



## RULES CHANGE COMMITTEE

### Proposed Urgent Amendment to the WESM Ancillary Services Monitoring Manual Issue 1.2 regarding Additional Condition for Qualifying a Frequency Driven Event (FDE)

Effective Date : 23 April 2026

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**WHEREAS**, Section 5 of the WESM Ancillary Services Monitoring Manual (ASMM) Issue 1.2 sets out the guidelines for Ancillary Services Providers (ASPs) scheduled to provide a specific reserve type in any dispatch interval. It requires, among others, reserve facilities scheduled to provide regulating reserve or contingency reserve to respond to frequency-driven events (FDE) and details how an ASP is measured based on the accuracy and timeliness of its response;

**WHEREAS**, Section 5.6.2 of ASMM 1.2 provides the calculation of response accuracy for generators in Governor Control Mode including the conditions for determining an FDE as follows:

- a. the event lasts for more than five (5) seconds; and
- b. the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage systems.

**WHEREAS**, on 24 March 2026, SN Aboitiz Power-Magat, Inc. and SN Aboitiz Power-Benguet, Inc. (collectively, the "SNAP Group") submitted a proposal seeking to amend Section 5.6.2 of ASMM 1.2 by introducing additional condition for determining the termination of an FDE, and requested that the same be certified as an Urgent Amendment;

**WHEREAS**, pursuant to the WESM Rules and WESM Rules Change Manual, the Rules Change Committee (RCC) is mandated to assess whether a proposed amendment satisfies the criteria for certification as an Urgent Amendment, including whether the proposal is necessary to avoid or mitigate unintended adverse effects arising from the implementation of the WESM Rules or Market Manuals;

**WHEREAS**, during its 257<sup>th</sup> RCC (Regular) Meeting on 10 April 2026, the RCC considered the presentations of the Proponent (SNAP Group) and the Enforcement and Compliance Office (ECO), as well as the preliminary assessment of the RCC Secretariat, which evaluated the proposal's compliance with the urgency criteria per Clause 8.4.1.1 (a) of the WESM Rules;

**WHEREAS**, during the meeting, the Proponent presented the proposal emphasizing its urgency by highlighting how multiple short-lived FDEs impose a significant financial burden on ASPs through repeated Reserve Conformance Standard (RCS) calculations and non-compliance tagging, which ultimately result in non-payment for reserves and the imposition of penalties. Furthermore, such penalties could create substantial reputational risk that can damage investor confidence and foster negative perceptions of ASP performance, which collectively serves to discourage participation in the reserve market and potentially compromise overall market supply;

**WHEREAS**, the ECO's simulations demonstrated that the proposed FDE termination condition, particularly the use of a fixed 25-second recovery period, may have varying implications across reserve types, including the potential for overlapping FDEs in the case of Regulating Reserve. ECO recommended that the proposed FDE termination condition may require further refinement including consideration of FDE termination once the nominal 60 Hz is reached, the applicability to non-inertia or fast-responding technologies, and scenarios involving capacity limits;

**WHEREAS**, the RCC Secretariat assessed that the proposal primarily seeks to refine compliance monitoring and tagging outcomes by modifying the definition and termination of FDE, rather than to address an immediate risk to the reliability or normal operation of the power system. The RCC Secretariat likewise emphasized that the Compliance Monitoring and Assessment (CMA) process provides mechanisms for the submission and evaluation of technical justifications by ASPs, thereby mitigating potential adverse effects arising from compliance tagging under the current rules;

**WHEREAS**, the RCC acknowledged that the proposal benefits ASPs by reducing non-compliance tagging and improves ECO's monitoring efficiency. However, the RCC also recognized that these effects do not possess the degree of immediacy as to warrant urgent certification and the existing CMA process already mitigates the cited adverse effects;

**WHEREAS**, the RCC unanimously voted<sup>1</sup> that the proposal be not certified as Urgent Amendment and be admitted instead as a General Amendment Proposal in view of the following:

1. The proposal does not address an immediate grid reliability or operational risk and primarily refines compliance monitoring.
2. The proposed additional condition requires a broader technical evaluation given that the Contingency Reserve and Regulating Reserve behave differently, and generation units with inertia and fast-responding or low-inertia technologies may require differentiated treatment.
3. While the FDE determination may be improved, consultation with WESM stakeholders, especially the System Operator, who is the sole customer of reserves traded in the WESM and the ASPA counterparty of ASPs, may provide further insights especially on the technical parameters being proposed.

**NOW THEREFORE**, we, the undersigned, on behalf of the sectors we represent, hereby resolve, as follows:

**RESOLVED**, that the SNAP Group's Proposed Urgent Amendment to the WESM Ancillary Services Monitoring Manual Issue 1.2 regarding Additional Condition for Qualifying a Frequency Driven Event (Attached as Annex A) be admitted as a Proposed General Amendment and as such, be posted in the PEMC Website to solicit comments;

**RESOLVED**, that pursuant to Section 7.3 of the Rules Change Manual Issue 5.0, that the foregoing decision be endorsed to the PEM Board for its concurrence, and, upon such concurrence by the PEM Board, that this RCC Resolution be transmitted to the DOE and ERC for their information;

Done this 23<sup>rd</sup> day of April 2026, Pasig City.

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<sup>1</sup> 13 out of 13 RCC Members voted not to certify the proposal as Urgent Amendment and instead re-classify it as General Amendment (*Alabado, Andal, Anosan, Banzon, Claudio, Dela Cruz, Francisco, Morales, Morallos, Ng, Orillaza, Ortiz, and Tuazon*)

Approved by:  
**THE RULES CHANGE COMMITTEE**

Independent Members:



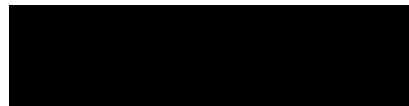
**RACHEL ANGELA P. ANOSAN**  
Chairperson



**JESUSITO G. MORALLOS**



**JORDAN REL C. ORILLAZA**



**EMMANUEL GENESIS T. ANDAL**

Generation Sector Members:



**DIXIE ANTHONY R. BANZON**  
Masinloc Power Partners Co. Ltd.  
(MPPCL)



**JAYSON A. FRANCISCO**  
Aboitiz Power Corp.  
(APC)



**CARLITO C. CLAUDIO**  
Millenium Energy, Inc./Panasia Energy, Inc.  
(MEI/PEI)



(Attended by Ms. Michelle S. Tuazon)  
**MARK D. HABANA**  
Vivant Corporation – Philippines  
(Vivant)

Distribution Sector Members:



**RYAN S. MORALES**  
Manila Electric Company  
(MERALCO)

**VIRGILIO C. FORTICH, JR.**  
Cebu III Electric Cooperative, Inc.  
(CEBECO III)



**NELSON M. DELA CRUZ**  
Nueva Ecija II Area 1 Electric Cooperative, Inc.  
(NEECO II – Area 1)

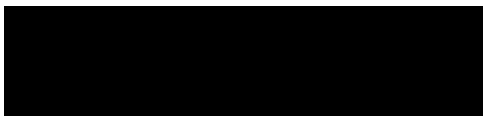


**RUSSEL S. ALABADO**  
Angeles Electric Corporation  
(AEC)

Supply Sector Member:

**GIAN KARLA C. GUTIERREZ**  
First Gen Corporation  
(FGC)

Market Operator Member:



**KRISTOFFER MONICO S. NG**  
Independent Electricity Market Operator of the Philippines Inc.  
(IEMOP)

System Operator Member:



**DARRYL LON A. ORTIZ**  
National Grid Corporation of the Philippines  
(NGCP)



Annex A

**WESM ANCILLARY SERVICES MONITORING MANUAL 1.2**

Title	Section	Provision	Proposed Amendment	Rationale
<p>Section 5.6 Measuring Reserve Response Compliance of Generators on</p>	<p>5.6.2.</p>	<p>A <i>reserve facility's</i> response accuracy via GCM shall be calculated as follows.<sup>12</sup></p> <p>xxx</p> <p>The event will qualify as <i>Frequency-Driven Event</i>, for this purpose, if:</p> <p>a. the event lasts for more than five (5) seconds; and</p> <p>b. the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage systems</p> <p>xxx</p>	<p>A <i>reserve facility's</i> response accuracy via GCM shall be calculated as follows.<sup>12</sup></p> <p>xxx</p> <p>The event will qualify as <i>Frequency-Driven Event</i>, for this purpose, if:</p> <p>a. the event lasts for more than five (5) seconds; <b>and</b></p> <p>b. the frequency deviation exceeds the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage systems;</p> <p><b><u>c. the frequency deviation normalizes below the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage; and</u></b></p> <p><b><u>d. the frequency deviation normalizes below the threshold for at least 25 seconds.</u></b></p> <p><b><u>For clarity, item (a) and item (b) determine the start of a FDE, while item (c) and item (d) determine the end of a FDE.</u></b></p>	<p>To provide the Reserve Facilities an additional tolerance with the following considerations:</p> <p>a. Give ample time for the Reserve Facility to normalize its loading near the Unit setpoint, which is the initial reference of the Unit governor in computing the desired response.</p> <p>b. Variances from the Reserve Facility's Frequency Reference compared to the System Frequency</p> <p>c. Reduction of multiple Frequency Driven Events occurrences</p> <p>The additional provisions aim to combine the evaluation of multiple FDEs, and not exclude any FDE.</p>



## Annex A

**WESM ANCILLARY SERVICES MONITORING MANUAL 1.2**

Title	Section	Provision	Proposed Amendment	Rationale
			xxx	<p>This ensures that the system frequency has sufficiently recovered before registering a new event.</p> <p>It prevents premature triggering of multiple FDEs caused by short-lived or oscillatory frequency dips around the threshold.</p>