator: Level of compliance with the Market Rules and relevant Market Manuals by the Market Operator and Service Providers					
E.2.1 Regular conduct of market operations audit	1. Complete the conduct of MO Audit	1. Engage the services of an external auditor 2. Oversee the conduct of Market Operations audit (7 th MO Audit)	1. Signed contract with Third-Party Auditor on February 2020 2. PAC-approved Audit Report on November 2020	1. BAC <ul style="list-style-type: none"> HRAS & Legal for the competitive selection process IT for internet 	MAG PAC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
				<ul style="list-style-type: none"> access and SFTP <ul style="list-style-type: none"> ○ Finance for budget 2. CSD for workspace, communication & transportation for the Independent Auditor 3. IEMOP 	
E.2.2 Regular conduct of Regular conduct of metering arrangements review	2. Complete the conduct of Metering arrangements review	<ul style="list-style-type: none"> 1. Engage the services of an external auditor 2. Oversee the conduct of 4th Review of Metering Installations and Arrangements (RMIA4) 	<ul style="list-style-type: none"> 1. Signed contract with Third-Party Auditor on February 2020 2. PAC-approved RMIA Report on November 2020 	<ul style="list-style-type: none"> 1. BAC <ul style="list-style-type: none"> ○ HRAS & Legal for the competitive selection process ○ IT for internet access and SFTP ○ Finance for budget 2. CSD for workspace, communication & 	MAG PAC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
				transportation for the Independent Auditor	
E.2.3 Monitor compliance plan of the service provider to their audit action plans	1. Compliance monitoring report with assessment and recommendations	Monitor compliance/action plans on previous findings and recommendations <ul style="list-style-type: none">○ IEMOP○ MSPs	Compliance Plans by June 2019	1. Legal and CPC – for consideration of this activity in the PEMC-ERC Protocol 2. OCGO 3. DOE 4. IEMOP 5. ERC (for the action plans of MSPs) 6. MSPs	MAG PAC

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III. Mission: MARKET
Desired Outcome Dynamic Market: PEMC conducts the development and appropriate implementation of a responsive market.

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
M.4. Indicator: Commercial operations of Derivatives Market					
M.4.1 Recommend policies on the effective implementation of derivatives market	1. Study on the proposed design for the electricity derivatives market in consideration of the previous study with recommended policies and proposed ways forward to the DOE.	Provide inputs on the proposed design for the electricity derivatives market	Recommendations on the proposed design for the electricity derivatives market (Q3 2019)	Felixberto U. Bustos. Jr.	CPC PAC