MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 1 of 126

ATTENDEES

	Name	Designation/Position	Department/ Company
1	Rachel Angela P. Anosan	Chairman, Independent	RCC
2	Jesusito G. Morallos	Independent	RCC
3	Jordan Rel C. Orillaza	Independent	RCC
4	Emmanuel Genesis T. Andal	Independent	RCC
5	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
6	Jayson A. Francisco	Member (Principal), Generation Sector	RCC
7	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
8	Jose Ildebrando B. Ambrosio	Member (Principal), Generation Sector	RCC
9	Ignacio Francisco K. Gonzalez	Member (Alternate), Generation Sector	RCC
10	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
11	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
12	Alfredo C. Sanaga, Jr.	Member (Alternate), Distribution Sector	RCC
13	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
14	Virgilio C. Fortich, Jr.	Member (Principal), Distribution Sector	RCC
15	Bryan Alvin A. Calasanz	Member (Alternate), Supply Sector	RCC
16	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
17	Dan Michael A. Lontok	DOE Observer	RCC
18	John Paulo O. Castro	DOE Observer	RCC
19	Khely A. Peroy	Market Operator	IEMOP
20	Karen A. Varquez	Secretariat	PEMC
21	Karlo D. Martin	Secretariat	PEMC
22	Mary Rose L. Bisnar	Secretariat	PEMC
23	Mark Froilan L. Lingao	Secretariat	PEMC
24	Erika Guia M. Espiritu	Secretariat	PEMC
25	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
26	Elissa B. Pastrana	Assistant – Market Assessment Group	PEMC
27	Hiyasminh Aleia D. Dagum	PAC Secretariat – MAG	PEMC
28	Josephine C. Bato	PAC Secretariat – MAG	PEMC
29	Joanna B. Pangilinan	Assistant – Office of the President	PEMC
30	Andrea J. Mendiola	Chief Legal Officer	PEMC
31	Josephine C. Corpuz	Enforcement and Compliance Department	PEMC
32	Kassandra Fleur Alaine D. Parnacio	Enforcement and Compliance Department	PEMC
33	Ma. Pauline S. Figueroa	Enforcement and Compliance Department	PEMC

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

ATTENDEES

	Name	Designation/Position	Department/ Company
34	Paolo C. Alegre	Enforcement and Compliance Department	PEMC
35	Carl Angelo B. Dela Cruz	Enforcement and Compliance Department	PEMC
36	Darlene C. Dublar	Enforcement and Compliance Department	PEMC
37	Manuel B. Cruz	Proponent	NGCP
38	Honorio F. Estravez Jr.	Proponent	NGCP
39	Armando C. Nicdao	Proponent	NGCP
40	Arnold S. Salvador	Proponent	NGCP

1.0 Call to Order

The meeting was called to order at 09:01 AM.

2.0 Determination of Quorum

The quorum was determined with thirteen (13) principal members, and three (3) alternate members present. In addition, two (2) DOE observers were present at the meeting.

3.0 Adoption of Agenda

The RCC approved the revised agenda with the following additional item presented by Mr. Karlo D. Martin (Secretariat).

- Agenda 6.1 Proposed General Amendments to the WESM Manual on Metering Standards and Procedures regarding Metering Installation Requirements

The Committee likewise approved the Secretariat's proposal to take up this item ahead of Matters Arising from the Previous Meeting to accommodate the attendance of the proponent's representatives.

4.0 Draft Minutes of 260th RCC (Regular) Meeting

Mr. Martin presented the revised draft minutes of the 260th RCC (Regular) Meeting held on 17 July 2026, noting the corrections to the names of the SNAP representatives and minor clerical corrections.

- ✓ The RCC approved the revised draft minutes of 260th RCC (Regular) Meeting.
- ✓ The Secretariat shall finalize and route the minutes via Adobe Sign for the Committee's signature.

5.0 Matters Arising from Previous Meeting

5.1 Proposed General Amendments to the WESM Ancillary Services Monitoring Manual Issue 1.2 regarding Additional Criteria for Qualifying a Frequency Driven Event (FDE)

- RCC deliberation on the proposal and the requested position from proponent, commenters, and NGCP

- Presenter/s: Ms. Mary Rose L. Bisnar (Secretariat)
- Action Requested: For Discussion
- Material/s:
  Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026
  Annex B – SN Aboitiz Power's General Comment to SO Responses

Proceeding/s:

Ms. Mary Rose L. Bisnar (Secretariat) presented the updates on the proposal and outlined the flow of the discussion, which covered the following:

- Recap of the proposal discussion conducted on 17 July 2026;
- Presentation of the responses to the concerns raised during the previous meeting, including inputs from SNAP, NGCP, and the commenters;
- Impact to Reserve Market and Settlements; and
- Other matters raised by RCC.

On the discussion of the proposal held on 17 July 2026, Ms. Bisnar provided a summary of SNAP's responses to the comments received, concerns regarding the 25-second recovery period for BESS facilities, GNPK's proposed amendment to the Response Accuracy Formula, PEMC-ECO's simulation and assessment, and NGCP's presentation of the information requested by the RCC (See Annex A).

On the RCC's request for the Ancillary Services Providers' (ASP) views on the proposal's impact on compliance assessment, two out of five ASPs responded as follows:

- SMGP has no concerns regarding the proposal's potential impact on compliance assessments for Contingency Reserves (CR). However, certain operations during State of Charge Management (SOCM) may result in an under-response and, consequently, possible non-compliance of its Battery Energy Storage System (BESS) facility providing Regulating Reserves (RR).
- Cleanergy confirmed its full support for the proponent's proposal, noting that a 25-second normalization period consolidates rapid RR and CR oscillations into a single event. This approach ensures that the metrics accurately reflect the plant's sustained physical contribution to the grid. The proposed amendment affects only the ex-post compliance assessment and does not alter or degrade real-time grid operations.

Ms. Bisnar presented the proponent's reply to NGCP's presentation (see Annex B) and discussed SNAP and NGCP's assessment of how the proposal affect Reserve Market Settlements. On the latter, NGCP stated that any impact of the proposal on reserve settlement processes and outcomes should be assessed by the Market Operator (MO) and other relevant market settlement entities. In contrast, SNAP opined that its proposal has no detrimental impact to reserve settlements, explaining that it aligns compliance assessments with actual unit performance and physical generator limitations, prevents ASPs from being unfairly penalized or denied payment for overlapping FDEs during sustained disturbances, and ensures that providers contributing to grid reliability are compensated while protecting consumer interests. SNAP further recommends adopting the proposal subject to continuous monitoring, periodic review, and ongoing technical evaluation by stakeholders.

Furthermore, Ms. Bisnar presented NGCP's response on the following topics that were requested by the RCC:

1. **System Operator's ASP compliance monitoring of contracted RR and CR response accuracy**

   NGCP clarified that it did not specifically recommend the harmonization of ASP compliance monitoring for contracted reserves and reserves participating in the WESM. Rather, NGCP's position is to implement compliance monitoring in accordance with Section 5.1.2[1] of the Ancillary Services Monitoring Manual (ASMM). Nevertheless, NGCP noted that its compliance monitoring of contracted ASPs, including RR and CR response accuracy, is being aligned with the Reserve Conformance Standards prescribed in the ASMM and implemented pursuant to DOE directives, thereby supporting the harmonization of performance monitoring across both contracted reserves and the WESM. NGCP, however, emphasized that differences remain in the application of penalties and the enforcement of contractual obligations.

2. **Certification and testing methodologies for ASPs that may be affected by the proposal**

   NGCP explained that under the current testing methodology for ASPs operating in GCM, an FDE is considered to have ended once the system frequency returns within the unit's deadband region, as no alternative event termination criteria are currently defined. NGCP stated that the proposed introduction of additional or revised FDE termination conditions would change the basis upon which ASP performance and response capabilities are assessed during certification. Consequently, ASP certificates issued under the existing FDE framework may require re-validation or re-certification following the implementation of the proposal to confirm that certified ASPs continue to satisfy the updated performance criteria and comply with the revised certification requirements.

Finally, Ms. Bisnar presented the comments of Mr. Jordan Rel C. Orillaza (RCC-Independent) as communicated on 11 August 2026, for the System Operator, the Market Operator, and PEMC to work toward harmonizing the performance assessment standards for ancillary service power plants across both contracted reserves and reserve market procurement. He recommended that any future rule changes be based on the results of this harmonization effort. In the interim, while the harmonization work is being undertaken, he further proposed that PEMC continue monitoring compliance but temporarily suspend flagging and penalty enforcement to address the proponents' request for expedited relief.

Ms. Rachel Angela P. Anosan (RCC-Independent) then proceeded to facilitate the Committee's discussion to reach a decision on the proposal. She recalled the previous discussions regarding the potential for unintended consequences of a rules change and emphasized the need to carefully consider the implications of the subject proposal. While it is intended to address the flagging of non-compliance in relation to post-dispatch compliance, she stressed the importance of ensuring that its implementation does not give rise to unintended outcomes.

- Mr. Carlito C. Claudio (RCC-Generation Sector) raised concerns regarding the immediate implementation of the proposal, noting that existing ASP Certificates were issued based on NGCP's current testing and certification criteria. Mr. Claudio suggested that ASPs should first undergo re-testing and re-certification, followed by the necessary amendments to the relevant

[1] ASMM 5.1.2 In view of the integration of trading of ancillary services in the WESM, it is expected that a harmonized reserve conformance standards be established for all Ancillary Services Providers whether their reserve capacities are contracted by the System Operator or are traded in the spot market.

manuals, before the proposal is implemented. Mr. Claudio also sought clarification on the implications for ASPs with valid Ancillary Services Procurement Agreements (ASPA) that may fail the re-testing process, including whether such failure would result in the termination of their ASPAs. Ms. Anosan inquired whether the harmonization of the rules and manuals should be undertaken prior to the re-testing of ASPs, such that the updated requirements would serve as the basis for the re-testing process and allow any impacts on affected ASPAs to be addressed accordingly. Mr. Claudio responded that this approach may be feasible and noted that if approved by the DOE, the proposal would become effective 15 days after publication. He then suggested incorporating a transition period, during which the re-testing and re-certification of ASPs must first be completed before the revised manual provisions are implemented.

Mr. Jayson A. Francisco (RCC-Generation Sector) commented that the application of the proposal is prospective and would only affect subsequent certifications and supported the inclusion of a transitory provision to ensure a smooth transition to the proposed compliance framework for ASPs.

- Mr. Orillaza commented that the initial appreciation of the proposal focused on the counting of FDEs. Ms. Anosan agreed and pointed out that the discussions had expanded to cover additional technical matters.

- Mr. Darryl Lon A. Ortiz (RCC-System Operator) noted that the proposal would affect how a provider's performance is evaluated. He explained that exempting providers from violations within the 25-seconds monitoring period may influence compliance assessment results and potentially obscure valid instances of non-compliance. Mr. Ortiz further emphasized that, in power system operations, a 25-second period is a significant amount of time, particularly when a provider fails to respond to frequency changes during that period.

  Mr. Francisco stated that overlapping FDEs should not be treated as non-compliance without clear evidence of intentional masking. In the absence of such evidence, Mr. Francisco supported applying the proposed general rule. He added that ASPs should be presumed to act in good faith and that overlapping FDEs may occur while responding to multiple events.

  Ms. Anosan clarified that the proposed 25-second criterion may result in certain events no longer being flagged, investigated, or monitored for compliance. She emphasized that the concern is the possibility of non-compliance going unmonitored during the 25-second period, rather than considerations related to good faith or bad faith on the part of ASPs.

- Mr. Virgilio C. Fortich, Jr. (RCC-Distribution Sector) sought clarification on whether the proposed amendment only changes the method of counting FDEs and asked whether the proposal is more lenient than the current approach. Ms. Anosan responded that, compared to the current practice where ASPs may be flagged for each occurrence, the proposal could be viewed as more lenient because it allows a longer period before non-compliance is flagged.

- Mr. Orillaza raised a concern regarding a plant participating in the Reserve Market that also has an ASPA with NGCP, noting that while the plant can meet the contractual ASPA requirements, it is having trouble complying with the stricter Reserve Market requirements.

  Mr. Ortiz clarified that the compliance standards are essentially the same, with the main difference being the monitoring interval—currently five minutes for the Reserve Market versus one hour

under the ASPA, which is being considered for alignment to five-minute intervals. He also noted that the proposed changes would provide a more lenient approach to monitoring multiple FDEs occurring within a short period. Ms. Anosan asked whether there were also proposals to amend or revisit the ASPA requirements. Mr. Ortiz responded that he is not aware of any proposals related to proposed changes to SNAP's ASPA.

Ms. Anosan commented that the concern was whether, if the standards are essentially the same and the plant can comply with its ASPA requirements without difficulty, there should also be a corresponding consideration on the WESM side noting that the plant may potentially be addressing the requirements at the same time.

Mr. Francisco explained that ASPs may also propose similar changes to their ASPAs, if applicable. However, under the ASMM, the System Operator is directed to adopt the standards prescribed in the manual into the ASPAs, while differences in monitoring intervals may affect settlements. Mr. Francisco noted that the proponent is seeking amendments to the ASMM since PEMC is recognized by the Supreme Court as the regulatory agency, and the current requirements may result in unintended penalties and reputational concerns. Mr. Francisco added that the proposed changes to the ASMM may eventually serve as the basis for NGCP to adopt corresponding changes in its contracts with ASPs.

- Ms. Anosan requested comments from the body on whether the proposal addresses implementation issues, with transitory provisions that may be introduced to address the SO's recommendation on retesting, and whether the proposal may lead to unintended consequences by allowing non-compliances occurring within the proposed 25-second period to no longer be flagged.

  Mr. Paolo C. Alegre (PEMC-ECO) acknowledged concerns that the proposal may result in a more lenient compliance assessment because multiple FDEs could be counted as a single event. However, he clarified that the intent of the 25-second recovery period is to address momentary recovery during ongoing FDEs. He noted that the proposal may reduce the number of flaggings, while ECO would continue to assess compliance on a case-by-case basis and added that the proposal only affects the counting of FDEs and not the response requirements.

  Ms. Anosan inquired whether the current compliance assessment process, which already considers technical limitations and evaluates flagged FDEs on a case-by-case basis, sufficiently addresses concerns about ASPs being unnecessarily penalized. Mr. Alegre confirmed that each flagged FDE is individually assessed and that the proposal would primarily reduce the number of flaggings by applying the consideration for momentary recovery more broadly. Ms. Anosan noted that facilities that cannot justify their performance would remain non-compliant regardless of the proposed amendment. Mr. Alegre added that consolidating multiple FDEs into a single event could affect compliance outcomes, as assessment would be based on the best response within the consolidated FDE and the applicable response accuracy requirement.

  Mr. Orillaza requested ECO's response to his earlier suggestion of suspending flagging and penalty enforcement to encourage greater participation from ASPs. He added that some flagged FDEs may not involve security concerns and that ASPs are burdened by the resulting compliance process. Mr. Alegre responded that such a suspension would create implementation challenges, as the affected intervals would still need to be assessed at a later stage. Ms. Anosan noted that the suggestion would require further approvals, as it falls outside the scope of the current proposal.

- Mr. Jesusito G. Morallos (RCC-Independent) suggested considering technology-based compliance standards considering the concerns raised by BESS and hydro ASPs. Mr. Ortiz explained that while testing procedures account for different resource types in determining minimum standards, the compliance standards themselves are not technology- or resource-specific.

- Mr. Ortiz suggested referring the proposal to the PEMC-Technical Committee to assess whether the current monitoring requirements for FDE are too stringent for certain types of generating resources. Mr. Ortiz specifically proposed evaluating whether the concern raised by the proponent, a hydropower plant, is also applicable to other generating technologies, including Battery Energy Storage Systems (BESS).

  Mr. Francisco inquired whether the simulations and analyses conducted by PEMC-ECO would be sufficient for the RCC's evaluation of the proposal without referring the matter to the Technical Committee. Mr. Ortiz explained that referral to the Technical Committee is intended for them to assess the proposal's impact on other ASP technologies and potential cost implications not covered by the current simulations. Mr. Carl Angelo B. Dela Cruz (PEMC-ECO) noted that PEMC-ECO's simulations showed no change in the compliance of BESS ASPs, while compliance among hydro ASPs improved, and added that the simulations could be expanded to evaluate impacts on reserve trading amount adjustments and penalties. Ms. Anosan acknowledged that any impact on settlements would be an unavoidable consequence of the proposal.

The Committee further discussed suggestions to temporarily suspend flagging and penalties while harmonization efforts are ongoing. It was noted, however, that such matters involve mechanisms beyond the scope of the current proposal and may require separate approvals.

Agreement/s:

- ✓ The RCC agreed to refer the proposal to the PEMC-Technical Committee (TC) for further assessment, particularly on the technical appropriateness of the proposed 25-seconds criterion and its applicability across different ASP technologies;
- ✓ The RCC request the TC to provide its assessment before the next RCC meeting, if practicable; and
- ✓ The RCC to continue its deliberations and aim to decide on the proposal during the next meeting to avoid unnecessary delay in the proposal's resolution.

5.2 Review of the RCC Internal Rules Issue 9.0

- Draft RCC Resolution No. 2026-05 for the Amendments Rules Change Committee Internal Rules

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For Approval
- Material/s:
  Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026
  Annex C – Draft RCC-RESO-26-05 Amendments to RCC Internal Rules (Issue 9.0)

Proceeding/s:

Mr. Martin presented the background and review process for the proposed amendments to the RCC Internal Rules. He reported that the draft Internal Rules were circulated to the Committee on 19 June 2026 for review and comments. Comments received from 19 June to 14 July 2026 were consolidated and discussed during the Committee's meeting on 17 July 2026, after which members were given until 22 July 2026 to submit additional comments. All comments received were subsequently reviewed, considered, and incorporated, as appropriate, into the proposed amendments and the drafting of the RCC Resolution.

Mr. Martin further presented the draft RCC Resolution, which adopts the revised RCC Internal Rules, documents the Committee's review process, and summarizes the agreed amendments. The resolution includes annexes containing the amendment matrix and the revised RCC Internal Rules, which will supersede the current version. A copy of the draft Resolution is attached as Annex C to this document.

Agreement/s:

- ✓ The RCC approved the RCC Resolution No. 2026-05 and the RCC Internal Rules Issue No. 9.0.

6.0 New Business

6.1 Proposed General Amendments to the WESM Manual on Metering Standards and Procedures regarding Metering Installation Requirements (Proponent: NGCP)

- Publication of the Proposal for Comments on the PEMC Website

- Presenter/s: Mr. Honorio F. Estravez Jr. (NGCP-Proponent)
- Action Requested: For Approval
- Material/s:
  - Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026
  - Annex D – RCC Form 2 - Proposed Amendment to WESM Manual on MSP Issue 16_ NGCP
  - Annex E – RRD Preliminary Assessment of Rules Change Proposal

Proceeding/s:

Mr. Martin provided a brief background of the proposal and reported that the proposal was received by the Secretariat on 07 August 2026, and that the Preliminary Assessment was submitted to the RCC on 11 August 2026.

Mr. Honorio F. Estravez Jr. (NGCP-Proponent) presented NGCP's proposed amendments to the WESM Manual on Metering Standards and Procedures (WESM-MSP) Issue 16.0 specifically the provisions under Chapter 2 on Metering Installation Standards. He explained that, in its capacity as the Metering Service Provider (MSP), NGCP is submitting the proposal to the RCC for review, evaluation, and approval. The proposed amendments aim to improve the clarity, consistency, and practical implementation of metering standards while maintaining the fundamental objectives of metering accuracy, security, and integrity.

Mr. Honorio stated that the proposal is intended to:

1. Align the WESM-MSP with applicable codes and standards, including the Philippine Electrical Code (PEC);
2. Modernize existing requirements to accommodate current and emerging technologies;
3. Make certain requirements more practical and implementable where physical or installation constraints exist, without compromising metering accuracy, security, and integrity; and
4. Remove redundant provisions while clarifying the MSP's responsibilities for metering security and access control.

Mr. Honorio further explained that the proposed amendments cover five key areas, namely:

- Incorporation of the PEC and other applicable standards into the general requirements;
- Adoption of technology-neutral requirements for conduit and communication systems while maintaining appropriate security and protection measures;
- Introduction of flexibility in cases where prescribed arrangements are impracticable due to installation constraints;
- Enhancement of metering security through documentation, verification, and tamper-evident measures; and
- Clarification of access to meter enclosures, including the removal of redundant sealing requirements.

Highlights of the discussion are as follows:

- Mr. Orillaza welcomed the inclusion of the Philippine Electrical Code (PEC) among the standards referenced in the WESM-MSP and sought clarification on which standard would prevail in cases where the PEC, Philippine Distribution Code (PDC), and Philippine Grid Code (PGC) contain inconsistent provisions. Mr. Honorio responded that a hierarchy of standards may need to be established, with the PGC serving as the primary technical standard, followed by the WESM Manual for implementation-related matters, while the other applicable standards, including the PDC and PEC, would be applied accordingly.

- Mr. Orillaza noted that the proposal to remove the rigid conduit requirement appears reasonable and asked whether the requirement originally came from the PEC. Mr. Honorio explained that the existing provision does not clearly define the type of rigid conduit required and that certain flexible conduits may provide protection equal to or better than rigid conduits. He further noted that previous inspections had identified the use of flexible conduits as findings despite acknowledging their suitability in some applications. He added that allowing the use of flexible conduits would provide greater practicality, particularly during limited shutdown periods, and is consistent with industry practice and applications recognized under the PEC.

- Mr. Orillaza commented that the proposal includes the rationale for each amendment and suggested that, during future discussions, NGCP provide specific examples of Review of Metering Installations and Arrangements (RMIA) findings that prompted the proposed changes. He also added that such examples would help the Committee better appreciate the basis for the amendments. Mr. Honorio acknowledged the suggestion and explained that while RMIA findings were considered in developing the proposal, operational considerations were also considered. He added that NGCP would provide additional justification, including relevant examples, if required.

Mr. Martin presented the Secretariat's Preliminary Assessment of the proposal and reported that the proposal complied with the prescribed format and correctly identified the affected provisions and

applicable version of the WESM-MSP. He added that there are no inconsistencies identified with previously approved amendments or DOE issuances, and the proposal was considered sufficiently complete for RCC evaluation (See Annex E).

The Secretariat also noted several matters for the RCC's consideration:

- Consultation with the Technical Committee as Interim Grid Management Committee (IGMC), Distribution Management Committee (DMC), and the Institute of Integrated Electrical Engineers of the Philippines, Inc. (IIEE) to ensure consistency with related WESM rules and industry codes;
- The need for clear implementation criteria; and
- The proposal's linkages to findings and recommendations from previous Review of Metering Installations and Arrangements (RMIA).

In addition, the Secretariat recommended several clarifications and formatting revisions for the proponent.

Agreement/s:

- ✓ The RCC approved the publication of the proposal for solicitation of stakeholder comments, subject to the incorporation of the Secretariat's recommended revisions and corrections;
- ✓ The RCC agreed to formally request comments from the IGMC, DMC, and IIEE on matters relating to the proposal; and
- ✓ The RCC directed the Proponent to submit a revised RCC Form 1 reflecting the comments and formatting corrections identified during the preliminary assessment.

7.0 Other Matters

7.1 Draft Terms of Reference (TOR) for the Market Design and Operations Review (MDOR)

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For Comments
- Material/s:
  Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026
  Annex F – Presentation Material Market Design and Operations Review (MDOR) Project

Proceeding/s:

Mr. Martin presented the proposed Terms of Reference (TOR) for the Market Design and Operations Review (MDOR) Project, which was circulated to the Committee on 31 July 2026, for comment until 21 August 2026. Highlights of the presentation are as follows:

- The MDOR Project will cover an implementation review of the Enhanced WESM Design and Operations (EWDO) and a feasibility study on the potential implementation of a Day-Ahead Market (DAM).
  - The review will assess the effectiveness of existing market design and operational enhancements, identify implementation gaps and opportunities for improvement, and evaluate potential enhancements through consultations, simulations, and impact

assessments. The review period will cover the implementation of the EWDO from 26 June 2021 to 25 June 2026.
  - The DAM study will examine suitable market design options, assess regulatory and operational implications, and develop implementation and transition plans.

- Consultant engagement is targeted within 2026, with the conduct of the study scheduled for the first half of 2027 and the submission of the final report targeted by June 2027.

Agreement/s:

✓ The RCC noted the deadline for submission of comments on the TOR.

7.2 Updates on Proposed Amendments

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For Information
- Material/s: Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026

Proceeding/s:

Mr. Martin provided the following updates on rules change proposals.

Status	Topic
A. Urgent Amendments -Ongoing Implementation	Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions
B. General Amendments under RCC Evaluation	1. Additional Condition for Qualifying a Frequency Drive Event (FDE) 2. Metering Installation Requirements
C. General Amendments for DOE Promulgation	1. Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions 2. Market Surveillance Committee Processes 3. Enforcement Proceedings and Clarifying Compliance Guidelines
D. Deferred Proposals	1. Energy Storage Systems (ESS) 2. Must-Offer Rule (MOR) 3. Harmonization of Market Rules and Manuals with ERC Resolution No. 13 Series of 2024

Agreement/s:

✓ The RCC noted the updates on the rules change proposals.

7.3 DOE Updates

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For Information

- Material/s: N/A

Proceeding/s:

Ms. Martin relayed that the DOE Observers confirmed that they have no updates.

Agreement/s:

✓ The RCC noted this information.

7.4 Schedule of Activities

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For Information
- Material/s: Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026

Proceeding/s:

Mr. Martin presented the following schedule of activities for RCC's information.

Activities	Schedule
RCC Meeting	18 Sep 2026 (Online) 16 Oct 2026 (Face-to-face) 20 Nov 2026 (Online)
Electricity Market Exchange (EMX) and Market Participants' Townhall (MPT)	19 August 2026 at Solaire Resort North

The Committee was likewise informed that Ms. Anosan will serve as the Moderator for the Market Participants' Townhall (MPT) Open Forum.

The Secretariat also informed the Committee that there are no RCC agenda items for discussion in the upcoming BRC and PEM Board meetings.

Agreement/s:

✓ The RCC noted this information.

8.0 Adjournment

The meeting was adjourned at 11:51 AM

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 13 of 126

Prepared by:

[redacted]TU
Rules Review Analyst
Market Assessment Group

Reviewed by:

[redacted]
KAREN A. VARQUEZ
Rules Review Sr. Manager
Market Assessment Group

Noted by:

[redacted]
BIENVENIDO C. MENDOZA, JR.
Chief Market Assessment Officer

Approved by:

[redacted]
RACHEL ANGELA P. ANOSAN
Chairperson, Independent

[redacted]
JESUSITO G. MORALLOS
Member, Independent

[redacted]
JORDAN REL C. ORILLAZA
Member, Independent

[redacted]
EMMANUEL GENESIS T. ANDAL
Member, Independent

[redacted]
DIXIE ANTHONY R. BANZON
Member, Generation Sector
Masinloc Power Partners Co. Ltd. (MPPCL)

[redacted]
JAYSON A. FRANCISCO
Member, Generation Sector
Aboitiz Power Corporation (APC)

[redacted]
CARLITO C. CLAUDIO
Member, Generation Sector
Panasia Energy, Inc./Strategic Energy Development Inc. (PEI/SEDI)

[redacted]
JOSE ILDEBRANDO B. AMBROSIO
Member, Generation Sector
ACEN Corporation (ACEN)

[redacted]

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

[redacted]
RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)

[redacted]
VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO II)

[redacted]
RUSSEL S. ALABADO
Member, Distribution Sector
Angeles Electric Corporation (AEC)

[redacted]
NELSON M. DELA CRUZ
Member, Distribution Sector
Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area I)

[redacted]
GIAN KARLA C. GUTIERREZ
Member, Supply Sector
First Gen Corporation (FGEN)

[redacted]
KRISTOFFER MONICO S. NG
Member, Market Operator
Independent Electricity Market Operator of the Philippines, Inc. (IEMOP)

[redacted]
DARRYL LON A. ORTIZ
Member, System Operator
National Grid Corporation of the Philippines (NGCP)

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex A – Presentation Material 261st RCC (Regular) Meeting 14 August 2026



Philippine Electricity Market Corporation

DATA PRIVACY NOTICE

PLEASE BE INFORMED THAT THE **261ST RCC (REGULAR) MEETING** WILL BE RECORDED USING MS TEAMS FOR DOCUMENTATION PURPOSES AND KEPT IN MICROSOFT SHAREPOINT UNTIL SUCH PURPOSE IS ATTAINED OR THE RETENTION PERIOD AS MANDATED BY PEMC'S INFORMATION SECURITY AND DOCUMENTED INFORMATION POLICY HAS LAPSED.

YOUR VIDEO AND AUDIO MAY BE RECORDED.

BY CONTINUING TO STAY IN THIS MEETING, YOU CONSENT TO THIS RECORDING.

FOR ANY QUESTIONS, FEEL FREE TO CONTACT **RULES REVIEW DIVISION** AT **MAG_RRD@WESM.PH** AND/OR THE DPO AT DPO@WESM.PH

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

God our Father, we gather as your faithful servants and stewards of the resources you have given our nation.

We pray for wisdom that our deliberations in our RCC meeting will consistently be based on the best interest of WESM (in particular) and the government and the Filipino nation (in general), we are sworn to serve.

We pray for courage and boldness to face the challenges that we may meet in the course of performing our task, that calls for the highest standards of honesty, integrity and competence, in order to preserve the trust and confidence given to us by our people.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 17 of 126

We pray that this nation will be able to achieve transparent and reasonable prices of electricity, in a regime of free and fair competition and full public accountability, to achieve greater operational and economic efficiency.

We call on you Heavenly Father to remind us that you can see through our hearts and know our innermost thoughts and intentions.

Guide us every step of the way as we strive to contribute our part for honest and efficient governance so deserved by our people.

These we ask in the name of Jesus Christ, your Son. Amen.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams



CALL TO ORDER

Philippine Electricity Market Corporation



DETERMINATION OF QUORUM

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

DETERMINATION OF QUORUM

Representation/ Sector	Principal Member / Alternate Member		Attendance (AM)		Attendance (PM)	
Independent	Rachel Angela P. Anosan		✓			
	Jesusito G. Morallos		✓			
	Jordan Rel C. Orillaza		✓			
	Emmanuel Genesis T. Andal		✓			
Generation	Dixie Anthony R. Banzon	Michael Valer G. Mariano	✓			
	Jayson A. Francisco	a	✓			
	Carlito C. Claudio	Jessie B. Victorio	✓			
	Jose Ildebrando B. Ambrosio	Ignacio Francisco K. Gonzalez	✓	✓		
Distribution	Ryan S. Morales	Manuel Luis Zagala	✓			
	Russel S. Alabado	Alfredo C. Sanaga, Jr.	✓	✓		
	Virgilio C. Fortich, Jr.	Getulio Z. Crodua	✓			
	Nelson M. Dela Cruz	Darwin T. Daymiel	✓			
Supply	Gian Karla C. Gutierrez	Bryan Alvin A. Calasanz		✓		
Transmission	Darryl Lon A. Ortiz	Clark N. Agustin*	✓			
Market Operator	Kristoffer Monico S. Ng	Lilibeth Grace L. Velus-Magtalas				

*- RCC Alternate Member awaiting PEM Boards' confirmation of their reappointment

Philippine Electricity Market Corporation



ADOPTION OF THE AGENDA

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 20 of 126

ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
I. Call to Order		
II. Determination of Quorum		
III. Adoption of Agenda	Secretariat	For Approval
IV. Draft Minutes of Previous Meetings • *260th RCC (Regular) Meeting, 17 July 2026*	Secretariat	For Approval
V. Matters Arising from Previous Meeting		
5.1 Proposed General Amendments to the WESM Ancillary Services Monitoring Manual Issue 1.2 regarding Additional Criteria for Qualifying a Frequency Driven Event (FDE) • *RCC deliberation on the proposal and the requested position from proponent, commenters, and NGCP*	Secretariat	For Discussion
5.2 RCC Internal Rules Issue 9.0 • *Draft RCC Resolution No. 2026-05 for the Amendments Rules Change Committee Internal Rules*	Secretariat	For Approval
VI. New Business		
6.1 Proposed General Amendments to the WESM Manual on Metering Standards and Procedures regarding Metering Installation Requirements • *Publication of the Proposal for Comments on the PEMC Website*	Secretariat / Proponent	For Approval

11

Philippine Electricity Market Corporation

ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
VII. Other Matters		
7.1 Draft Terms of Reference for the Market Design and Operations Review (MDOR)	Secretariat	For Comments
7.2 Updates on the Proposed Amendments	Secretariat	For Information
7.3 DOE Updates	DOE Observers	For Information
7.4 Schedule of Activities	Secretariat	For information
VIII. Adjournment		

12

Philippine Electricity Market Corporation

[redacted]

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams



IV. DRAFT MINUTES OF PREVIOUS MEETING

- 260th RCC (Regular) Meeting, 17 July 2026

Action Requested: *For Approval*

Philippine Electricity Market Corporation



V. MATTERS ARISING FROM PREVIOUS MEETING

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams



ADDITIONAL CONDITION FOR QUALIFYING A FREQUENCY DRIVEN EVENT (BY SNAP GROUP)

Rationale: To amend Section 5.6.2 of the ASMM by introducing an additional condition to determine the termination of an FDE, in view of the following:

- 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.
- Variances from the Reserve Facility's Frequency Reference compared to the System Frequency.
- Reduction of multiple Frequency Driven Events occurrences.

24 Mar 2026	01 Apr 2026	10 Apr 2026	29 Apr 2026	04 May to 17 Jun 2026	17 Jul 2026	14 Aug 2026	18 Sep 2026	16 Oct 2026
❑Receipt of the Proposal*	❑Submission of the Preliminary Assessment of the proposed amendment to the RCC	❑RCC re-classified the proposal as General Amendment and approved the publication of proposal for comments in the PEMC Website**	❑PEM Board concurred with RCC's Decision***	❑Commenting period of the proposal ❑Commenters: ACEN, Cleanergy, DOE, PEI & SFDI, PEMC, SMGP, NGCP, GNPK & TC	❑Discussion of proposal and comments/ response to the RCC	❑Deliberation of the proposal	❑Presentation and review of the draft resolution	❑Approval of the RCC Resolution.

Concluded Activities
Current Activity
Upcoming Activities

*Originally submitted as Urgent Proposal
**RCC Resolution No. 2026-03
***PEM Board Resolution No. 2026-95-03

16

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

DISCUSSION RECAP DURING THE 260TH RCC MEETING

- SNAP's response to comments
  - Multiple overlapping FDEs have resulted in non-compliance flags, imposing significant operational, financial, and reputational burdens on Ancillary Service Providers (ASPs) despite their operational response.
  - The proposed 25-second recovery period is modeled after the Automatic Generation Control (AGC) requirement while accounting for generator mechanical limitations.
  - SNAP expressed openness to alternative recovery durations based on technical data from NGCP and ASPs.

- Concern regarding 25-second recovery period from the BESS Facilities
  - SMGP expressed concern that a strict 25-second recovery window and non-return to 60 Hz (stopping only within the deadband) forces state-of-charge (SOC) management, potentially reducing response capacity (e.g., by 4 MW) and improperly classifying compliant responses as non-compliant.

17 Philippine Electricity Market Corporation

DISCUSSION RECAP DURING THE 260TH RCC MEETING

- GNPK's Proposed Amendment to the Response Accuracy Formula
  - The RCC ruled this out-of-scope for the FDE amendment agenda and advised submitting a separate formal rules change proposal.

- PEMC-ECO's Presentation of Simulation & Assessment
  - PEMC-ECO clarified that FDE counts are criteria-based (driven by ASM Manual thresholds and plant deadband settings) rather than indicators of actual grid contingency events.
  - Variations in simulation results across technologies stem from deadband/droop settings and ASP participation volume per reserve category rather than technology-specific monitoring standards (which remain uniform).
  - The proposed rules change is primarily a post-event compliance and penalty monitoring refinement and does not alter real-time ASP physical response duties to System Operator (SO) dispatch.

18 Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

DISCUSSION RECAP DURING THE 260TH RCC MEETING

- NGCP's Presentation of RCC Requested Information relative to the Proposal
  - Difference in performance monitoring between contracted Ancillary Services Procurement Agreements (ASPAs) and the Reserve Market exists largely due to monitoring intervals (hourly vs. 5-minute market intervals).
  - NGCP confirmed active efforts to harmonize ASPA performance assessment methodologies with the Reserve Market standard pursuant to a DOE directive.
  - While RCC inquired if the proposal could be deferred until full harmonization, SNAP stressed the immediate need to address financial and reputational impacts, though remaining open to further joint studies.

19

Philippine Electricity Market Corporation

MATTER RAISED DURING THE DISCUSSION OF THE PROPOSAL

The RCC agreed to continue its review during the next RCC meeting and in consideration of:

1. ASPs' positions regarding the potential impact of the proposal on Compliance Assessments
2. SNAP's written response to NGCP's presentation and present data/information to support their proposal
3. SNAP and NGCP to provide an assessment of how the proposal affects Reserve Market Settlements

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

1. ASP RESPONSE

Position of Ancillary Service Providers (ASPs) regarding the potential impact of the proposal on Compliance Assessments

Response from SMGP:

- Contingency Reserve: No concerns regarding the potential impact of the proposal on compliance assessments.
- Regulating Reserve (BESS): Concerns remain regarding compliance assessments, as certain operations during State of Charge Management (SOCM) will cause an under-response and lead to non-compliance.

Note: 2 of 5 ASPs responded to request to submit positions

1. ASP RESPONSE

Position of Ancillary Service Providers (ASPs) regarding the potential impact of the proposal on Compliance Assessments

Response from Cleanergy:

- Implementing a 25-second normalization period consolidates these rapid oscillations for RR and CR into a single event, ensuring metrics accurately reflect the plant's sustained physical contribution to the grid.
- The proposed amendment impacts ex-post compliance assessment rather than altering or degrade real-time grid operations.

Note: 2 of 5 ASPs responded to request to submit positions

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

2. PROPONENT RESPONSE

SNAP's response to NGCP's presentation

Topic	NGCP	SNAP
1. Comments on whether PEMC-ECO's proposed wording remains fully aligned with the operational realities of AS procurement by the SO in the Reserve Market	• Proposed rewording provides clarity for compliance monitoring. • Introduction of a fixed 25 second termination may not reflect the dynamic nature of RR operations. • Proposal requires further harmonization with SO dispatch logic and validation methodologies, including simulations based on actual events.	• Proposal does not, in any way, alter the actual performance of ASPs to an FDE. • Proposal seeks to clarify how compliance is monitored and assessed when multiple or overlapping FDEs occur. • ASMM primarily functions as a post-event compliance and settlement tool, not a manual for real-time operations. • The proposed 25-second recovery period aims to address frequent deadband crossings over short intervals.

2. PROPONENT RESPONSE (CONT'D)

SNAP's response to NGCP's presentation

Topic	NGCP	SNAP
2. Impact on operations and monitoring, and whether the 80% average Response Accuracy threshold should be updated	• Due to consolidation of multiple FDEs into a single event and extension of the evaluation period through the 25-second normalization condition, the proposal may lead to an apparent increase in Average Response Accuracy without actually improving physical generator response • Changing the FDE definition requires reviewing the 80% threshold through historical back-testing and reliability impact studies. • The 80% threshold should remain until such analysis is completed.	• The objective of the proposal is not to improve the response capability of generating units, nor to modify the existing response accuracy . • The proposal does not mask short-term response deficiencies; rather it aligns the compliance methodology with actual operating characteristics and inherent limitations of generating units while maintaining the same technical response requirements. • The existing 80% Average Response Accuracy should remain unchanged.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

2. PROPONENT RESPONSE (CONT'D)

SNAP's response to NGCP's presentation

Topic	NGCP	SNAP
3. Difference in data measurements between GenCo and ECO	• The system frequency submitted from the SO to PEMC-ECO is based on the GPS-synchronized frequency extracted from the eDNA historian, which is recorded to more than three decimal places. • GenCo uses its own frequency measurement from its own device while the Regional Control Center does not provide an analog frequency output to generating facilities for system frequency monitoring. • Discrepancy between the system frequency reported by the Control Center and the frequency measured at GenCo is expected, as these values are derived from different sources.	The SO's acknowledgment that plant-level and Control Center frequency readings naturally differ during rapid system shifts directly supports the rationale for this amendment. Under the current framework, these measurement gaps and transient oscillations create unfair, overlapping FDE assessments for ASPs that are continuously responding to a single event. Adopting the 25-second normalization rule resolves this timing mismatch without changing unit technical requirements, and we recommend its implementation subject to ongoing stakeholder review.

Philippine Electricity Market Corporation

2. PROPONENT RESPONSE (CONT'D)

SNAP's response to NGCP's presentation

Topic	NGCP	SNAP

4. Applicability of the 25-second normalization period to all Reserve Type	• AGC:
	  • AGC response is typically assessed within a 32-second period
	  • Because changing Area Control Error (ACE) can trigger a new AGC command before the 32-second execution cycle completes, performance must be evaluated only for the actual duration the command remained valid.
	• GCM:
	  • GCM may respond immediately to frequency deviation, depending on its configured deadband.
	  • Performance evaluation should consider the actual response delivered during the period in which the frequency deviation persists, rather than requiring complete attainment of nominal frequency.
	• Differentiated approach (by reserve type and/or technologies or further technical justification is required.
		• The proposal and PEMC-ECO's corresponding rewording, do not require system frequency to return to 60 Hz before a FDE is considered terminated. Rather, the proposal requires that the system frequency return to within the applicable deadband and remain within that range for a continuous period of 25 seconds before a new FDE may be recognized.
		• Technology- or reserve-differentiated approaches require further study, as the Reserve Market only commenced in 2024 and operational experience remains limited.

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

2. PROPONENT RESPONSE (CONT'D)

SNAP's response to NGCP's presentation and present supporting data/information for their proposal

Topic	NGCP	SNAP
5. Adoption of the rule into SO's contracted ASPs once the proposal is approved	Adoption will only proceed after completion of technical validation, confirmation of operational consistency, and formal regulatory and contractual alignment. The rule should be carefully assessed to ensure that the revised requirement remains technically achievable and aligned with the actual response characteristics of the resource.	With respect to the applicability of the proposed amendment to the ASPA, SNAP respectfully defer to the wisdom of the DOE on the appropriate implementation approach. Nevertheless, SNAP respectfully submit that, regardless of whether corresponding amendments to ASPAs will be adopted immediately or subsequently, the proposed methodology should be implemented for the Reserve Market without unnecessary delay, considering the current compliance issues experienced by ASPs.

Philippine Electricity Market Corporation

2. PROPONENT RESPONSE (CONT'D)

SNAP's response to NGCP's presentation

Topic	NGCP	SNAP
6. Potential Risk if the Proposal will be implemented	Identification of any potential risks to system security requires rigorous simulation and sensitivity analysis.	• Using different FDE methodologies between the Reserve Market and bilateral ASPAs may lead to inconsistent compliance assessments for ASPs providing identical ancillary services. A harmonized framework would promote consistency, fairness, and regulatory certainty across the market. • Contractual amendments require coordination, but contractual alignment should not delay implementing changes that address active compliance concerns. Corresponding updates to bilateral ASPAs can be handled in due course through appropriate regulatory processes.

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

2. PROPONENT RESPONSE (CONT'D)

SNAP's response to NGCP's presentation

Topic	NGCP	SNAP
7. Impact of the proposed revisions on system operation, and its effect on the technical performance of GenCo and ASPs	The proposal should undergo joint technical validation and event-based simulation using actual system data prior to approval and implementation. Current ASPs are tested and certified without consideration of the termination based on the 25-second logic. Such proposal will affect current testing procedures which require re-testing of all ASP's operating on GCM.	• Requests clarification on the specific technical issues that would necessitate re-testing currently certified ASPs operating in GCM • Since the proposal only alters the FDE termination methodology for compliance monitoring (without changing technical response requirements), SNAP would appreciate NGCP's explanation of how the 25-second period impacts testing. SNAP is open to recommendations from NGCP that prevent overlapping FDEs while resolving these concerns.

3. IMPACT TO RESERVE MARKET SETTLEMENTS

SNAP and NGCP to provide an assessment of how the proposal affects Reserve Market Settlements

NGCP	SNAP
NGCP, as the System Operator, has no responsibility over reserve settlements in the WESM; therefore, any impact of the proposal on reserve settlement processes and outcomes is best addressed by the Market Operator and other relevant market settlement entities.	• The proposal aligns compliance assessments with actual unit performance and physical generator limitations, ensuring ASPs are not unfairly penalized or denied payment for overlapping FDEs during sustained disturbances. • While protecting consumer interests, it ensures ASPs that actively support grid reliability are fairly compensated under realistic operating standards. • Recommend to adopt the proposal subject to continuous monitoring, periodic reviews, and ongoing technical evaluation by stakeholders.

MEETING MINUTES

Philippine Electricity Market Corporation

ADDITIONAL INFORMATION REQUESTED FROM NGCP

Topic	NGCP
1. SO's ASP compliance monitoring on contracted RR and CR response accuracy • *To ascertain NGCP's recommendation on the need to harmonize the ASP compliance monitoring for contracted reserves and in the WESM*	• NGCP did not specifically recommend the harmonization of ASP compliance monitoring for contracted reserves and reserves participating in the WESM. NGCP's position is to implement compliance monitoring in accordance with Section 5.1.2 of the Ancillary Services Monitoring Manual (ASMM). • NGCP's compliance monitoring of contracted ASPs, including RR and CR response accuracy, is being aligned with the Reserve Conformance Standards prescribed in the ASMM and implemented in compliance with the DOE directive, thereby supporting the harmonization of performance monitoring across both contracted reserves and the WESM. • However, differences remain in the application of penalties and the enforcement of contractual obligations.

Philippine Electricity Market Corporation

ADDITIONAL INFORMATION REQUESTED FROM NGCP

Topic	NGCP
2. Certification and testing methodologies for ASPs that may be affected by the proposal	• Under current testing methodology for ASPs operating in GCM, FDE is considered to have ended once the system frequency returns within the unit's deadband region, as no alternative event termination criteria are currently defined. The proposed introduction of additional or revised FDE termination conditions would change the basis upon which ASP performance and response capabilities are assessed during the certification. • Consequently, ASP certificates issued under the existing FDE framework may require re-validation or re-certification following the implementation of the proposal to confirm that the certified ASPs continue to satisfy the updated performance criteria and comply with the revised certification requirements.

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

OTHER MATTER RAISED

- On 11 August 2026, Prof. Jordan Rel C. Orillaza proposed the following for the Committee's consideration:
  - Allow the SO and WESM (MO and PEMC) to align performance assessment standards for ancillary service power plants across both contracted reserves and reserve market procurements. Any rules change should be based on such harmonization work.
  - While this harmonization work is conducted, continue PEMC monitoring but temporarily suspend flagging and penalty enforcement to address the proponents' request for expediency.

Philippine Electricity Market Corporation



5.2 RCC INTERNAL RULES ISSUE 9.0

- **Draft RCC Resolution No. 2026-05 for the Amendments Rules Change Committee Internal Rules**

Action Requested: *For Approval*

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

ACTION REQUESTED

- For approval of the Draft RCC Resolution No. 2026-05 for the Amendments Rules Change Committee Internal Rules

36

Philippine Electricity Market Corporation

TIMELINE

19 June 2026	19 June -14 July 2026	14 July 2026	17 July 2026	14 August 2026	20 August 2026
❑Submission of the document to the RCC for review and comments	❑Solicitation of comments from the RCC	❑Submitted the Consolidated Comments to the RCC	❑Discussion of Consolidated Comments	❑Finalization of the RCC Internal Rules Issue 9.0 and approval of RCC resolution	❑Publication of the RCC resolution in the PEMC website

Concluded Activities
Current Activity
Upcoming Activities

37

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 33 of 126



VI. NEW BUSINESS

Philippine Electricity Market Corporation



6.1 PROPOSED GENERAL AMENDMENTS REGARDING METERING INSTALLATION REQUIREMENTS

Action Requested: *For Approval*

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

ACTION REQUESTED

- For approval of Publication of the Proposal for Comments to PEMC Website

40

Philippine Electricity Market Corporation

METERING INSTALLATION REQUIREMENTS (BY NGCP)

Rationale: The proposed amendments seek to improve the clarity, consistency, and practical implementation of the WESM Metering Standards and Procedures without altering the fundamental objectives of metering accuracy, security, and integrity.

7 Aug 2026	11 Aug 2026	14 Aug 2026	20 Aug to 03 Oct 2026	16 Oct 2026	20 Nov 2026	11 Dec 2026
❑Receipt of the Proposal*	❑Submission of the Preliminary Assessment of the proposed amendment to the RCC	❑RCC Approval of the publication of proposal for comments in the PEMC Website	❑Commenting period of the proposal	❑Discussion of proposal and comments/ response to the RCC	❑Deliberation of the proposal	❑Presentation, review, and approval of the draft resolution

Concluded Activities
Current Activity
Upcoming Activities

41

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams



VII. OTHER MATTERS

Philippine Electricity Market Corporation



7.1 DRAFT TERMS OF REFERENCE FOR THE MARKET DESIGN AND OPERATIONS REVIEW (MDOR)

Action Requested: *For Comments*

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 36 of 126

ACTION REQUESTED

- For Information

44

Philippine Electricity Market Corporation

TIMELINE OF SUBMISSION



Concluded Activities
Current Activity
Upcoming Activities

45

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

BACKGROUND

- Included in PEMC's Corporate Strategic Plan for 2023-2025 is the assessment of the implementation of the Enhanced WESM Design and Operations (EWDO).
- In 2023, the DOE and various stakeholders remarked that an assessment would be more appropriate once the major market components (EWDO, WESM Mindanao, Reserve Market) have reached a more stable level of implementation
- On 26 November 2025, the DOE recommended for PEMC to proceed with the MDOR activities.

46

Philippine Electricity Market Corporation

MDOR PROJECT

- Market Design and Operations Review (MDOR) is a project to conduct, via engagement of external consultant(s), a comprehensive **evaluation of the effectiveness of the EWDO**
- MDOR shall have two (2) study components:
  1) Enhanced WESM Design and Operations Implementation Review; and
  2) Feasibility Study on Day-ahead Market
- Period covered: 26 June 2021 – 25 June 2026

47

Philippine Electricity Market Corporation

MDOR SCOPE OF WORK
Enhanced WESM Design and Operations Implementation Review

1. Evaluate the effectiveness of the enhancements made to the WESM design and operations, as enumerated in DOE DC 2015-10-0015;
2. Assess the completeness of EWDO implementation and identify gaps;
3. Identify current market design issues, including energy and reserve market co-optimization, and recommend improvements;
4. Conduct stakeholder consultations and focus group discussions;
5. Perform simulations and impact analyses, and identify necessary rule changes; and
6. Present reports to PEMC, DOE, ERC, IEMOP and, as necessary, WESM Governance Committees.

48

Philippine Electricity Market Corporation

MDOR SCOPE OF WORK
Feasibility Study on Day-ahead Market

1. Determine suitable day-ahead market design considering local conditions and current developments using historical data, system simulations, and cost-benefit analyses;
2. Conduct stakeholder consultations and focus group discussions with market participants and relevant agencies;
3. Provide simulations and impact analysis to support the design recommendations;
4. Review market policies, regulations, rules, and procedures that will be affected by, or will influence the implementation;
5. Cost estimate of the implementation including but not limited to information system changes, consultancy, training, and system impact studies;
6. Provide project implementation and general transition plans and schedules covering selection of consultants, procurement of systems, acceptance testing, operator/participant training, limited live dispatch, and commercial operations; and
7. Present reports to PEMC, DOE, ERC, IEMOP and, as necessary, WESM Governance Committees

49

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

PROJECT SCHEDULE



50

Philippine Electricity Market Corporation



7.2 UPDATE ON THE PROPOSALS

Action Requested: *For Information*

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

UPDATES ON THE PROPOSALS

Urgent Amendments – Ongoing implementation (1)

	Proposal	Proponent	Update/Status
1	Proposed **Revision to the Urgent Amendments** to the Ancillary Services Monitoring Manual (WESM ASMM) regarding **Reserve Conformance Standards** and related Enforcement Actions	PEMC	• 10 December 2024 - Approval of proposal (PEM Board Resolution No.2024-79-01) • 28 May 2025 – 1st Extension of effectivity PEM Board Resolution No. 2025-85-03 • 27 Nov 2025 – 2nd Extension of effectivity (PEM Board Resolution No. 2025-90-02) • 29 Apr 2026 – 3rd Extension of effectivity (PEM Board Resolution No. 2026-95-02) • **Effectivity of the WESM ASMM Issue 1.2: 12 June 2026 to 12 December 2026**

Philippine Electricity Market Corporation

UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (2)

	Proposal	Proponent	Update/Status
1	Proposed Urgent Amendments to the WESM Ancillary Services Monitoring Manual Issue 1.2 regarding Additional Criteria for Qualifying a **Frequency Driven Event (FDE)**	SN Aboitiz Group	• 24 Mar 2026 – Submission of the Proposal • 27 Mar 2026 – Submission of the Revised Proposal • 10 Apr 2026 – RCC discussed the proposal and reclassified it as a General Amendment • 29 April 2026 – PEM Board concurred with the RCC's reclassification and approved posting of the proposal on the PEMC website for stakeholder comments (PEM Board Resolution No. 2026-95-03) • 04 May 2026 to 17 June 2026 – posting in the PEMC Website to solicit comments • Comments received from: ACEN, Cleanergy, DOE, PEI & SEDI, PEMC, SMGP, NGCP, GNPK & TC • **17 July 2026 - Discussion of proposal and comments/ response to the RCC**

Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (2)

	Proposal	Proponent	Update/Status
2	Proposed General Amendments to the WESM Manual on Metering Standards and Procedures **regarding Metering Installation Requirements**	NGCP	• 07 Aug 2026 – Submission of the Proposal • **14 Aug 2026 – RCC Approval of the publication of proposal for comments on the PEMC Website**

Philippine Electricity Market Corporation

UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (3)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments to the WESM Rules and various WESM Market Manuals regarding **Energy Storage Systems** in view of the DOE DC2023-04-0008	IEMOP	• Commenting period 22 August 2024 to 07 October 2024 • Received comments from MERALCO, MEI/PEI, SPC/SIPC, MGEN, SNAP, APC, NGCP, ACEN, PEMC, and Technical Committee (TC) • 13 December 2024 - Deferred (As requested by proponent) pending the forthcoming issuance of the ERC Rules on Energy Storage Systems • 02 December 2025 - DOE IEC on CSP Policy and Public Consultation on ESS Policy • 15 April 2026 – RCC sent a letter to IEMOP requesting updates on this matter. • 15 May 2026 – IEMOP will provide response to RCC's letter, awaiting revision of ESS Rules • **03 July 2026 – IEMOP informed, via email that they intend to withdraw the proposal and submit new proposal that incorporates the supplemental guidelines for ESS.** • **17 July 2026 – IEMOP advised that the revised proposal is targeted for submission by October 2026**

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (3)

	Proposal	Proponent	Update/Status
2	Proposed Amendment to the WESM Rules and WESM Manual on Dispatch Protocol regarding **Must-Offer Rule**	GNPK	• 18 October 2024 – RCC deferred deliberations pending DOE's response to GNPK • 25 October 2024 – GNPK letter to DOE on issues and concerns (cc RCC) • 05 March & 14 August 2025 – RCC letter to GNPK requesting for updates on the proposal • 16 September 2025 – Receipt of GNPK response (GNPK is requesting the RCC to await the results of GNPK's consultation with DOE) • **19 September 2025 – Deferred (Approved GNPK's request for deferment of their proposal)**

Philippine Electricity Market Corporation

UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (3)

	Proposal	Proponent	Update/Status
3	Proposed General Amendments on the Harmonization of the WESM and Retail Rules and Market Manuals with **ERC Resolution No. 13 Series of 2024** ("A Resolution Adopting the Omnibus Rules for Customer Choice Programs")	IEMOP	• Commenting period: 08 September 2025 to 20 October 2025 • Comments received from ACEN, APC, MERALCO, RESA and PEMC • 21 Nov & 12 Dec 2025 – RCC Deliberation (2 Meetings) • **16 Jan 2026 – Deferred (as requested by the Proponent) pending ERC's revision of the Omnibus Rules**

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

UPDATES ON THE PROPOSALS

General Amendments – For DOE Promulgation (3)

	Proposal	Proponent	Update/Status
1	Proposed **Revision** to the Urgent Amendments to the **Ancillary Services Monitoring Manual regarding Reserve Conformance Standards** and related Enforcement Actions	PEMC	• 28 May 2025 – Approval of proposal (PEM Board Resolution No. 2025-85-02) • 11 June 2025 – Submitted to DOE for approval and ERC for information • **02 & 24 September & 07 October 2025 – DOE public consultation**
2	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the **Market Surveillance Committee Processes**	MSC	• 28 Jan 2026 – Approval of the Proposal (PEM Board Resolution No. 2026-92-03) • **23 Feb 2026 – Submitted to DOE for approval and to ERC for information**
3	Proposed General Amendments on **Enforcement Proceedings and Clarifying Compliance Guidelines**	PEMC	• 15 May 2026 – RCC's Approval • **27 May 2026 – approved by PEM Board (PEM Board Resolution No. 2026-96-01)** • **03 June 2026 – endorsed to DOE for approval; furnished to ERC for information**

Philippine Electricity Market Corporation



7.3 DOE UPDATES

Action Requested: *For Information*

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams



7.4 SCHEDULE OF ACTIVITIES

Action Requested: *For Information*

Philippine Electricity Market Corporation

SCHEDULE OF ACTIVITIES

RCC Meetings
- 18 Sep 2026 (Online)
- 16 Oct 2026 (Face-to-face)
- 20 Nov 2026 (Online)

PEMC Events
- 19 August 2026 – EMX & MPT

Note: There is no RCC agenda for the BRC and PEM Board Meetings in August 2026.

61

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

PEMC OFFICE RELOCATION

When: 28 September 2026

Where: 21st and 22nd Floor One Filinvest, Ortigas Avenue cor. ADB Avenue and Sapphire Road, Ortigas Center Pasig City



62

Philippine Electricity Market Corporation



VIII. ADJOURNMENT

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 46 of 126



MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 47 of 126

Annex B - SN Aboitiz Power's General Comment to SO Responses

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

SN ABOITIZ POWER'S GENERAL COMMENT TO SO RESPONSES:

We thank NGCP for its comments on our proposal.

We likewise reiterate that SNAP's proposal does not alter the actual response, response accuracy, or technical performance of ASPS. Generating units will continue to respond based on their actual setpoint. The proposal merely refines the methodology for compliance monitoring by providing a clearer and more objective basis for delineating multiple or overlapping FDEs. Accordingly, we respectfully submit that a distinction should be made between the actual operational response of an ASP and the methodology used to assess compliance.

In this regard, should NGCP, in its capacity as the SO, have further concerns regarding the proposed 25-second recovery period, we respectfully welcome any alternative recovery period or methodology, together with the corresponding technical basis and supporting analysis, that would effectively address the issue of overlapping FDEs while maintaining system reliability and ensuring fair, objective, and operationally realistic compliance monitoring.

Further, considering the continuing impact of the current methodology on ASPs, particularly the imposition of penalties and non-payment despite the actual provision of ancillary services, we respectfully submit that a timely and technically supported alternative proposal or methodology from the NGCP/SO would greatly assist the DOE and the Rules Change Committee in arriving at a balanced, practical, and technically robust resolution of this proposal.

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
DOE	We would like to express our conditional support for PEMC-ECO's proposed rewording of the proposal attached below, taking into consideration PEMC-ECO's simulations and comparative metrics for Regulating Reserve (RR) and Contingency Reserve (CR) to mitigate overlapping Frequency Driven Events in relation to the proposal. However, such support remains subject to further comments and recommendations, as well as the concurrence and further simulation and analysis of the National Grid Corporation of the Philippines (NGCP), in its capacity as the System Operator (SO) and sole buyer of reserves in the Reserve Market, with the revised proposal. It is likewise noted that certain parameters in the Reserve Conformance Standards under the Ancillary Services Monitoring Manual (ASMM) utilize compliance monitoring parameters established by the SO for contracted Ancillary Services (AS) Procurement Agreements.	We thank the DOE for its conditional support of PEMC-ECO's proposed rewording, which SNAP likewise supports. We recognize the DOE's position that the System Operator's (SO's) concurrence is necessary to ensure that the revised proposal remains aligned with the operational realities of Ancillary Services (AS) procurement in the Reserve Market, including the technical parameters governing Contingency Reserve (CR) and Regulating Reserve (RR). We respectfully request the DOE to consider either SNAP's proposal or PEMC-ECO's counterproposal, subject to continuous and regular monitoring, periodic review, and further technical evaluation by the relevant stakeholders, following its implementation. This approach would allow the proposal to be implemented without further delay, ensuring fair and practical monitoring of	From the SO perspective, the proposed re-wording introducing explicit termination conditions (i.e., recovery within deadband and a 25 second sustain period) provides clarity for compliance monitoring. However, FDE recognition in real-time operations is closely tied to actual system disturbance behavior and dispatch requirements, rather than fixed-duration recovery thresholds. The introduction of a fixed 25 second termination criterion may not reflect the dynamic nature of RR operations, where frequency may cross the deadband multiple times within short intervals. The proposal requires further harmonization with SO dispatch logic and validation methodologies, including simulations based on actual events, before it can be considered fully aligned.	We respectfully clarify that SNAP's proposal does not, in any way, alter the actual response of ASPs to a FDE. The required response, response accuracy, and technical performance of generating units remain unchanged. The unit continues to respond in accordance with its actual setpoint, which remains the reference for a plant to respond rather than the actual power load. Accordingly, the proposed amendment to the ASMM does not compromise system reliability or frequency response. Rather, the proposal seeks to clarify how compliance is monitored and assessed in situations where multiple or overlapping FDEs occur within a short period. In this regard, we respectfully submit that a distinction should be made between the actual operational response of an ASP and the methodology used for compliance monitoring. While an ASP continues to provide a continuous and appropriate

Template version: 25 April 2024

Page 5 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 48 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
	Therefore, the concurrence of the SO with PEMC-ECO's proposed rewording of the proposal is essential to ensure that PEMC-ECO's revised proposal remains fully aligned with the operational realities of AS procurement by the SO in the Reserve Market, including the corresponding technical parameters governing CR and RR. **PEMC-ECO's Proposed Rewording** (as discussed during the 257th RCC Meeting) ASMM 1.2 5.6.2 xxx xxx xxx The event will qualify as Frequency-Driven Event, for this purpose, if: 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; **The Frequency Driven Event shall be deemed to have terminated when:** **ac.** the frequency has normalized within the deadband setting by 0.02Hz for conventional generating units and 0.01 Hz for battery energy storage systems; and **bd.** the frequency has normalized and stayed within such the threshold (as defined in item c.) for at least 25 seconds **or has reached the nominal frequency of 60Hz, whichever comes first**. ~~**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.**~~	merchant Ancillary Services Providers (ASPs), while enabling the methodology to be refined based on actual operating experience and the accumulation of sufficient operational data. Considering both the general and specific comments of NGCP, we note that there is currently insufficient operational data to comprehensively assess the applicability of either SNAP's proposal or PEMC-ECO's counterproposal, particularly for hybrid and fast-responding technologies and scenarios involving capacity constraints. Given that the Reserve Market only commenced operations in 2024, the available operational data remains limited. We would also like to note that the continued delay in the implementation of this proposal puts merchant ASPs at a difficult situation wherein provision of AS are always under the risk of both penalty and non-payment as a result of inherent constraints arising from overlapping multiple Frequency-Driven Events (FDEs). Thus, even if an ASP was able to contribute to the grid through the provision of AS in actuality, it is still being unfairly penalized due to the inherent mechanical and physical constraints during these events. This results in a potential "chilling effect" wherein merchant ASPs would re-evaluate/reconsider providing ancillary services due to the implementation of the current FDE definition. Moreover, implementing this proposal, subject to consistent and regular review, will benefit the Reserve Market and the grid by		response during a sustained frequency disturbance, the current methodology may classify rapid oscillations across the deadband as multiple independent FDEs, potentially resulting in repeated compliance assessments and penalties for what is effectively a single, continuous event. We likewise respectfully submit that the ASMM primarily serves as an ex-post compliance monitoring and settlement adjustment framework, rather than a real-time operational manual. While the SO appropriately manages the power system based on dynamic real-time conditions, compliance monitoring benefits from objective, consistent, and predictable criteria to ensure fairness and uniform application across all market participants. The proposed 25-second recovery period is intended to address situations where system frequency repeatedly crosses the deadband within a short interval. Given the inherent physical and mechanical characteristics of generating units, particularly large turbines and governor systems, it may not always be practical for these units to instantaneously normalize their output each time the frequency briefly re-enters and exits the deadband. Recognizing these operational characteristics through a single FDE window during sustained disturbances provides a more representative basis for compliance assessment while maintaining the required technical response from ASPs.

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 49 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
		ensuring fair and physically feasible standards under the ASMM. We believe this represents a practical and balanced approach to immediately addressing the issue of overlapping FDEs, which currently expose ASPs to non-compliance findings, penalties, and potential non-payment, while allowing the methodology to be validated, refined, and enhanced over time through evidence-based technical assessment.		We also note that PEMC-ECO has conducted extensive simulations using actual operational data, which indicate that the proposed methodology can reduce unnecessary compliance findings without adversely affecting compliance clarity or grid security. While we acknowledge that operational experience under the Reserve Market remains limited, this is expected considering that commercial operations only commenced in 2024. As such, we respectfully submit that additional operational data can best be obtained through actual implementation, accompanied by appropriate monitoring and evaluation. In view of the foregoing, we respectfully recommend the implementation of the proposed methodology, or PEMC-ECO's counterproposal, subject to continuous monitoring, periodic review, and further technical assessment by the System Operator, PEMC-ECO, and the relevant stakeholders. A post-implementation review after six (6) months would provide an opportunity to evaluate the effectiveness of the methodology using actual operational experience and to introduce refinements, if warranted, based on objective evidence. We believe that this balanced approach addresses the current compliance concerns of ASPs while preserving the ability of the SO and other stakeholders to further enhance the methodology as additional operational experience is gained.

Template version: 25 April 2024

Page 7 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 50 of 126

Philippine Electricity Market Corporation

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
PEMC	PEMC supports the proposal to have clear conditions to define the end of a Frequency Driven Event (FDE). However, the proposed amendment may require insights from the System Operator (SO) on the following: • The impact of overall operation and monitoring and whether the current 80% Average Response Accuracy per relevant settlement interval needs to be updated as the proposed amendment suggests in increase in accuracy due to longer evaluation period rather than an actual change in plant performance. • The difference in data measurements between generating companies (GenCo) and the Enforcement and Compliance Office (ECO). The Proponent raised that while GenCo respond based on plant-level frequency, ECO's performance monitoring uses system frequency, which is measured up to three decimal places. • Whether the 25-second normalization period is applicable to all reserve types and technologies. • Whether the SO will adopt this rule into its contracted ASPs once the proposal is approved. • Any risks to system security if this proposal will be implemented For reference, we refer to the simulation presented by PEMC-ECO during the RCC meeting held on 10 April 2026. The results confirm that the proposal's objective—to prevent unnecessary flagging of possible breaches arising from sequential frequency	We appreciate PEMC-ECO's support for SNAP's proposal. We also note PEMC-ECO's position that the SO's inputs are necessary in evaluating the proposal. Considering the general and specific comments provided by NGCP, we reiterate that there is currently insufficient operational data to comprehensively assess the applicability of either SNAP's proposal or PEMC-ECO's counterproposal, particularly for hybrid and fast-responding technologies and scenarios involving capacity constraints. As the Reserve Market has only been operational since 2024, we respectfully request that either SNAP's proposal or PEMC-ECO's counterproposal be implemented without further delay, subject to continuous monitoring, regular review, and further technical evaluation by the relevant stakeholders. This approach will enable the methodology to be refined based on actual operating experience and the availability of sufficient operational data. As previously noted, the delay in the implementation of this proposal places merchant ASPs in a difficult situation where the provision of AS remains under the threat of both penalty and non-payment as a result of inherent constraints arising from overlapping FDEs. Thus, even if an ASP has actually contributed to grid reliability through the provision of AS, it may still be unfairly penalized due to the mechanical and physical constraints associated with these events. This results in a "chilling effect," wherein merchant ASPs may re-evaluate/reconsider their participation in	2. The SO recognizes that the proposed amendment may lead to an apparent increase in compliance (Average Response Accuracy) due to consolidation of multiple FDEs into a single event, and extension of the evaluation period via the 25 second normalization condition. However, this improvement is methodological rather than physical, as it does not necessarily indicate improved generator response capability. The longer evaluation window may mask short-term response deficiencies. Any change to FDE definition should be accompanied by a review of the 80% threshold, supported by historical back-testing, comparative performance analysis, and validation that system reliability is not compromised. Until such analysis is completed, no immediate adjustment to the threshold is recommended.	We respectfully clarify that the objective of the proposal is not to improve the response capability of generating units, nor to modify the existing response accuracy requirements. Rather, the proposal seeks to refine the methodology for qualifying FDEs for compliance purposes by recognizing the inherent physical and mechanical characteristics of generating units during sustained frequency disturbances. The apparent increase in compliance results should not be construed as masking deficiencies in plant performance. Instead, it reflects an appropriate correction of the current methodology, which may assess multiple overlapping FDEs arising from what is effectively a single, continuous grid disturbance. While the generating unit continues to respond based on its prescribed setpoint, rapid oscillations of system frequency across the deadband may result in several independent FDEs being recorded, thereby subjecting an ASP to multiple compliance assessments despite providing a continuous and appropriate response to the same disturbance. The proposed 25-second recovery period and the additional 0.02hz normalization tolerance are intended to address this situation by providing a practical and technically representative basis for determining when an FDE has concluded. It recognizes that large generating units and governor systems are subject to inherent physical and mechanical limitations and require a reasonable stabilization period before a subsequent

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 51 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Resporses to RCC	SNAP Comment to SO Responses
	disturbances—will be achieved thrcugh the consolidation of FDEs. From the compliance monitoring perspective, this approach is deemed to improve the clarity of compliance assessments. *(Please refer to Page 4 to 22, Minutes of 257th RCC Meeting)* Monitoring on the implementation of the revised rules, should they be approved, would be warranted to assess the impact to actual RR and CR response. What could be the possible metrics and criteria to state that this proposal, once implemented, is deemed effective?	the provision of AS under the current FDE definition. Accordingly, implementing this proposal subject to continuous monitoring and periodic review, will benefit both the Reserve Market and the grid by ensuring fair, technically feasible, and operationally realistic compliance standards under the ASMM. With respect to the proposed fixed 25-second recovery period, we understand the SO's concern that its adoption may have implications on existing testing procedures and therefore requires careful evaluation. In this regard, we respectfully request an alternative proposal on the recovery period thatthe SO may recommend. In the meantime, considering the current impact on ASPs, as previously discussed, we recommend adopting the proposed 25-second recovery period immediately, subject to periodic review and refinement by the SO as additional operational experience and supporting data become available. In relation to PEMC's comment on the metics and criteria for determining the effectiveness of the proposed methodology after its implementation, we suggest checking the SO's frequency viclations as oneof the metrics. If the implementation of the proposal does not result in a signrificant increase in frequency violations it would demonstrate that the proposal is effective in addressing the compliance issue without compromising grid reliability.		event can be considered independent. Accordingly, the proposal does not mask short-term response deficiencies rather, it aligns the compliance methoddogy with the actual operating characteristics and inherent limitations of generating units while maintaining the same technical response requirements. We likewise agree with the SO that the existing 80% Average ResponseAccuracy threshold should remain urchanged. SNAP is not proposing any adjustment to this threshold. Should there be a need to review the appropriateness of the performance threshold in the future, we would welcome such an assessment based on suffcient operational experience and supporting technical studies. We also recognize the SO's recommendation for historical back-testing and comparative performance analysis. However, considering that the Reserve Market only commenced commercial operations in 2024, operational data under the current framework remains limited. As such, sufficient historical data to comprehensively validate all operational scenarios is not yet available. As previously noted, further delay in implementing this proposal places merchant ASPs in a difficult position, where the provision of Ancillary Services remains exposed to the risk of both compliance penalties and non-payment arising from the current treatment of overlapping FDEs. Consequently, even where an ASP has effectively supported grid reliability by responding in accordance with its

Templateversion: 25 April 2024

Page 9 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 52 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
				prescribed setpoint, it may still be subjected to repeated compliance findings due to the inherent physical and mechanical limitations of generating units during sustained frequency disturbances. This creates a "chilling effect" on merchant ASP participation, as market participants may reconsider their continued provision of Ancillary Services under a compliance framework that does not adequately reflect operational realities and unfairly penalizes them for inherent limitations. In view of the foregoing, we respectfully recommend implementing the proposed amendment, or PEMC-ECO's counterproposal, subject to continuous monitoring, periodic review, and further technical evaluation by the SO, PEMC-ECO, and the relevant stakeholders. This approach would immediately address the current compliance issues associated with overlapping FDEs while generating the operational data necessary to support future validation of the methodology and any subsequent review of the 80% response accuracy threshold, if warranted. We respectfully submit that this balanced approach promotes fair, technically feasible, and operationally realistic compliance standards under the ASMM while preserving system reliability, supporting continued participation of ASPs in the Reserve Market, and enabling the SO and the industry to further refine the methodology based on actual operating experience. We thank the SO for its clarification regarding the differences between the

Template version: 25 April 2024

Page 10 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 53 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
				system frequency used for compliance monitoring and the frequency measurements obtained by generating facilities.
			3. The system frequency submitted from the SO to PEMC-ECO is based on the GPS-synchronized frequency extracted from the eDNA historian, which is recorded to more than three decimal places. Depending on the application used, the displayed value may be rounded to either two or three decimal places. To trigger the control logic of a generating facility, GenCo uses its own frequency measurement from its own device. The Regional Control Center does not provide an analog frequency output to generating facilities for system frequency monitoring. Therefore, a discrepancy between the system frequency reported by the Control Center and the frequency measured at GenCo is expected, as these values are derived from different sources. The Regional Control Center obtains its frequency measurement from the building power supply, while a power plant station may derive its frequency from a specific reference bus. In addition, if the devices at the power plant stations are not synchronized using GPS, frequency values may be captured at different instants, resulting in visible differences, particularly during rapidly changing system conditions.	We appreciate the SO's explanation that discrepancies between the system frequency reported by the Regional Control Center and the frequency measured by generating facilities are expected, as these values are derived from different measurement sources and may be captured at different points in time. We likewise note the SO's observation that these differences become more apparent during rapidly changing system conditions. In this regard, we respectfully submit that this clarification further supports the rationale for the proposed amendment. ASPs respond based on the frequency measured by their plant-level devices, as these measurements serve as the input to their control systems and governor response. Conversely, compliance monitoring is performed using the system frequency recorded by the SO and evaluated by PEMC-ECO. Given that these measurements originate from different sources and are not necessarily synchronized, some degree of variation between the plant response and the compliance reference is expected, particularly during rapidly changing frequency conditions. The proposed amendment does not seek to alter the response expected from ASPs. Rather, it seeks to ensure that compliance

Template version: 25 April 2024

MEETING MINUTES

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
				monitoring appropriately reflects these operational realities. Under the current methodology, rapid oscillations around the deadband, coupled with differences in frequency measurement may result in multiple overlapping FDEs being identified for what is operationally a single, continuous disturbance. Consequently, an ASP that is continuously responding to the prevailing system conditions may be subjected to multiple compliance assessments. The proposed 25-second normalization criterion provides a practical and technically reasonable mechanism to address this situation. By requiring the system frequency to remain within the prescribed deadband for a continuous period before declaring the end of an FDE, the methodology minimizes the impact of transient frequency oscillations and measurement timing differences. This allows compliance assessment to focus on the generating unit's sustained physical response to the grid disturbance rather than on short-duration variations arising from differences in data capture or measurement sources. Accordingly, we respectfully submit that the proposed amendment complements the existing compliance framework by providing a more representative and equitable methodology for assessing compliance without changing the technical response requirements of ASPs or compromising system reliability. We therefore reiterate our recommendation that the proposed amendment be implemented, subject to continuous

Template version: 25 April 2024

Page 12 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 55 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
				monitoring, periodic review, and further technical evaluation by the SO, PEMC-ECO, and the relevant stakeholders. This approach will enable the methodology to be validated and refined using actual operational experience while ensuring that compliance assessments appropriately reflect the physical response of generating units under dynamic system conditions.
			4. From an AGC perspective, the Resource's response to the desired generation setpoint issued by the AGC, are typically assessed within the 32-second period, as this corresponds to the maximum execution cycle configured in the AGC. However, there are instances when the AGC issues a new command before the 32-second interval elapses, depending on the prevailing Area Control Error (ACE). As a result, the response evaluation may be based on a shorter interval whenever a new AGC command supersedes the previous one. This is because the Market Resource may not be given the full 32-second execution period to respond to the initial desired generation setpoint. When the Area Control Error (ACE) changes significantly, the AGC may recalculate the required regulating action and issue a new setpoint before the completion of the 32-second execution cycle. In such cases, the resource's performance should be evaluated only up to the time immediately preceding the issuance of the subsequent AGC command, since the resource is already expected to transition toward the	We respectfully agree with the SO that a generating unit is not expected to restore the system frequency to the nominal 60 Hz on its own. Frequency restoration is a system-wide outcome resulting from the collective response of multiple generating units and control mechanisms. We likewise acknowledge that the response of each resource is evaluated based on its applicable operating mode and performance characteristics. However, we respectfully clarify that SNAP's proposal, and PEMC-ECO's corresponding rewording, do not require the system frequency to return to 60 Hz before a FDE is considered terminated. Rather, the proposal requires that the system frequency return to within the applicable deadband and remain within that range for a continuous period of 25 seconds before a new FDE may be recognized. The 25-second period is therefore intended solely as a criterion for defining the end of an FDE for compliance monitoring purposes and not as a

Template version: 25 April 2024

Page 13 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 56 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
			new target. Evaluating the response beyond that point against the previous setpoint would not accurately reflect the resource's compliance or control capability, as the operating objective has already changed. Therefore, the assessment period should be limited to the actual duration for which the command remained valid. A similar principle may also apply to Governor Control Mode. Depending on the generator's configured deadband, the unit may respond immediately to frequency deviations. However, applying a criterion such as 'at least 25 seconds or until nominal frequency is reached, whichever comes first" may result in an unfair performance evaluation. A generator operating in Governor Control Mode responds in accordance with its governor droop characteristics (static gain), and its expected output is determined by the magnitude of the frequency deviation. The generator's role is to provide a proportional response to support frequency stabilization, not necessarily to restore the system frequency to the nominal 60 Hz on its own. Frequency restoration is a system-wide outcome that depends on the collective response of multiple generating units and control mechanisms. Therefore, performance evaluation should consider the actual response delivered during the period in which the frequency deviation persists, rather than requiring complete attainment of the nominal frequency.	performance requirement imposed on individual generating units. In this regard, we respectfully submit that the proposed 25-second normalization period is a system-level criterion for delineating one FDE from another, whereas the response evaluation of a generating unit remains a plant-level performance assessment based on its response to the prescribed setpoint or applicable governor characteristics. The proposal does not alter the methodology for evaluating response performance, droop characteristics, or compliance with dispatch instructions. Rather, it establishes an objective and consistent basis for determining when a continuous grid disturbance has ended so that subsequent compliance assessments are not triggered by rapid oscillations around the deadband. We acknowledge the SO's observation that a differentiated approach based on reserve type or technology may be explored in the future. However, considering that the Reserve Market commenced commercial operations only in 2024, there is currently limited operational experience to support the development of technology-specific FDE termination criteria. In the meantime, the absence of a practical and uniform criterion continues to expose ASPs to overlapping FDEs and repeated compliance assessments arising from a single sustained disturbance. Accordingly, we respectfully recommend adopting the proposed 25-second normalization period, or PEMC-ECO's counterproposal, as a practical baseline,

Template version: 25 April 2024

Page 14 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 57 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
			Based on the above, the SO does not consider a uniform 25 second normalization period universally applicable across all reserve types and technologies. A differentiated approach (by reserve type and/or technology) or further technical justification is required.	subject to continuous monitoring, periodic review, and further technical evaluation by the SO, PEMC-ECO, and the relevant stakeholders. Should future operational data demonstrate that differentiated criteria by reserve type or technology would provide a more appropriate approach, SNAP would welcome and support such enhancements in subsequent revisions of the ASMM. We believe this approach provides an appropriate balance between immediately addressing the current compliance issues experienced by ASPs and allowing the industry to further refine the methodology as additional Reserve Market operational data becomes available. It ensures that compliance monitoring remains fair, objective, and operationally realistic without altering the technical response requirements of generating units or compromising system reliability.
			5. Adoption will only proceed after completion of technical validation, confirmation of operational consistency, and formal regulatory and contractual alignment. The rule should be carefully assessed to ensure that the revised requirement remains technically achievable and aligned with the actual response characteristics of the resource. •	With respect to the applicability of the proposed amendment to the ASPA, we respectfully defer to the wisdom of the DOE on the appropriate implementation approach. Nevertheless, we respectfully submit that, regardless of whether corresponding amendments to ASPAs will be adopted immediately or subsequently, the proposed methodology should be implemented for the Reserve Market without unnecessary delay, considering the current compliance issues experienced by merchant ASPs.

Template version: 25April 2024

Page 15 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 58 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
			Identification of any potential risks to system security requires rigorous simulation and sensitivity analysis.	We are likewise concerned that applying different FDE qualification methodologies between the Reserve Market and bilateral ASPAs may result in inconsistent compliance assessments for ASPs providing the same ancillary services under different procurement arrangements. To the extent practicable, a harmonized compliance framework would promote consistency, fairness, and regulatory certainty across the ancillary services market. While we recognize that any necessary amendments to contractual arrangements may require additional coordination, we respectfully submit that contractual alignment should not preclude the timely implementation of an amendment that addresses an existing compliance concern. Any corresponding updates to bilateral ASPAs may be undertaken in due course, subject to the appropriate regulatory processes. Accordingly, we respectfully recommend that the proposed amendment, or PEMC-ECO's counterproposal, be approved and implemented for the Reserve Market, subject to continuous monitoring, periodic review, and further technical evaluation by the SO, PEMC-ECO, DOE, and the relevant stakeholders. We believe this approach appropriately balances the need to address the current compliance issues affecting merchant ASPs while allowing sufficient opportunity for any necessary contractual and regulatory alignment.

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 59 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
			6. Response to the query on the proposal's impact on Reserve Market Settlements	From the perspective of ASPs, the primary objective of the proposal is to ensure that compliance assessments are fair and accurately reflect the actual ancillary service provided. Under the current methodology, ASPs may be subjected to compliance findings, penalties, or non-payment arising from multiple overlapping FDEs, even when they have continuously responded to a sustained frequency disturbance in accordance with their required operating characteristics. The proposal recognizes the inherent physical and mechanical limitations of generating units and seeks to ensure that these operational characteristics are appropriately considered in the compliance assessment methodology. By refining the qualification of FDEs, the proposal aims to prevent ASPs from being unfairly penalized for conditions beyond their physical capability while maintaining the existing technical response requirements. We likewise recognize the importance of protecting consumer interests. At the same time, ASPs that have provided the required ancillary service and contributed to grid reliability should not be subjected to penalties or non-payment solely due to the current methodology for identifying overlapping FDEs. Accordingly, we respectfully recommend implementing the proposed amendment, subject to continuous monitoring, periodic review, and further technical evaluation by the relevant stakeholders. We believe this approach promotes a fair, technically feasible, and operationally realistic

Template version: 25 April 2024

Page 17 of 31

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
				compliance framework that supports both grid reliability and the continued participation of ASPs in the Reserve Market.
			7. The proposal should undergo joint technical validation and event-based simulation using actual system data prior to approval and implementation. Current ASPs are tested and certified without consideration of the termination based on the 25s logic. Such proposal will affect current testing procedures which require re-testing of all ASP's operating on GCM	With respect to NGCP's concern that adopting a fixed 25-second recovery period may have implications for existing testing procedures, we acknowledge this concern and respectfully request further clarification on the specific technical or operational issues that may necessitate the re-testing of currently certified Ancillary Service Providers operating in GCM. As the proposed amendment pertains to the methodology for qualifying the end of a FDE for compliance monitoring, and **does not alter the technical response requirements or performance capability of generating units,** we would appreciate NGCP's explanation of how the proposed 25-second recovery period would affect the existing testing and certification procedures. We likewise welcome any alternative recommendation that NGCP may propose to address these concerns while achieving the objective of preventing overlapping FDEs.

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 61 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses

Template version: 25 April 2024

Page **19** of **31**

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 62 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
NGCP	**NGCP would like to note that SNAP's proposed amendment/methodology is not consistent with the System Operator's practice for considering an FDE a valid event for both testing and compliance monitoring**	We acknowledge NGCP's observation that SNAP's proposed methodology is not fully aligned with the SO's current practice. The intent behind SNAP's proposal is not to overwrite SO established practices, but to address a critical gap that has emerged since the commercial implementation of the Reserve Market- the penalization of ASPs for overlapping FDEs, despite them providing appropriate, sustained physical responses to grid disturbances. Because there is a lack of sufficient historical data under the new Reserve Market regime to fully understand the impact of these overlapping events on capacity-constrained or hybrid technologies, we cannot resolve this disconnect without the expertise of the SO. Therefore, we respectfully request SO's collaboration in a joint, trial implementation		

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 63 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Resporses to RCC	SNAP Comment to SO Responses
		of this methodology. By partnering in continuous monitoring and periodic reviews, the SO and PEMC-ECO can gather the necessary operational data to jointly refine these metrics ensuring that compliance rules accurately reflect the physical realities and security needs of the grid. We further note that SNAP's proposal is intended to address operational scenarios that have emerged following the implementation of the Reserve Market, partcularly instances where overlapping FDEs result in ASPs being assessed for non-compliance despite responding appiopriately to sustained frequency disturbances. As the Reserve Market has only been operational since 2024, there remains limited operational data to fully evaluate these scenarios and their impact on emerging technologies and capacity-constrained conditions. In view of this, we respectfully recommend that the proposed methodology be implemented, subject to continuous moritoring, periodic review, and further technical assessment by the SO, PEMC-ECO, and other relevant stakeholders. This appioach would allow the methodology to be validated and refined based on actual operating experience while providing immediate relief to ASPs from potential non-compliance arising from overlapping FDEs. SNAP respectfully reiterates the impact of continued non-implementation of this proposal to merchant ASPs.		

Template version: 25 April 2024

Page 21 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 64 of 126

Philippine Electricity Market Corporation

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
GNPK	This comment is intended for the ECO and/or relevant groups of PEMC: GNPK respectfully requests to provide the event categories for Reserve Conformance Standards and Reserve Offered Capacity Compliance. This will serve as guidance for Ancillary Service Providers in accomplishing non-compliance notices and in identifying the applicable supporting documents required for each event category.	We respectfully refer GNPK's comment to PEMC for its appropriate response.		
Technical Committee	The **Technical Committee has no further comments on the proposed amendments.** However, the **Committee requests the System Operator to provide its assessment on the potential impacts of the proposed revisions on system operation, and its effect on the technical performance of Generators and Ancillary Service Providers (ASPs).** Further, considering the varying technical characteristics and response capabilities of different Ancillary Service technologies, the TC seeks clarification on the basis and applicability of the proposed 25-second period for determining the termination of a Frequency-Driven Event (FDE), and whether such duration is technically appropriate and representative across the different types of AS resources.	We take note of the Technical Committee's comments and respectfully refer to our previous responses above. We reiterate our recommendation that the proposed methodology be implemented, subject to continuous monitoring, periodic review, and further technical assessment by the SO, PEMC-ECO, and other relevant stakeholders. This approach will allow the methodology to be validated and refined based on actual operational experience while addressing the current compliance concerns faced by ASPs. We likewise acknowledge the TC's observation regarding the varying technical characteristics and response capabilities of different AS technologies. We wish to clarify that the proposed 25-second recovery period is intended to provide a practical and objective reference for determining the termination of a FDE, thereby reducing ambiguity in identifying distinct frequency events. As previously stated, we welcome any alternative recovery period or methodology that NGCP may recommend to address this concern. In the meantime, consdering the current impact on ASPs as discussed previously, we reiterate our recommendation to		

Template version: 25 April 2024

Page 22 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 65 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Commenter	General Comments	SNAP Responses Provided to RCC	SO Responses to RCC	SNAP Comment to SO Responses
		implement the proposed 25-second recovery period, subject to continuous monitoring, periodic review, and refinement by NGCP and the relevant stakeholders, as warranted by actual operating experience.		

WESM ANCILLARY SERVICES MONITORING MANUAL 1.2						
Title	**Section**	**Provision**	**Proposed Amendment**	**Rationale**	**Comments**	**SNAP Responses**
Section 5.6 Measuring Reserve Response Compliance of Generators on	5.6.2.	A *reserve facility's* response accuracy via GCM shall be calculated as follows.[12] xxx The event will qualify as *Frequency-Driven Event*, for this purpose, if: 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. xxx	A *reserve facility's* response accuracy via GCM shall be calculated as follows.[12] xxx The event will qualify as *Frequency-Driven Event*, for this purpose, if: 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.; **c. the frequency deviation normalizes below the deadband setting by 0.02**	To provide the Reserve Facilities an additional tolerance with the following considerations: 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. b. Variances from the Reserve Facility's Frequency Reference	**SMGP:** Please also provide an illustration for Regulating Reserve (RR) demonstrating how the proposed FDE qualifier improves the response accuracy of an AS provider. **NGCP:** On 5.6.2 d, the proposed FDE termination condition may require further refinement, including consideration of termination upon restoration to the nominal 60 Hz, its	**SMGP** In SMGP's comment, we respectfully clarify that SNAP's proposed amendment is not intended to improve response accuracy. Rather, it seeks to refine the criteria for qualifying FDE by taking into account the technical characteristics and operational limitations of generating plants. **NGCP** In NGCP's comments, we respectfully refer to our responses provided above. We reiterate that there is currently insufficient operational data to comprehensively assess the applicability of either SNAP's proposal or PEMC-ECO's counterproposal, particularly for hybrid and fast-responding technologies and scenarios involving capacity constraints. Given that the Reserve Market commenced only in 2024, operational experience and supporting data remain limited. Accordingly, we respectfully request the SO to consider the SNAP proposal or PEMC-ECO's counterproposal, subject to continuous monitoring, periodic review, and further technical evaluation by the SO, PEMC-ECO, and other relevant stakeholders following its

Template version: 25 April 2024

Page 23 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 66 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

WESM ANCILLARY SERVICES MONITORING MANUAL 12						
Title	**Section**	**Provision**	**Proposed Amendment**	**Rationale**	**Comments**	**SNAP Responses**
			Hz for conventional generating units and 0.01 Hz for battery energy storage; and **d. the frequency deviation normalizes below the threshold for at least 25 seconds.** **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.** xxx	compared to the System Frequency c. Reduction of multiple Frequency Driven Events occurrences The additional provisions aim to combine the evaluation of multiple FDEs, and not exclude any FDE. This ensures that the system frequency has sufficiently recovered before registering a new event. It prevents premature triggering of multiple FDEs caused by short-lived or oscillatory frequency dips around the threshold.	applicability to hybrid or fast-responding technologies, and scenarios involving capacity constraints. Supporting studies should be conducted to validate these considerations and to benchmark against practices adopted in other jurisdictions. In addition, the adoption of a fixed 25-second recovery period may have implications on existing test procedures and should be carefully evaluated. **Cleanergy:** We note that this event is similar to Cleanergy 9 Power Inc. (C9)'s CPSPP's behavior during generation.	implementation. This approach will allow the methodology to be refined based on actual operating experience and the accumulation of sufficient operational data. With respect to NGCP's concern that adopting a fixed 25-second recovery period may have implications for existing testing procedures, we acknowledge this concern and respectfully request NGCP to provide further clarification on the specific technical or operational issues identified. We also welcome any alternative recommendation that NGCP may propose to address these concerns. In the meantime, considering the current impact on ASPs as mentioned previously, we reiterate our recommendation to implement the proposed 25-second recovery period, subject to continuous monitoring, periodic review, and refinement by NGCP and the relevant stakeholders, as warranted by actual operating experience. **Cleanergy** We express our agreement for Clearenergy's comments

Template version: 25 April 2024

Page 24 of 31

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

WESM ANCILLARY SERVICES MONITORING MANUAL 1.2						
Title	**Section**	**Provision**	**Proposed Amendment**	**Rationale**	**Comments**	**SNAP Responses**
					Following a Frequency Driven Event, the system frequency of KPSPP may briefly stabilize, prompting the unit output to begin normalization, only for the deadband to be breached once more. Hence, we note that such rapid successions of governor commands may prevent the facility from executing an appropriate and stable response. Further, we note that making the FDE complete after 25 seconds normalization is a rational machine reaction that should be considered during this event. *Please see the table below for comments and proposed wording*	

Template version: 25April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

WESM ANCILLARY SERVICES MONITORING MANUAL 1.2						
Title	**Section**	**Provision**	**Proposed Amendment**	**Rationale**	**Comments**	**SNAP Responses**
					*based on comments from **ACEN**, **PEMC**, **PEI/SEDI**, and **GNPK***	

Proponent	Comments	Proposed Wording based on Comments	SNAP Responses
PEMC	PEMC supports the proposal to have clear conditions to define the end of a Frequency-Driven Event. PEMC conducted a simulation applying the proposed condition for the August 2025 billing period. The results indicate that the proposed 25-second period to return to the nominal frequency must account for the rapid nature of frequency fluctuations, which can lead to overlapping events. This overlapping is most likely to occur in regulating reserves.	A *reserve facility's* response accuracy via GCM shall be calculated as follows.[12] xxx The event will qualify as *Frequency-Driven Event*, for this purpose, if: 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.; ~~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~~ ~~d. the frequency deviation normalizes below the threshold for at least 25 seconds.~~	We support PEMC's proposed rewording of our proposal.

Template version: 25 April 2024

Page **26** of **31**

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 69 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Proponent	Comments	Proposed Wording based on Comments	SNAP Responses
	Consequently, PEMC proposes an additional criterion to help prevent the occurrence of overlapping events.	~~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.~~ The Frequency-Driven Event shall be deemed to have terminated when: a. the frequency has normalized within the deadband setting by 0.02Hz for conventional generating units and 0.01 Hz for battery energy storage systems; and b. the frequency has normalized and stayed within such threshold for at least 25 seconds or has reached the nominal frequency, whichever comes first. xxx	
ACEN	We support the intent of the proposed amendment to introduce explicit end-conditions for an FDE, recognizing the operational issues caused by oscillatory frequency deviations around the deadband threshold that result in multiple FDE tagging within a single disturbance. However, we have also noted the following concerns with the proposed wording: a. Proposed item (c) contains a directional ambiguity. The phrase "*normalizes below the deadband setting by 0.02 Hz*" could be read as requiring the frequency to fall further below 59.84 Hz (i.e., toward 59.82 Hz), which is the opposite of the intended recovery	A *reserve facility's* response accuracy via GCM shall be calculated as follows.[12] xxx The event will qualify as *Frequency-Driven Event*, for this purpose, if: 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.; ~~c. the system frequency has recovered to at least deviation normalizes below the deadband setting by 0.02 Hz above the deadband setting for conventional generating units (i.e., recovered to at least 59.86 Hz) and 0.01 Hz above for battery energy storage; and~~ ~~d. the system frequency has sustained the recovery deviation normalizes below the threshold for at least 25 continuous seconds. (i.e., the system frequency has recovered to at least 59.86Hz for 25 seconds).~~	We appreciate ACEN's comments on SNAP's proposal. With respect to the proposed amendment under letter c, we understand ACEN's proposed revision and note that the proposal raised is already addressed by PEMC-ECO's counterproposal, which SNAP likewise supports. With respect to letter d, we find merit in ACEN's proposal, subject to further technical evaluation by the RCC, particularly in consideration of the mechanical and physical constraints affecting the provision of AS during overlapping FDEs. With respect to the system frequency identified by ACEN, SNAP maintains its position that the applicable reference should remain the plant or unit

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 70 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Proponent	Comments	Proposed Wording based on Comments	SNAP Responses
	direction. To accurately reflect the proposal's intent, item (c) should clearly state that the system frequency must recover to at least 0.02 Hz above the deadband setting (i.e., to at least 59.86 Hz for conventional generating units). b. Proposed item (d) does not explicitly anchor the 25-second sustain period to the satisfaction of item (c). As currently worded, it is unclear whether the 25-second clock begins only after the frequency has reached the recovery threshold in item (c). The wording should make the sequential relationship between the two conditions explicit and enforceable.		frequency, as this more accurately reflects the actual operating conditions and the physical response of the generating unit during a FDE.
PEI & SEDI	A Frequency-Driven Event (FDE) is defined as a situation that activates or triggers the need for immediate response from Ancillary Services Providers to maintain the grid stability due to power system frequency variation. Clause 5.6.2 of the Ancillary Services Monitoring Manual specifies the criteria for the qualification of an event as an FDE. While we agree that multiple fragmented FDEs triggered by a single system disturbance should be appropriately addressed, we see no need of	A *reseve fecility's* response accuracy via GCM shall be calculated as follows.[12] xxx The event will qualify as *Frequency-Driven Event*, for this purpose, if: 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. ~~**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**~~ ~~**d. the frequency deviation normalizes below the threshold for at least 25 seconds.**~~	We likewise find merit in the proposals of PEI and SEDI; however, we defer to the RCC's further deliberation on their proposals.

Template version: 25 April 2024

Page **28** of **31**

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 71 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Proponent	Comments	Proposed Wording based on Comments	SNAP Responses
	redefining the FDE and expanding the qualification criteria for an FDE. Instead, we suggest that the moment when the FDE and the provision of the corresponding reserve service are considered to have ended be clearly established. This moment is described by the proponent in their proposal.	~~**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.**~~ **The Frequency-Driven Event and the corresponding provision of reserve service are considered to have ended when (1) the frequency has stabilized within the deadband setting by 0.02 Hz for conventional generating units and 0.01 Hz for battery energy storage; and (2) the frequency has remained within such threshold for at least 25 seconds.** xxx	
GNPK	GNPK would like to respectfully suggest that instead of introducing these as additional qualifying conditions for an FDE, it is suggested that they be positioned as conditions for determining the start and end of an FDE. We would also like to propose an amendment to **Section 5.6.2 – Response Accuracy Formula**	A *reserve facility's* response accuracy via GCM shall be calculated as follows[12]. Response Accuracy **(%)** = **(Real-Time** Actual **Gross** MW Response ~~Capacity~~ / **Real-Time** Expected MW Response ~~Capacity~~) × 100% ~~a. When System Frequency falls below the lower deadband:~~ ~~Where:~~ ~~Actual MW Response Capacity~~ ~~= Highest Actual MW Output – MW Output Prior to Frequency-Driven Event~~ ~~Where: The Highest Actual MW Output is the value obtained 20 seconds after the Lowest frequency that occurred during the Frequency-Driven Event~~ ~~Frequency Change~~ ~~= Frequency Prior to Frequency-Driven Event – Lowest Frequency During Frequency-Driven Event~~ ~~Frequency Prior to Frequency-Driven Event~~ ~~= Nominal Frequency – Deadband Setting~~ ~~b. When System Frequency breaches the upper deadband:~~ ~~Actual MW Response Capacity~~	SNAP's proposal does not pertain to response accuracy; therefore, we have no comment on that aspect. While we agree with GNPK's proposal on the deadband setting, we note that its implementation and compliance monitoring may present challenges. As such, we defer to the RCC's deliberation on the proposal.

Template version: 25 April 2024

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 72 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Proponent	Comments	Proposed Wording based on Comments	SNAP Responses
		~~= Lowest Actual MW Output – MW Output Prior to Frequency-Driven Event~~ ~~Where: The Lowest Actual MW Output is the value obtained 20 seconds after the highest frequency that occurred during the Frequency-Driven Event~~ ~~Frequency Change~~ ~~= Frequency Prior to Frequency-Driven Event – Highest Frequency During Frequency-Driven Event~~ ~~Expected MW Response Capacity~~ ~~= Static Gain x Frequency Change~~ $Static\ Gain = \frac{Rated\ Capacity}{Droop\ Setting\ x\ Nominal\ Frequency}\ x\ 100\%$ **Where:** • **Real-Time Actual Gross MW Response = Actual Gross MW – Capped Gross Load Demand** • **Capped Gross Load Demand is defined as the sum of the Net Energy Schedule and House Load taking into account the Unit's ramping limitations during and after load changes resulting from the Net Energy Schedule, MOT requests, or Secondary Response.** • **Real Time Expected MW Response = ((Nominal Frequency – Deadband Setting) – Actual Frequency During Frequency-Driven Event) * Static Gain** • **Notes:** 1. **The Capped Gross Load Demand represents the Unit's actual gross MW target or reference point during and after normal load changes, excluding any contribution from Primary Frequency Response contribution** 2. **The Unit's control system calculates the expected Primary Response Output using the Capped Gross Load Demand as the reference point and applies an additional output adjustment corresponding to the expected response determined by the control system.**	

Template version: 25April2024

Page **30** of **31**

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 73 of 126

Comments on the Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Event (FDE)

Proponent	Comments	Proposed Wording based on Comments	SNAP Responses
		For puposes of computing static gain, the determination of *rated capacity* shall be established by reference to: (a) the rated capacity as appearing in WESM registration records; or (b) the declared capacity from which the reserve facility was tested during the ancillary services certification. In the event of any discrepancy, the letter shall prevail for this purpose. If the system frequency breaches the upper deadband threshold, the reserve facility needs to reac: by decreasing generation to correct the frequency and vice versa. In this case, the Actual MW Response Capacity shall be calculated as the difference between the Highest or Lowest Actual MW Output, as the case may be, and the MW Output prior to the Frequency-Driven Event. The event will qualify as *Frequency-Driven Event*, for this purpose, if: 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; **An FDE shall cease when the frequency deviation normalizes in accordance with the deadband setting for the relevant reserve type and remains within such deadband setting for at least twenty-five (25) seconds.** ~~**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**~~ ~~**d. the frequency deviation normalizes below the threshold for at least 25 seconds.**~~ ~~**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.**~~ In cases where the Expected MW Response Capacity, as calculated based on the formula, exceeds the *Reserve Schedule*, reserve facilities are authorized to operate within their scheduled reserves for ancillary service provision, subject to *System Operator's* re-dispatch instructions[13]. In such instances, the *System Operator* shall include details of re-dispatch instructions in its dispatch instruction report.	

Template version: 25 April 2024

Page **31** of **31**

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex C – Draft RCC-RESO-26-05 Amendments to RCC Internal Rules (Issue 9.0)

WHEREAS, the Rules Change Committee (RCC) adopted Internal Rules to guide its members in the performance of their responsibilities and to govern the conduct of its meetings, administration, and rules change processes pursuant to the WESM Rules and the WESM Manual on Procedures for Changes to the WESM Rules, Retail Rules, and Market Manuals;

WHEREAS, the RCC periodically reviews its Internal Rules to ensure that these remain aligned with current practices, regulatory requirements, and the efficient administration of its functions;

WHEREAS, during the 259th RCC Regular Meeting on 19 June 2026 and 260th RCC Regular Meeting on 17 July 2026, the Committee reviewed the RCC Internal Rules and discussed the comments received;

WHEREAS, during the 261st RCC Meeting on 14 August 2026, after due review and deliberation of the proposed amendments, the RCC agreed to revise the Internal Rules to clarify provisions, improve administrative processes, formalize reporting and coordination functions, update corporate information, and correct procedural and editorial references, specifically the following amendments:

a. Establish requirements on the timely circulation of meeting materials and updates to meeting agendas to ensure adequate preparation by Committee member;
b. Amend timelines and procedures for the preparation, approval, and issuance of Meeting Highlights;
c. Clarify the application of special arrangements for participation through video or teleconference during in-person meetings;
d. Reorganize and expand the responsibilities of the Committee Secretariat, including reporting, coordination, and records management functions;
e. Refine the procedures for processing Urgent Amendments following PEM Board actions and decisions;
f. Clarify the presentation requirements to the PEM Board for both approved and disapproved Rules Change Proposals;
g. Correct an erroneous cross-reference in the Code of Ethics and Professional Conduct section; and
h. Updating of the PEMC office address reflected in Annex A (RCC Form 1).

RESOLVED, we, the undersigned, on behalf of the sectors we represent, hereby resolve that the Rules Change Committee approves the changes to the RCC Internal Rules (Annex A) and adopts RCC Internal Rules Issue 9.0 (Annex B), thereby superseding Issue 8.0.

Done this 14th day of August 2026, Pasig City.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

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)	**JOSE ILDEBRANDO B. AMBROSIO** ACEN Corporation (ACEN)
Distribution Sector Members:	
RYAN S. MORALES Manila Electric Company (MERALCO)	**VIRGILIO C. FORTICH, JR.** Cebu III Electric Cooperative, Inc. (CEBECO III)

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

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)	

1

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
V. MEETINGS/DISCUSSION e. Agenda	e. Agenda. As far as practicable, a provisional agenda shall be provided to the Committee members no later than ten (10) calendar days before the scheduled meeting.	e. Agenda. As far as practicable, a provisional agenda shall be provided to the Committee members no later than ten (10) calendar days before the scheduled meeting. **1. Attachment of Meeting Materials: Except in cases of Urgent Matters as provided in these rules, the Secretariat shall ensure that all relevant documents and materials pertaining to each item on the provisional agenda are transmitted to the Committee members no later than three (3) calendar days prior to the scheduled meeting.** **2. Updates to Agenda and/or Materials: In the event of subsequent revisions to the agenda or the availability of new materials, the Secretariat shall promptly update and circulate the revised documents to all Committee members to allow sufficient time for review prior to the scheduled meeting.**	To ensure that Committee members receive agenda-related materials in a timely manner, allowing adequate preparation and informed participation in discussions. It also promotes transparency and efficiency by requiring the prompt circulation of revised agendas and additional materials prior to meetings.
V. MEETINGS/DISCUSSION g. Highlights of the Meeting	g. Highlights of the Meeting. Initially, draft highlights of the previous regular and caucus meeting shall be sent by the Secretariat to the Committee members present no later than one (1) working day after the said meeting, for comments and approval. If no comments are	g. Highlights of the Meeting. Initially, draft highlights of the previous regular and caucus meeting shall be sent by the Secretariat to the Committee members present no later than ~~one (1)~~ **three (3)** working day**s** after the said meeting, for comments and approval. If no	To be consistent with the Secretariat's internal business procedures and current practice.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 78 of 126

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
	received by the Secretariat within three (3) working days upon transmittal of the draft highlights, then the same shall be deemed approved. Subsequently, the approved highlights of the previous regular meeting shall be sent out to all Committee members, concerned PEMC personnel and other resource persons.	comments are received by the Secretariat within three (3) working days upon transmittal of the draft highlights, then the same shall be deemed approved. Subsequently, the approved highlights of the previous regular meeting shall be sent out to all Committee members, concerned PEMC personnel and other resource persons. **The Final Meeting Highlights shall be emailed within one (1) working day from RCC's approval or confirmation of the revisions made per comment/s.**	
VI. CONDUCT OF MEETINGS I. Video or Teleconference.	I. Video or Teleconference. Committee members who are out of the country or whose location and/or circumstance (e.g. health and other emergencies) prevents them from physically attending a meeting may participate through video or teleconference. Any Member who wishes to participate in a meeting through video or teleconference must notify the Secretariat at least three (3) calendar days before the scheduled meeting to enable the Secretariat to undertake the necessary preparations.	I. **Special Arrangements for** Video or Teleconference. **If a meeting or caucus will be held in-person**, Committee members who are out of the country or whose location and/or circumstance (e.g. health and other emergencies) prevents them from physically attending ~~a~~**the** meeting may participate through video or teleconference. Any Member who wishes to participate in a meeting through video or teleconference must notify the Secretariat at least three (3) calendar days before the scheduled meeting to enable the Secretariat to undertake the necessary preparations.	Revised the title to clarify that this sub-section does not apply to the usual meetings held online. The notice requirement should only apply to in-person or on-site meetings, as advance notice is most relevant when participants are required to attend physically.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
VII. RESPONSIBILITIES OF THE CHAIRPERSON AND MEMBERS c. Committee Secretariat.	c. **Committee Secretariat**. A unit within PEMC shall provide advisory and technical secretariat support in order for the Committee to carry out its functions and responsibilities. The Secretariat shall be responsible for the following: 1. Facilitation of all proceedings by the Committee; 2. Preparation of provisional agenda for all Committee meetings subject to the approval of the Chairperson; 3. Preparation, collation, and sending of meeting materials to the RCC prior to scheduled meeting in accordance with its internal business procedures; 4. Coordination with concerned groups and resource persons to facilitate/ensure submission of documents or comments on rules changes proposals and their presence during Committee meetings, as necessary; 5. Proper recording and documentation of all Committee proceedings and transactions;	c. **Committee Secretariat**. A unit within PEMC shall provide advisory and technical secretariat support in order for the Committee to carry out its functions and responsibilities. The Secretariat shall be responsible for the following: **1. Organization of Meetings** **The Committee Secretariat shall organize and facilitate Committee meetings and proceedings, including:** a.~~1.~~ Facilitation of all proceedings by the Committee; b.~~2.~~ Preparation of provisional agenda for all Committee meetings subject to the approval of the Chairperson; c.~~3.~~ Preparation, collation, and sending of meeting materials to the RCC prior to scheduled meeting in accordance with its internal business procedures; d.~~4.~~ Coordination with concerned groups and resource persons to facilitate/ensure submission of documents or comments on	To reorganize the Committee Secretariat's responsibilities into functional categories to improve clarity and administration, while formalizing existing reporting obligations and coordination activities. The changes also include the relaying of DOE and ERC public consultation invitations to strengthen regulatory coordination and stakeholder engagement, while maintaining the Secretariat's existing responsibilities

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
	6. Review of the completeness of the submitted proposed rules changes and its compliance with the prescribed format provided on Section VIII.a; 7. Publication of rules change proposals for comments and approved Market Rules and Manuals in the PEMC website; 8. Giving and serving of all notices required, including proposals to the Market Rules and Market Manuals, herein; 9. Drafting and, upon the Committee's approval on the directive of the RCC Chairperson, finalization of all Committee documents, including the Minutes of Meeting, Correspondences, Resolutions together with the matrix of rules change proposals, reports, work plans and status reports, studies, presentation materials and other relevant documents as may be directed from time to time; 10. Preparation and submission to the PEM Board of necessary documents relevant to the rules changes proposals;	rules changes proposals and their presence during Committee meetings, as necessary; **e.**~~5.~~ Proper recording and documentation of all Committee proceedings and transactions; **and** **f.**~~17.~~ After securing approval, emailing for electronic signature by the RCC of the following documents: a. Minutes of the RCC Meeting; b. RCC Resolutions; c. Committee Reports; and d. Correspondences. **2. Rules Change Administration and Coordination** **The Committee Secretariat shall provide administrative and coordination support for the Rules Change Process, including:** **a.**~~6.~~ Review of the completeness of the submitted proposed rules changes and its compliance with the prescribed format provided on Section VIII.a; **b.**~~7.~~ Publication of rules change proposals for comments and approved Market Rules and Manuals in the PEMC website;	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
	11. Coordination with the PEMC Board, PEMC departments and other government agencies and private entities for the concerns of the RCC; 12. Certifying acts taken by the Committee; 13. Countersigning of Committee documents; 14. Safekeeping of all RCC documents and records, as well as of other relevant documents and information regarding the activities of the WESM; 15. Updating the RCC of all WESM-related activities and updates; 16. Relaying of pertinent information on any operational issues discussed by the Committee and other Committee concerns to the PEMC Management and appropriate agency; and 17. After securing approval, emailing for electronic signature by the RCC of the following documents: a. Minutes of the RCC Meeting; b. RCC Resolutions;	**c.**~~8.~~ Giving and serving of all notices required, including proposals to the Market Rules and Market Manuals, herein; **d.**~~9.~~ Drafting and, upon the Committee's approval on the directive of the RCC Chairperson, finalization of all Committee documents, including the Minutes of Meeting, Correspondences, Resolutions together with the matrix of rules change proposals, reports, work plans and status reports, studies, presentation materials and other relevant documents as may be directed from time to time; **e.**~~10.~~ Preparation and submission to the PEM Board of necessary documents relevant to the rules changes proposals; **f.**~~11~~. Coordination with the PEMC Board, PEMC departments and other government agencies and private entities for the concerns of the RCC; **g.**~~15.~~ Updating the RCC of all WESM-related activities and updates;	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
	c. Committee Reports; and d. Correspondences.	**h.**~~16.~~ Relaying of pertinent information on any operational issues discussed by the Committee and other Committee concerns to the PEMC Management and appropriate agency; and **i. Relaying invitations to public consultations conducted by the DOE and the ERC on draft issuances and rules changes processed by the RCC.** **3. Reportorial Requirements** **The Committee Secretariat shall prepare, maintain, and submit reports and updates necessary for the Committee's oversight and monitoring functions, including:** **a. Status Reports on Rules Change Proposals per WESM Rules Clause 8.4.5 and Rules Change Manual Section 6.1.5, submitted monthly on rules change proposals that are being published for comments, under deliberation, for PEM Board approval, or held in abeyance;** **b. Semestral Reports per WESM Rules, Clause 8.6.5 and Rules Change Manual**	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 83 of 126

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
		Section 9.1, submitted every end of January and July of each year; and **c. Committee Annual Work Plan and updates on their implementation, submitted on or before 31 March of each year. The Work Plan shall provide as Annex/es the lists of proposals for submission by PEMC and WGCs and required under DOE/ERC issuances.** **4. Records Management and Authentication** **The Committee Secretariat shall ensure the proper custody, authentication, and maintenance of Committee records and official documents, including:** **a.** ~~12.~~ Certifying acts taken by the Committee; **b.** ~~13.~~ Countersigning of Committee documents; **and** **c.** ~~14.~~ Safekeeping of all RCC documents and records, as well as of other relevant documents and information regarding the activities of the WESM~~;~~**.**	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 84 of 126

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
VIII. RULES CHANGE PROCESS c. Processing of PEM Board-approved Urgent Amendments	c. Processing of PEM Board-approved Urgent Amendments. The Committee shall observe the following rules for all PEM Board-approved Urgent Amendments: 1. Upon the PEM Board's approval of the Urgent Amendments, the Committee Secretariat shall publish the Board-approved Urgent Amendments in the market information website. Subsequently, the Secretariat shall notify all WESM Members and other interested parties of such approval. 2. Within ten (10) days from ratification by the PEM Board of the urgent amendments or upon approval by the PEM Board, the RCC shall notify and invite all WESM Members and all other interested parties of the amendment to make written submissions as a general amendment in accordance with Section 6 hereof. 3. Upon due deliberation and based on the implementation assessment submitted by the Market Assessment Group, the Committee shall re-submit the Urgent Amendments with further changes, if any, as General	c. Processing of ~~PEM Board-approved~~ Urgent Amendments **per PEM Board Decision**. The Committee shall observe the following rules for all ~~PEM Board-approved~~ Urgent Amendments **that have been decided by the PEM Board**: 1. ~~Upon the~~ PEM Board's approval of the Urgent Amendment~~s~~ **a). The**~~, the~~ Committee Secretariat shall publish the Board-approved Urgent Amendments in the market information website. Subsequently, the Secretariat shall notify all WESM Members and other interested parties of such approval. ~~2~~**b)**. Within ten (10) days from ratification by the PEM Board of the urgent amendments or upon approval by the PEM Board, the RCC shall notify and invite all WESM Members and all other interested parties of the amendment to make written submissions as a general amendment**,** ~~in accordance with Section 6 hereof~~ **following the applicable process provided for in the Manual.**	To clarify that the procedures apply not only to Urgent Amendments directly approved by the PEM Board but also to those for which the PEM Board concurs with an RCC decision. This ensures that publication, stakeholder notification, and subsequent processing requirements are consistently applied regardless of the form of PEM Board action.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 85 of 126

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
	Amendments to the PEM Board, following the applicable process provided for in the Manual.	~~3~~ **c)**. Upon due deliberation and based on the implementation assessment submitted by the Market Assessment Group, the Committee shall re-submit the Urgent Amendments with further changes, if any, as General Amendments to the PEM Board, following the applicable process provided for in the Manual. **2. PEM Board's Confirmation of RCC's Recommendation to Reclassify the Proposal** **Within three (3) working days from the PEM Board's approval of the RCC's recommendation to reclassify the Urgent Amendment to General Amendment, the Committee Secretariat shall publish the proposal in the market information website. Subsequently, the Secretariat shall invite all WESM Members and all other interested parties of the amendment to make written submissions as a general amendment, following the applicable process provided for in the Manual.** **3. PEM Board's Confirmation of RCC's Recommendation to Disapprove the Proposal**	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
		Within three (3) working days from the PEM Board's approval of the RCC's recommendation to disapprove the Urgent Amendment, the RCC shall notify the Proponent of such decision.	
VIII. RULES CHANGE PROCESS d. Presentation to the PEM Board of Committee-approved Rules Changes Proposals	d. Presentation to the PEM Board of Committee-approved Rules Changes Proposals. The Chairperson shall do the presentation of rules changes proposals approved by the Committee during Board Review Committee (BRC) and PEM Board meetings. In cases where the Chairperson will not be available, the Chairperson shall assign a presenter from among the members of the Committee. Upon the discretion of the Chairperson, the original proponent may be requested to be present during BRC and PEM Board meetings to serve as resource persons.	d. Presentation to the PEM Board of Committee-approved **or disapproved** Rules Changes Proposals. The Chairperson shall do the presentation of rules changes proposals approved **or disapproved** by the Committee during Board Review Committee (BRC) and PEM Board meetings. In cases where the Chairperson will not be available, the Chairperson shall assign a presenter from among the members of the Committee. Upon the discretion of the Chairperson, the original proponent may be requested to be present during BRC and PEM Board meetings to serve as resource persons.	To ensure that both approved and disapproved Rules Change Proposals are reported to the BRC and PEM Board.
IX. CODE OF ETHICS AND PROFESSIONAL CONDUCT	xxx d. Discharge their collective responsibilities under the WESM Rules in accordance with Section 10.01 of the WESM Manual on the Guidelines Governing the Constitution of the PEM Board Committees.	xxx d. Discharge their collective responsibilities under the WESM Rules in accordance with Section ~~10.01~~**7.4** of the WESM Manual on the Guidelines Governing the Constitution of the PEM Board Committees.	To correct an erroneous cross-reference and ensure consistency with the WESM Manual.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RCC Internal Rules			
Section and Title	**Original Provision**	**Amendments**	**Rationale**
ANNEX A – RCC FORM 1 PEMC Office Address	xxx Philippine Electricity Market Corporation 18/F Robinsons Equitable Tower ADB Avenue, Ortigas Center Pasig City, 1605 Philippines xxx	xxx Philippine Electricity Market Corporation ~~18/F Robinsons Equitable Tower~~ ~~ADB Avenue,~~ **21st and 22nd Floor One Filinvest, Ortigas Avenue cor. ADB Avenue and Sapphire Road,** Ortigas Center Pasig City~~, 1605 Philippines~~ xxx	To update the PEMC office address in Annex A RCC Form 1 to reflect the current and correct business address, ensuring accurate corporate information and proper correspondence details.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 88 of 126

INTERNAL RULES FOR THE RULES CHANGE COMMITTEE

I. PURPOSE

These Internal Rules shall be used in conducting and directing the meeting and other activities of the Rules Change Committee ("Committee") under the Wholesale Electricity Spot Market Rules ("WESM Rules"), Guidelines Governing the Constitution of the PEM Board Committees ("Guidelines"), and WESM Manual of Procedures for Changes to the WESM and Retail Rules and Market Manuals ("Manual").

II. RESPONSIBILITIES OF THE COMMITTEE

The Committee shall assist the Philippine Electricity Market Corporation (PEMC) Board and the Department of Energy (DOE) or the Energy Regulatory Commission (ERC) in refining or enhancing the market design through revision and amendment of the WESM Rules, and the formulation and amendment of market manuals, procedures, and guidelines.

III. CONSTRUCTION

These Internal Rules shall be liberally construed in a manner that best promotes the attainment of the objectives and responsibilities of the Committee.

IV. CHAIRPERSON, MEMBERS AND OBSERVERS

a. **Composition**. The Committee shall be comprised in a manner that is consistent with the composition of the PEM Board except that the persons representing each of the sectors and other groups on the Committee shall not be the same person as those who are Directors of the PEM Board,[2] to wit:

1. One (1) member representing the Market Operator;
2. One (1) member representing the System Operator;
3. Four (4) members representing the Distribution Sector, two (2) of whom shall be representing the Electric Cooperatives, and the other two (2) representing the Private Distribution Utilities;
4. One (1) member representing the Customers, including but not limited to the Supply Sector;
5. Four (4) members representing the Generation Sector; and

[2] WESM Rules, Section 8.2.2.1

6. Four (4) members who are Independent of the Philippine electric power industry. For the purpose of membership in the Committee, a person is deemed independent of the Philippine electric power industry if he/she:[3]

   i. Is not a director, officer, employee, contractor, agent, adviser, legal counsel, manager, or shareholder of a WESM member, the Market Operator or System Operator;
   ii. Is not a spouse or relative of a person, within the fourth civil degree of consanguinity or affinity, of a director, officer, manager, shareholder of a WESM member, the Market Operator, or System Operator or an official or employee of Philippine government, its agencies or instrumentalities;
   iii. Is not an officer, manager, director, or shareholder, agent, employee or contractor of, or is not a person directly or indirectly, through one or more intermediaries controls, is controlled by a company, affiliate or any other entity related to or associated with a WESM member, the Market Operator, or System Operator;
   iv. is not an official or employee of the Philippine government, or its agencies or instrumentalities, but this will not apply to members of the academe in public schools and universities;
   v. Has not been employed as an officer, whether in a supervisory or managerial capacity, by any electric power industry participant, or a company or a body related to or associated with a WESM member within one year prior to their nomination date; and
   vi. Agrees not to be employed by and does not accept employment with any electric power industry participant, or a company or body related to or associated with a WESM member within one year after the person ceases to be a member.

b. **Appointment**. The PEM Board shall appoint the members and the Chairperson of the Committee; and the Chairperson shall be chosen from among the Independent members of the Committee.[4]

   The PEM Board shall appoint an alternate to the principal member of each sector who shall be recognized as authorized to attend in the absence of the principal member, and shall act in behalf of the Sector they represent.

   In no event shall a company, firm or business have more than one representative in the Committee within the same Sector and neither shall a company, firm or business which is already represented in the Committee in one Sector be represented by an individual in any other Sector regardless of whether the company, firm or business has interests or is a member in more than one Sector.[5]

c. **Term of Office**. The term of office of each member shall be no more than three (3) years. A member of the Committee whose term has expired shall be eligible for re-appointment by the PEM

[3] WESM Rules, Section 1.4.2.7
[4] Guidelines Governing the Constitution of the WESM Governance Committees Issue 5.0, Section 7.2
[5] Guidelines Governing the Constitution of the WESM Governance Committees Issue 5.0, Section 7.3

Board for up to two (2) additional terms, provided that such re-appointment shall not result in a violation of the qualification requirements.[6]

A member appointed to fill in a vacancy shall serve the remaining unexpired term of the predecessor member.

Any member of a Committee whose appointment has expired shall continue to hold office, with all the rights and obligation attached to the position, until his/her replacement has been duly appointed.

d. **Observers.** The DOE and the ERC shall sit as resource persons in the Committee to provide assistance or directions on any regulatory and policy concerns, that any or all issues are being dealt with in accordance with the purpose of the EPIRA, its implementing Rules and the WESM Rules and/or to facilitate energy issues affecting the Market and the power industry as a whole.

V. MEETINGS/DISCUSSION

a. **Regular Meetings**. Meetings of the Committee shall be held, as far as practicable, every third Friday of the month from 9:00 AM to 3:00 PM at the PEMC Office or via electronic platform. The Committee may reschedule the regular meeting on a different day, time and place provided that the notice requirement under Section V.d hereof is followed.

b. **Special Meetings.** The Chairperson may call for a special meeting provided that the notice requirement under Section V.d hereof is followed.

c. **Caucus.** This refers to discussions, by online messaging or, as necessary, conduct of meeting/s, held prior to the regular or special meetings, on the issues, agreements, and disagreements of the RCC members regarding a submitted proposal. RCC members, especially those designated by the Chairperson based on their expertise and/or sectoral interests, shall actively participate in the caucus. As necessary, the RCC shall request clarification from and/or participation of the proponent and commenters. Proposal complexity, length and urgency, among others, shall be considered as criteria for the need to conduct a caucus. The designated caucus leader will present the output of the meeting during the regular or special RCC meetings. The frequency of caucus discussion will depend on the consensus of the group upon evaluation of the proposal.

d. **Notice of Meetings**. Notices for the regular, special and caucus meetings specifying the date, time and place of meeting shall be sent by the Secretariat to the Committee members by email no later than ten (10) calendar days before the scheduled date.

[6] Guidelines Governing the Constitution of the WESM Governance Committees Issue 5.0, Section 7.5

e. **Agenda.** As far as practicable, a provisional agenda shall be provided to the Committee members no later than ten (10) calendar days before the scheduled meeting.

1. **Attachment of Meeting Materials:** Except in cases of Urgent Matters as provided in these rules, the Secretariat shall ensure that all relevant documents and materials pertaining to each item on the provisional agenda are transmitted to the Committee members no later than three (3) calendar days prior to the scheduled meeting.

2. **Updates to Agenda and/or Materials:** In the event of subsequent revisions to the agenda or the availability of new materials, the Secretariat shall promptly update and circulate the revised documents to all Committee members to allow sufficient time for review prior to the scheduled meeting.

f. **Minutes of the Meeting.** Draft Minutes of the previous regular meeting shall be sent by the Secretariat to the Committee members no later than three (3) calendar days before the scheduled date of the next meeting, for review and approval of the Committee. Draft Minutes of caucus meeting shall be reviewed/approved during a regular meeting by the designated members of the caucus.

g. **Highlights of the Meeting.** Initially, draft highlights of the previous regular and caucus meeting shall be sent by the Secretariat to the Committee members present no later than three (3) working days after the said meeting, for comments and approval. If no comments are received by the Secretariat within three (3) working days upon transmittal of the draft highlights, then the same shall be deemed approved. Subsequently, the approved highlights of the previous regular meeting shall be sent out to all Committee members, concerned PEMC personnel and other resource persons. The Final Meeting Highlights shall be emailed within one (1) working day from RCC approval or confirmation of the RRD's response to comment/s.

h. **Cancellation of Meetings.** In the event that a meeting is cancelled, the Secretariat shall inform the RCC members via e-mail at the soonest possible opportunity, but no later than seven (7) calendar days for in-person meetings, including the reason for cancellation.

VI. CONDUCT OF MEETINGS

a. **Committee Documents**. This shall include, but not limited to, minutes of meetings, highlights of meetings, correspondences, resolutions, reports, and work plans.

The resolutions or status reports shall contain the record of the votes, summary of objections, if any, in respect of each recommendations made and the summary of any objections to the proposal brought to the attention of the Committee by any interested party.

The draft resolution, which includes the discussion summary of the caucus, shall be reviewed/approved during the next regular meeting, or online as agreed by the Committee.

b. **Meeting.** This is the main mode of transacting committee's business. It can either be a gathering in person or by virtual means.

c. **Presiding Officer**. The Chairperson shall preside over the meeting. In the absence of the Chairperson, the Chairperson may assign or the Secretariat may request one of the independent members present to be the Presiding Officer.

d. **Quorum**. The quorum for the transaction of business at a meeting shall consist of a majority of the total number of Committee members, regardless of any vacancies. If there is no quorum, the meeting may proceed but matters for decision shall be deferred for succeeding meetings.

In determining the quorum for virtual meetings, the members are required to turn on their camera or confirm their presence verbally.

In instances when the principal member needs to leave the virtual meeting, the alternate member shall be required to attend to maintain the quorum.

e. **Voting**. Every decision of the majority of Committee shall be valid as a Rules Change Committee act. If voting is equal, the Chairperson has a casting vote.

The appointed alternate member can vote in the absence of the principal member. The Observers shall be recognized but shall not have voting rights.

f. **Setting of the Agenda**. At the start of the RCC meeting, the provisional agenda shall be adopted by the Committee, subject to amendments, if any, as provided in Section V.e. Any change in the agenda during the meeting and the reasons therefor shall be documented in the minutes of that meeting. The Committee Secretariat may propose topics/items for inclusion in the agenda of the next meeting, subject to the approval of the Chairperson.

g. **Attendance.** The Committee members shall observe regular attendance to scheduled RCC meetings. The alternate member shall attend the meetings in the absence of the regular member.

Should a Committee member accumulate three (3) absences without prior notice within a calendar year, the Secretariat shall notify such absences to the PEM Board Chairperson for appropriate action.

h. **Punctuality**. The Committee members shall observe punctuality to ensure a quorum on the scheduled meeting time.

i. **Rules of Conduct during Discussion**. As a courtesy and protocol, comments and questions from the Committee as well as from observers and other participants shall be addressed to the Chairperson. In view of this, no member, observer, alternate or third party may engage in the discussion without prior acknowledgement of the Chairperson.

j. **Resolution of Items/Issues.** The Committee shall submit to the PEM Board either a resolution of its decision on a proposal within sixty (60) working days from the date of publication of the notice requesting for comments on a proposal, or a status report on any proposal within ten (10) working days from the RCC meeting when said proposals were discussed.

k. **Urgent Matters.** In cases of urgent matters that require redeliberation of agreement in view of PEM Board or BRC instructions, the Committee may redeliberate the same through an online platform, resolving among others the following:

   a. The need to come-up with an immediate committee decision or defer the discussion to the next meeting;
   b. If by the majority of vote it was determined that there is a need to discuss the matter without waiting for the next meeting, the Secretariat shall facilitate the discussion by collating the opinion/reason of each Committee member.
   c. The final decision of the Committee regarding the matter; and
   d. Approval of the appropriate document that will reflect the final decision of the Committee.

   A reasonable period must be set by the Secretariat in the opinion/comment solicitation from the members and in the finalization of the Committee decision.

   This is an exception to the Committee rules where motion to adopt comments/suggestions is required. Matters taken up through this mode shall be ratified in the next Committee meeting.

l. **Special Arrangements for Video or Teleconference**. If a meeting or caucus will be held in person, Committee members who are out of the country or whose location and/or circumstance (e.g. health and other emergencies) prevents them from physically attending the meeting may participate through video or teleconference. Any Member who wishes to participate in a meeting through video or teleconference must notify the Secretariat at least three (3) calendar days before the scheduled meeting to enable the Secretariat to undertake the necessary preparations.

m. **Invitation to Third Parties**. Representatives from other government agencies, the proponents, commenters and resource persons of rules change proposals and other matters in the RCC agenda may be invited by the Chairperson to attend meetings of the Committee to provide information, expert advice, and/or clarifications on their position, but they shall have no voting rights.

VII. RESPONSIBILITIES OF THE CHAIRPERSON AND MEMBERS

a. **Chairperson**. The Chairperson shall have the following responsibilities:

1. Provide general supervision and establish supporting sub-groups as may be necessary;

2. Preside the Committee meetings and ensure that the meeting rules are observed, such as:

   i. Calling a meeting to order after ensuring that there is a quorum;
   ii. Announcing sequence of business in accordance with the agenda;
   iii. Call for the approval of the minutes and/or proceedings of the previous meetings;
   iv. Recognizing Committee member entitled to the floor;
   v. Putting to vote all legitimate motions that come before the Committee;
   vi. Protecting the Committee from frivolous or dilatory motions;
   vii. Enforcing rules of debate, rules of order and decorum;
   viii. Deciding all questions of order;
   ix. Declaring meeting adjourned; and
   x. Setting of the Agenda.

3. Facilitate and ensure effective implementation and operation of the rules change process within the objectives established in the WESM Rules and Market Manual.

4. Delegate tasks to Committee members and other WESM Governance Committee (WGC), i.e. undertake study on topics/issues for the purpose of enhancing the market design, request for study/opinion from other WGCs.

5. Sign all RCC correspondences for regular submissions to the PEM Board and communications to the DOE, ERC, proponents, commenters, and other concerned parties; and

6. Act as representative of the Committee in all its dealings with the PEM Board, other WESM Governance Committees and other entities.

b. **Members**. The members shall have the following responsibilities:

1. Attend and participate in regular meetings, special meetings, caucus discussions/meetings, and other related RCC activities called for by the Chairperson;

2. Attend WESM-related activities where their presence is requested;

3. Provide expert advice and recommendation consistent with the WESM objectives;

4. Contribute views based on their unique skills and experience;

5. Evaluate proposed rules amendments and determine whether proposed changes to the WESM Rules and Manuals are feasible and consistent with the WESM objectives;

6. Represent their respective sectors in all Committee meetings and duly confer with their respective sectors their recommendation pertaining to rules changes;

7. Prepare for Committee meetings by reviewing reports and background materials prepared for each meeting, and by providing comments in various documents as may be required;

8. Prepare and submit reports to support their position if the Chairperson requires;

9. Endeavor to maintain an excellent record of attendance and shall participate actively in all Committee meetings;

10. Notify the Chairperson and/or the Committee Secretariat whenever the member is not available to attend a meeting;

11. Inform their respective management and sectors on developments pertaining to rules changes and other activities of the Committee;

12. Represent the Committee in all PEM Board and PEMC activities, where Committee matters are part of the agenda/program, as directed by the Chairperson (i.e. presentation of Committee-approved rules changes during PEM Board meetings);

13. Submit to the Committee and Secretariat within the first quarter of the next calendar year a certification from an authorized officer of their sector asserting that their respective management and sectors have been duly informed within the previous calendar year on matters/developments pertaining to rules changes and other activities of the Committee; and

14. Submit a formal letter to the PEM Board Chairperson, copy furnished the Committee Chairperson and the Secretariat, if he/she shall relinquish his/her post in the RCC.

c. **Committee Secretariat**. A unit within PEMC shall provide advisory and technical secretariat support in order for the Committee to carry out its functions and responsibilities. The Secretariat shall be responsible for the following:

1. **Organization of Meetings**
The Committee Secretariat shall organize and facilitate Committee meetings and proceedings, including:

a. Facilitation of all proceedings by the Committee;

b. Preparation of provisional agenda for all Committee meetings subject to the approval of the Chairperson;

c. Preparation, collation, and sending of meeting materials to the RCC prior to scheduled meeting in accordance with its internal business procedures;

d. Coordination with concerned groups and resource persons to facilitate/ensure submission of documents or comments on rules changes proposals and their presence during Committee meetings, as necessary;

e. Proper recording and documentation of all Committee proceedings and transactions; and

f. After securing approval, emailing for electronic signature by the RCC of the following documents:
   i. Minutes of the RCC Meeting;
   ii. RCC Resolutions;
   iii. Committee Reports; and
   iv. Correspondences.

2. **Rules Change Administration and Coordination**
The Committee Secretariat shall provide administrative and coordination support for the Rules Change Process, including:

a. Review of the completeness of the submitted proposed rules changes and its compliance with the prescribed format provided on Section VIII.a;

b. Publication of rules change proposals for comments and approved Market Rules and Manuals in the PEMC website;

c. Giving and serving of all notices required, including proposals to the Market Rules and Market Manuals, herein;

d. Drafting and, upon the Committee's approval on the directive of the RCC Chairperson, finalization of all Committee documents, including the Minutes of Meeting, Correspondences, Resolutions together with the matrix of rules change proposals, reports, work plans and status reports, studies, presentation materials and other relevant documents as may be directed from time to time;

e. Preparation and submission to the PEM Board of necessary documents relevant to the rules changes proposals;

f. Coordination with the PEMC Board, PEMC departments and other government agencies and private entities for the concerns of the RCC;

g. Updating the RCC of all WESM-related activities and updates;

h. Relaying of pertinent information on any operational issues discussed by the Committee and other Committee concerns to the PEMC Management and appropriate agency; and

i. Relaying invitations to public consultations conducted by the DOE and the ERC on draft issuances regarding proposed rules changes endorsed for approval by the RCC and PEM Board.

3. **Reportorial Requirements**
The Committee Secretariat shall prepare, maintain, and submit reports and updates necessary for the Committee's oversight and monitoring functions, including:

a. Status Reports on Rules Change Proposals per WESM Rules Clause 8.4.5 and Rules Change Manual Section 6.1.5, submitted monthly on rules change proposals that are being published for comments, under deliberation, for PEM Board approval, or held in abeyance;

b. Semestral Reports per WESM Rules, Clause 8.6.5 and Rules Change Manual Section 9.1, submitted every end of January and July of each year; and

c. Committee Annual Work Plan and updates on their implementation, submitted on or before 31 March of each year. The Work Plan shall provide as Annex/es the lists of proposals for submission by PEMC and WGCs and required under DOE/ERC issuances;

4. **Records Management and Authentication**
   The Committee Secretariat shall ensure the proper custody, authentication, and maintenance of Committee records and official documents, including:

   a. Certifying acts taken by the Committee;

   b. Countersigning of Committee documents; and

   c. Safekeeping of all RCC documents and records, as well as of other relevant documents and information regarding the activities of the WESM;

VIII. RULES CHANGE PROCESS

a. Submission of Proposed Rules Changes

1. Proposed new Market Manuals or changes to the Market Rules and Manuals are submitted to the Committee through the Committee Secretariat using the standard prescribed form (attached as Annex A).

2. Only those proposals which are submitted through the PEMC website submissions facility and using the standard prescribed form shall be considered and accepted by the Committee. Otherwise, the Committee Secretariat shall remand the proposal back to the proponent, for compliance.

3. A presentation material providing the action/s requested, rationale and highlights of the proposal shall be prepared and submitted by the Proponent to the Committee Secretariat at least three (3) working days prior the scheduled meeting when the proposal is included as an agenda item. The prescribed template is attached herewith as Annex C.

b. Consideration of Comments and Proponent's Response

1. In the evaluation of proposed rules amendments that were published for comments, the Committee shall consider comments submitted by interested parties to the Committee through the Committee Secretariat using the PEMC website submissions facility and standard prescribed form (Annex B). The Committee Secretariat shall acknowledge receipt of comments.

2. The Committee shall require the proponents to submit their responses to comments from interested parties using the same secured file of consolidated comments as provided by the Committee Secretariat. Such submission shall be made at least three (3) working days prior

the next RCC meeting for the RCC's deliberation of the proposal to be included in the agenda. The Committee Secretariat shall acknowledge receipt of Proponent's response.

c. **Processing of Urgent Amendments per PEM Board Decision.** The Committee shall observe the following rules for all Urgent Amendments that have been decided by the PEM Board:

1. PEM Board's approval of the Urgent Amendment
    a. The Committee Secretariat shall publish the Board-approved Urgent Amendments in the market information website. Subsequently, the Secretariat shall notify all WESM Members and other interested parties of such approval.

    b. Within ten (10) days from ratification by the PEM Board of the urgent amendments or upon approval by the PEM Board, the RCC shall notify and invite all WESM Members and all other interested parties of the amendment to make written submissions as a general amendment, following the applicable process provided for in the Manual.

    c. Upon due deliberation and based on the implementation assessment submitted by the Market Assessment Group, the Committee shall re-submit the Urgent Amendments with further changes, if any, as General Amendments to the PEM Board, following the applicable process provided for in the *Manual.*

2. PEM Board's Confirmation of RCC's Recommendation to Reclassify the Proposal

    Within three (3) working days from the PEM Board's approval of the RCC's recommendation to reclassify the Urgent Amendment to General Amendment, the Committee Secretariat shall publish the proposal in the market information website. Subsequently, the Secretariat shall invite all WESM Members and all other interested parties of the amendment to make written submissions as a general amendment, following the applicable process provided for in the Manual.

3. PEM Board's Confirmation of RCC's Recommendation to Disapprove the Proposal

    Within three (3) working days from the PEM Board's approval of the RCC's recommendation to disapprove the Urgent Amendment, the RCC shall notify the Proponent of such decision.

d. **Presentation to the PEM Board of Committee-approved or disapproved Rules Changes Proposals.** The Chairperson shall do the presentation of rules changes proposals approved or disapproved by the Committee during Board Review Committee (BRC) and PEM Board meetings. In cases where the Chairperson will not be available, the Chairperson shall assign a presenter from among the members of the Committee.

Upon the discretion of the Chairperson, the original proponent may be requested to be present during BRC and PEM Board meetings to serve as resource persons.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

IX. CODE OF ETHICS AND PROFESSIONAL CONDUCT

a. The Committee shall comply with the WESM Rules and Manuals and these Internal Rules of the Committee.

b. The Committee members shall observe the WESM Industry Code of Ethics and generally accepted principles of ethics and professional conduct in all its dealings.

c. The Committee shall not make use of for personal gain or divulge to any unauthorized person, any of the confidential information relating to the business of PEMC and its Committees except where disclosure is required by law or by the proper governmental authority or is allowed in writing by PEMC.

d. Discharge their collective responsibilities under the WESM Rules in accordance with Section 7.4 of the WESM Manual on the Guidelines Governing the Constitution of the PEM Board Committees.

X. ADMINISTRATIVE PROCESS

The Committee shall organize itself in the most efficient way possible to accomplish its objective and perform its scope of activities. Further, in the exercise of its functions, the Committee members shall consider first the interest of the market and not the interest of the company nor the sector they represent. In general, Committee process shall be as follows:

a. Identify/clarify issue or problem at hand

1. Provide background information
2. State issue or problem
3. Relate issue/problem to objective under the Market Rules and Manual

b. Elicit all relevant facts, ideas and information

1. Ask questions
2. Generate and record all ideas

c. Analyze the problem and build consensus

1. Collectively think through and discuss ideas
2. Clarify, refine, link, eliminate, and prioritize ideas and information

3. Relate ideas back to objective
4. Test information
5. Acknowledge consensus
6. Identify appropriate resources and actions to take

d. Draw conclusions and make recommendations

1. Summarize work done
2. Summarize agreements made and dissenting opinions expressed
3. Summarize and clarify actions to take
4. Draw conclusions
5. Make recommendations

XI. MISCELLANEOUS

a. **Contact Information**. The Committee Members and Alternate Members shall make available to the PEMC all possible contact information, such as telephone number, mobile phone number, facsimile, electronic mail addresses and mailing addresses.

b. **Amendments**. These Internal Rules may be amended, as necessary, through a resolution passed by at least a majority vote of the Committee members and upon approval of the Chairperson.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 102 of 126

Annex A

ORCP-
Date Received by Secretariat: DD-Mmm-YYYY

REQUEST FOR MARKET RULES AND MANUALS AMENDMENTS

Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments should be submitted to:

Rules Change Committee
Attention: WESM Governance Committee Secretariat
Philippine Electricity Market Corporation
21st and 22nd Floor One Fillnvest,
Ortigas Avenue cor. ADB Avenue and Sapphire Road,
Ortigas Center, Pasig City
Email address: mag_rrd@wesm.ph

[In accomplishing and submitting this form, you give your consent for PEMC to collect, record, organize, and update your personal data as herein provided as part of your information for purposes of rules change process.]

I. Proponent's Information

Name	[Signature over Name]
Designation	
Company	
Company Address	
Telephone No.	
Email Address	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex A

II. Amendment Information

Proposed Amendments to the (please tick the box):

☐ WESM Rules ☐ Retail Rules

☐ Market Manual: (Title of the Manual, Issue No.)

Topic:

Proposed Classification of Amendments (please tick the box):

☐ General ☐ Minor ☐ Urgent

If Urgent, reason for urgency:

Annex A

III. SUMMARY OF THE PROPOSED RULES CHANGE

[Contains highlights of the proposed rules change.]

IV. BACKGROUND

[Contains:

- description of the subject matter,

- how it was applied in the past,

- how the rule originally emerged and adopted by the WESM, and

- the objective the rule is intended to achieve.]

V. THE PROPOSED RULES CHANGE

[Contains:

- the rationale of the proposal,

- implications if the current rule is not changed,

- the problem or shortcoming of the existing rule,

- data and/or simulation results supporting the issues cited and/or desired results of the proposal,

- the sectors that will be positively and adversely affected by existing rule,

- the sectors or stakeholders that will be positively and adversely affected by the proposed rule change, and

- the measures to indicate that the implementation of the proposal meets the proposal's objectives and addresses the problems or shortcomings cited above.]

VI. BACKGROUND AND DESCRIPTION OF THE PROPONENT

[Contains name of firm or organization and top officers, nature of business, and location of business.]

VII. CONCLUSIONS AND RECOMMENDATIONS

VIII. REFERENCES

[Sources, title, date of publication, place of publication, or date the source was accessed on the internet, and name of author/s.]

[redacted]

MEETING MINUTES

[Title of Proposed Amendment]

(The following tables are to be used as applicable to the proposal.)

[WESM/Retail Rules]				
Title	**Clause**	**Provision**	**Proposed Amendment**	**Rationale**
Clause Title of the Provision	Clause Number of the Provision	Original Provision	~~Original Provision~~ **Proposed Amendment**	Rationale of the Proposal

[Title of Market Manual, Issue No.]				
Title	**Section**	**Provision**	**Proposed Amendment**	**Rationale**
Section Title of the Provision	Section Number of the Provision	Original Provision	~~Original Provision~~ **Proposed Amendment**	Rationale of the Proposal

Note: For convenience, please underline and put in bold letters the proposed additions and strikethrough the proposed deletions.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex B

TO BE ACCOMPLISHED BY THE PARTY SUBMITTING THE COMMENTS

[In accomplishing and submitting this form, you give your consent for PEMC to collect, record, organize, and update your personal data as herein provided as part of your information for purposes of rules change process.]

Commenter's Information

Name	[Signature over Name]
Designation	
Company	
Company Address	
Telephone No.	
Email Address	

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 107 of 126

Philippine Electricity Market Corporation

Annex B

Comments to the [Title of Proposed Amendment]

WESM/Retail Rules						
Title	**Clause**	**Provision**	**Proposed Amendment**	**Rationale**	**Comments**	**Proposed Wording based on Comments**
Clause Title of the Provision	Clause Number of the Provision	Original Provision	~~Original Provision~~ Proposed Amendment	Rationale of the Proposal	*[This portion to be filled-in by commenters.]*	*[This portion to be filled-in by commenters.]*

Title of Market Manual, Issue No.						
Title	**Section**	**Provision**	**Proposed Amendment**	**Rationale**	**Comments**	**Proposed Wording based on Comments**
Section Title of the Provision	Section Number of the Provision	Original Provision	~~Original Provision~~ Proposed Amendment	Rationale of the Proposal	*[This portion to be filled-in by commenters.]*	*[This portion to be filled-in by commenters.]*

[redacted]

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 108 of 126

Annex C

TITLE OF THE PROPOSAL
[UPPER CASE, Arial, Size 44]

DATE
VENUE

THE PROPONENT

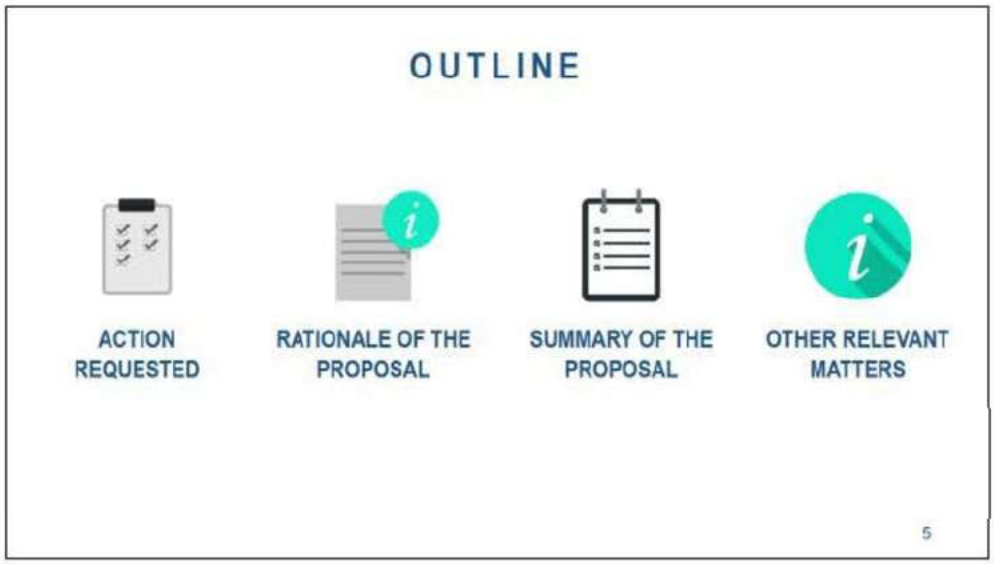
- Background of the Proponent [Sentence Case, Arial, Size 32]

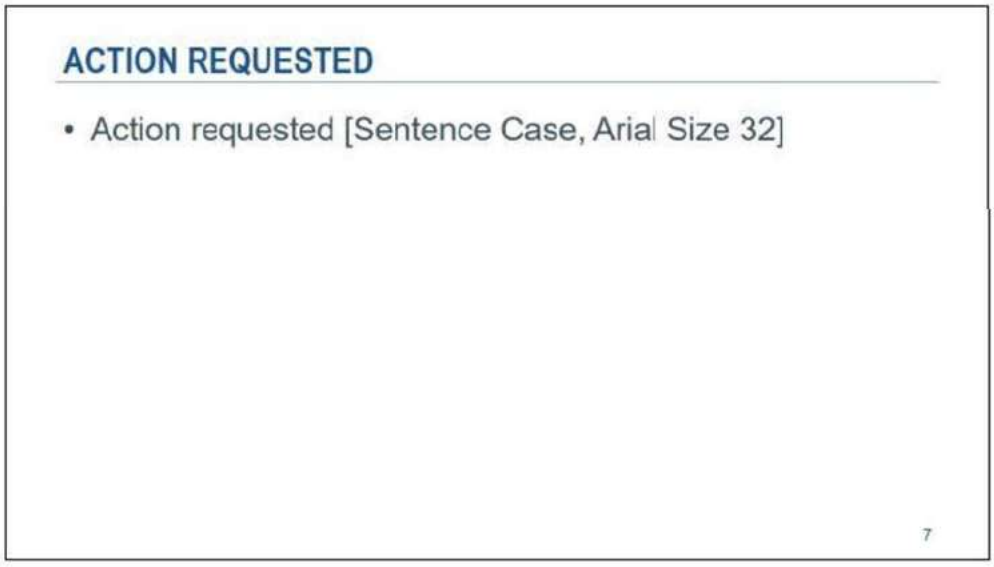
3

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 109 of 126

Annex C





MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 110 of 126

Annex C

RATIONALE OF THE PROPOSAL

- Rationale of the Proposal [Sentence Case, Arial, Size 32]

9

SUMMARY OF THE PROPOSAL

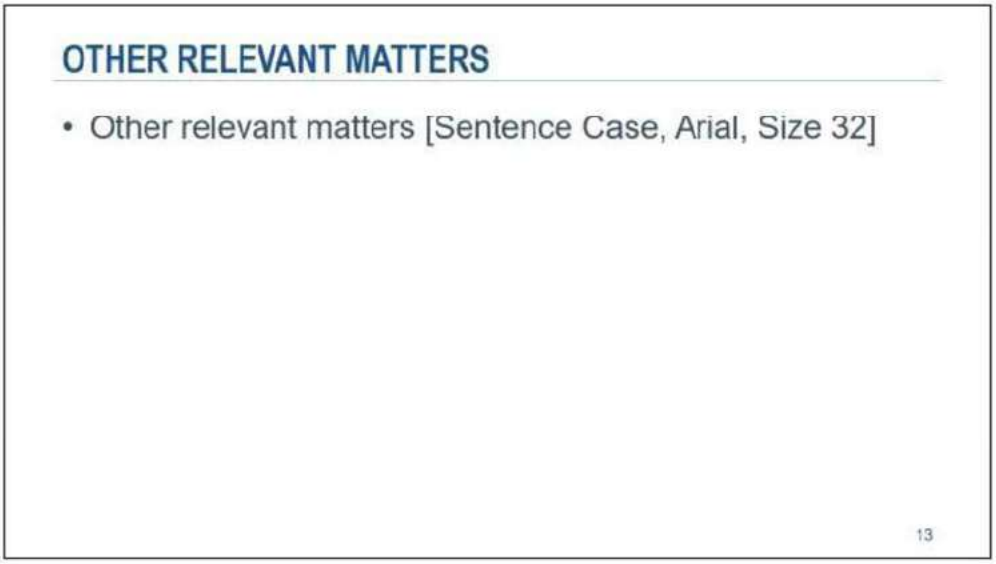
- Summary of the Proposal [Sentence Case, Arial, Size 32]

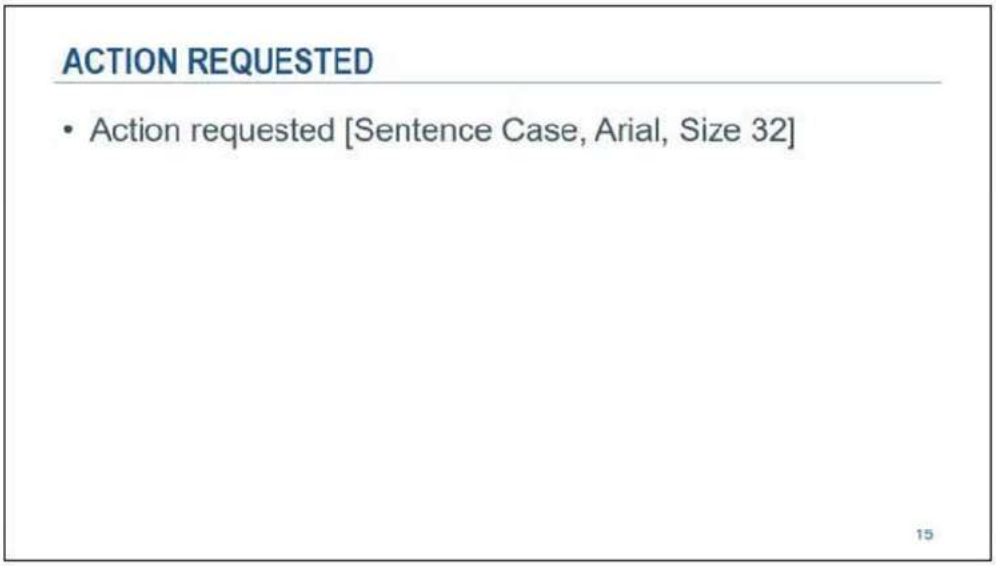
11

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex C





MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 112 of 126

Annex C



MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex D - RCC Form 2 - Proposed Amendment to WESM Manual on MSP Issue 16_ NGCP

PROPOSED AMENDMENT TO WESM MANUAL ON METERING STANDARDS AND PROCEDURES ISSUE 16.0

AUGUST 14, 2026

PEMC

THE PROPONENT

- The National Grid Corporation of the Philippines (NGCP) is a privately led corporation responsible for the operation, maintenance, and development of the country's transmission system and, pursuant to the authority granted by the Energy Regulatory Commission (ERC), serves as a Metering Service Provider (MSP) in the Wholesale Electricity Spot Market (WESM).

2

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

OUTLINE



ACTION REQUESTED



RATIONALE OF THE PROPOSAL



SUMMARY OF THE PROPOSAL

3

ACTION REQUESTED

- NGCP respectfully submits the proposed amendments to the Rules Change Committee (RCC) of the Philippine Electricity Market Corporation (PEMC) for review, evaluation, and approval.

4

RATIONALE OF THE PROPOSAL

- Align the Manual with applicable industry codes and standards, including the Philippine Electrical Code.
- Modernize terminology to accommodate current and emerging technologies.
- Improve the practicality and implementability of certain requirements without compromising metering accuracy, security, or integrity.
- Streamline requirements by removing redundancies and clarifying MSP responsibilities for metering security and access control.

5

SUMMARY OF THE PROPOSAL

- **General Requirements:** Incorporate PEC and applicable standards.
- **Conduit & Communication:** Adopt technology-neutral requirements with appropriate security and protection.
- **Installation Constraints:** Allow controlled flexibility where prescribed arrangements are impracticable.
- **Metering Security:** Strengthen documentation, verification, and tamper-evident measures.
- **Access & Sealing:** Clarify controlled access and remove redundant sealing requirements.

6

ACTION REQUESTED

- To improve the clarity, consistency, flexibility, and practical implementation of the WESM Metering Standards and Procedures while preserving metering accuracy, security, and integrity, NGCP respectfully submits these proposed amendments to the PEMC-RCC for review, evaluation, and approval.

7

THANK YOU!

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex E – RRD Preliminary Assessment of Rules Change Proposal

REF NO.: RRD.PA.26.03 Version No.: 4.0

PRELIMINARY ASSESSMENT OF RULES CHANGE PROPOSAL

Manual Title : Rules Review Manual
Document Information Classification : Internal/Restricted
Effective Date : 11-Aug-23
Page : 1 of 6

Date of Assessment: 01/07/2026

Proposal Control No:	ORCP-WM-26-04		
Proponent:	National Grid Corporation of the Philippines (NGCP)		
Proposed Amendments:	☐ Market Rules ☐ WESM ☐ Retail	☒ Market Manual • WESM Manual on Metering Standards and Procedures Issue 16.0	
Topic:	Proposed General Amendments to the WESM Manual on Metering Standards and Procedures regarding Metering Installation Requirements		
Classification of Amendment:	☒ General	☐ Minor	☐ Urgent

	ASSESSMENT CRITERIA		REMARKS
A. Correctness of Format			
1	Uses the prescribed Rules Change Proposal Form	☒ Yes	☐ No
2	Provides for clear amendments	☒ Yes	☐ No
3	Indicates whether the proposal is General, Urgent or Minor amendment	☒ Yes	☐ No
B. Correctness of the Version and Provision			
1	Amends the correct version of Manual or Rules	☒ Yes	☐ No
2	Amends the correct provisions	☒ Yes	☐ No
3	Affected by previously approved amendments by the RCC or the PEM Board *(If yes, please list the documents being affected)*	☐ Yes	☒ No
4	Consistent with the DOE or ERC issuances *(If no, please list the documents being affected)*	☐ Yes	☐ No
C. Completeness of the Proposal			
1	The proposed amendments satisfy the criteria for rules change in Rules Change Manual Section 5.2	☒ Yes	☐ No

Disclaimer: The assessment reflected herein is preliminary. The proposal is subject to the final assessment by the Rules Change Committee.

Page 1 of 6

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams
Page : 118 of 126

	ASSESSMENT CRITERIA	REMARKS	
2	Cites the effects or requirements of proposed amendment to the WESM Participants, stakeholders, and other parties	☒ Yes	☐ No
3	Provides reason/s whether the proposed amendment is desirable or necessary	☒ Yes	☐ No
4	Contains sufficient information to permit proper consideration by the RCC of the reasons cited, including simulation/s, the cost of implementing related changes to processes, systems or infrastructures, and the public benefit, if any, of making the amendment.	☒ Yes	☐ No
D. Classification of the Proposal			
1	URGENT Proposal - Refers to proposals which require immediate action. *(if one or more criteria is present in a to d, the proposal is considered as an Urgent Proposal as defined under Section 8.4.1.1 (a) of the WESM Rules)*		
1.1	a. Avoid, reduce the risk of or mitigate the adverse effects of certain conditions on the ability of the power system to function normally	☐ Yes	☐ No
	b. Avoid, reduce the risk of or mitigate the effects of the abuse of market power or anti-competitive behavior	☐ Yes	☐ No
	c. Avoid, reduce the risk of or mitigate the unintended adverse effect of a WESM Rule (or any of its amendments) or a provision in a Market Manual *(cite the rule/provision)*	☐ Yes	☐ No
	d. Facilitate the implementation of any regulation, circular, order or issuance of the DOE or ERC pursuant to the EPIRA	☐ Yes	☐ No
1.2	The urgent amendments shall be implementable on the affected WESM/Retail operations and/or transactions within the period of six (6) months, subject to the confirmation of the Market Operator.	☐ Yes	☐ No
2	MINOR Proposal - Refers to proposal which contains the following kinds of corrections: *(if one or more criteria is present, the proposal is considered as a Minor Proposal as defined under Section 8.4.1.1 (b) of the WESM Rules)*		
	a. Corrections as to form such as typographical or grammatical changes	☐ Yes	☐ No
	b. Corrections which are of a non-material procedure or non-substantive nature	☐ Yes	☐ No

Disclaimer: The assessment reflected herein is preliminary. The proposal is subject to the final assessment by the Rules Change Committee.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

RRD PRELIMINARY ASSESSMENT CHECKLIST

	ASSESSMENT CRITERIA	REMARKS	
3	GENERAL Proposal - Refers to proposal which will entail any of the following, if implemented:		
3.1	a. Change in the determination of timetable (including bid and offer submission schedules, auction schedules, etc) or prices in any of the physical or financial markets	☐ Yes	☒ No
	b. Change in the means of procurement of, and prices paid for an ancillary service	☐ Yes	☒ No
	c. Change in the level or timing of information released to the WESM	☐ Yes	☒ No
	d. Change to the conditions for participation such that any currently authorized WESM member would no longer be authorized	☐ Yes	☒ No
	e. Unreasonable difficulty for a WESM member to comply with the law	☐ Yes	☒ No
	f. Render an otherwise compliant WESM member to be non-compliant with the law	☐ Yes	☒ No
	g. Deprivation of any right under existing law by a WESM member	☐ Yes	☒ No
	h. Introduction of additional risks to the Market Operator of not being able to direct the operation of the spot market or to the System Operator of not being able to maintain system reliability in accordance with the applicable standards.	☐ Yes	☒ No
3.2	Do not qualify as either Minor Proposals or Urgent Proposal	☒ Yes	☐ No

E. Other Notes/Observations/Recommendations:

For RCC:

1. Consistency with WESM Rules and Retail MSP Manual
   Ensure consistency of WESM Rules Clause 4.3.1.1 b (Obligations) and Retail Manual on MSP Section 2.3 (General Compliance) with the proposed changes to Section 2.1.1 (General Requirements) of the WESM Manual on MSP that include the Philippine Electrical Code (PEC) in the list of applicable codes and standards.

2. Consistency with Higher-Level Codes
   Consider sending a formal request to the ERC or TC to:
   - Ascertain that no corresponding amendments to the PDC and/or PGC are warranted relative to the proposed amendments to the following MSP Manual Sections:
     - Section 2.9.1.1 (Instrument Transformers Connections)

Disclaimer: The assessment reflected herein is preliminary. The proposal is subject to the final assessment by the Rules Change Committee.

ASSESSMENT CRITERIA	REMARKS

- Section 2.9.1.2 (Conduit Systems), and
- Section 2.9.1.3 (Secondary Terminal Box)

- Confirm that the proposed amendment in Section 2.9.1.2 satisfies the equivalent requirement for rigid metal conduit under PDC Clause 7.2.10.2.

3. MSP Discretion and Implementation Consistency
Consider establishing clear and objective criteria for the application of the provision (Section 2.7.3.6 Codes and Conditions) to promote consistent implementation and minimize the risk of varying interpretations among MSPs.

4. Relationship to 4RMIA Findings
The proposal appears to have been substantially informed by findings and recommendations arising from the 4th Review of Metering Installations and Arrangements (4RMIA). Several of the proposed amendments address issues identified during the audit, particularly those involving metering security, traceability of secondary wiring, and conduit requirements. The 4RMIA report likewise contains recommendations for the initiation of amendments to the WESM Manual on Metering Standards and Procedures and related industry codes to address identified compliance issues and implementation challenges.

Proposal Clauses Linked to 4RMIA Findings and Recommendations:

Proposed Amendment on WESM MSP	PAC Report on 4RMIA	Review Recommendation / Auditor Comment
Section 2.7.3.6 (allowing exceptions to visual traceability due to GIS, ECA and similar constraints)	Section 9.2.3, page 38	The audit found nineteen (19) metering sites with VT/CT secondary wirings that were not traceable and/or concealed underground, largely involving ECA-covered facilities. The independent auditor recommended revision of secondary wirings so that conduits and cables are visible and traceable and that compliance be addressed during maintenance shutdowns where feasible. Also, it is important to note that the recommendation focused on corrective actions and compliance with the existing requirements.
Section 2.9.1.1 (security of primary connections through documented verification and	Section 9.2.1, page 36	The audit found nine (9) metering sites with CT primary tap-changing facilities without security seals. The independent auditor recommended the installation of tamper-evident security measures,

Disclaimer: The assessment reflected herein is preliminary. The proposal is subject to the final assessment by the Rules Change Committee.

RRD PRELIMINARY ASSESSMENT CHECKLIST

ASSESSMENT CRITERIA		REMARKS
equivalent measures)		enhanced inspection procedures, and expressly **recommended that NGCP initiate amendments to the WESM Manual on MSP** to establish sealing procedures, materials, and installation methods for primary tap-changing CT facilities.
Section 2.9.1.2 (allowing rigid or flexible conduit systems)	Section 9.2.4 and Section 9.3.6 (pages 39 and 44, respectively)	The audit found nine (9) NGCP metering sites and fourteen (14) RMSP metering sites using Flexible Liquid-Tight Metallic Conduit (FLMC) instead of Rigid Metal Conduit (RMC). While APEX recommended replacement with RMC under the existing requirements, it also recognized that FLMC may be considered equivalent to RMC if installed and used correctly. Accordingly, **the independent auditor recommended, as a possible rules change proposal**, the consideration of FLMC as an equivalent to RMC based on its flexibility, corrosion resistance, tamper resistance, and suitability for a wide range of operating conditions, while ensuring compliance with the applicable security requirements
Section 2.9.1.4 (meter enclosure access and security arrangements)	Section 9.3.2 (Indirect Linkage), page 41	The audit identified deficiencies in meter enclosure security, including meter cabinets without padlocks and the use of padlock-type seals. The independent auditor reiterated its interpretation that locks (i.e., padlocks) and security seals serve different security functions and recommended improved physical security controls. Also, it is important to note that the recommendation focused on strengthening compliance with existing security requirements.

Disclaimer: The assessment reflected herein is preliminary. The proposal is subject to the final assessment by the Rules Change Committee.

Page 5 of 6

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

ASSESSMENT CRITERIA	REMARKS
For NGCP: 1. Confirm whether Figures 1 and 4 in Sections 2.9.1.3 and 2.9.1.2, respectively, are intended to be deleted and, if so, identify and incorporate any necessary consequential amendments to related provisions, references, and cross-references that may be affected by their deletion. 2. Confirm whether the deletion of the reference to the PDC in Section 2.8 is intentional and remains appropriate. If the reference is to be retained, the proposal may consider specifying the minimum applicable requirements or criteria under the PDC and PGC to ensure clarity and consistency in implementation. 3. Clerical Corrections and Formatting • Remove the backdraft marking "Copy for PEMC" • Update the title row in the Matrix table of the submitted RCC Form 1. • Apply minor formatting corrections, including the proper italicization of defined terms. • For provisions that are not proposed for amendment, replace "..." with "xxx" in accordance with the prescribed format. 4. Include the proposed renumbering of Sections 2.9.1.4 to 2.9.1.7, considering that Section 2.9.1.3 is proposed for deletion. 5. Submit a signed copy of the revised RCC Form 1, together with the editable Word version, incorporating the corrections and formatting changes identified above.	

Prepared by:

KARLO D. MARTIN
Rules Review Manager

Date Prepared 08/10/2026

Reviewed by:

BIENVENIDO C. MENDOZA, JR.
Chief Market Assessment Officer

Date Reviewed 08/10/2026

Disclaimer: The assessment reflected herein is preliminary. The proposal is subject to the final assessment by the Rules Change Committee.

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

Annex F – Presentation Material Market Design and Operations Review (MDOR) Project



ACTION REQUESTED

- For Information

2

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

BACKGROUND

- Included in PEMC's Corporate Strategic Plan for 2023-2025 is the assessment of the implementation of the Enhanced WESM Design and Operations (EWDO).
- In 2023, the DOE and various stakeholders remarked that an assessment would be more appropriate once the major market components (EWDO, WESM Mindanao, Reserve Market) have reached a more stable level of implementation
- On 26 November 2025, the DOE recommended for PEMC to proceed with the MDOR activities.

3 Philippine Electricity Market Corporation

MDOR PROJECT

- Market Design and Operations Review (MDOR) is a project to conduct, via engagement of external consultant(s), a comprehensive **evaluation of the effectiveness of the EWDO**
- MDOR shall have two (2) study components:
  1) Enhanced WESM Design and Operations Implementation Review; and
  2) Feasibility Study on Day-ahead Market
- Period covered: 26 June 2021 – 25 June 2026

4 Philippine Electricity Market Corporation

MDOR SCOPE OF WORK
Enhanced WESM Design and Operations Implementation Review

1. Evaluate the effectiveness of the enhancements made to the WESM design and operations, as enumerated in DOE DC 2015-10-0015;
2. Assess the completeness of EWDO implementation and identify gaps;
3. Identify current market design issues, including energy and reserve market co-optimization, and recommend improvements;
4. Conduct stakeholder consultations and focus group discussions;
5. Perform simulations and impact analyses, and identify necessary rule changes; and
6. Present reports to PEMC, DOE, ERC, IEMOP and, as necessary, WESM Governance Committees.

5

Philippine Electricity Market Corporation

MDOR SCOPE OF WORK
Feasibility Study on Day-ahead Market

1. Determine suitable day-ahead market design considering local conditions and current developments using historical data, system simulations, and cost-benefit analyses;
2. Conduct stakeholder consultations and focus group discussions with market participants and relevant agencies;
3. Provide simulations and impact analysis to support the design recommendations;
4. Review market policies, regulations, rules, and procedures that will be affected by, or will influence the implementation;
5. Cost estimate of the implementation including but not limited to information system changes, consultancy, training, and system impact studies;
6. Provide project implementation and general transition plans and schedules covering selection of consultants, procurement of systems, acceptance testing, operator/participant training, limited live dispatch, and commercial operations; and
7. Present reports to PEMC, DOE, ERC, IEMOP and, as necessary, WESM Governance Committees

6

Philippine Electricity Market Corporation

MEETING MINUTES

Subject/Purpose : 261ST RCC (Regular) Meeting No. 2026-08
Date & Time : 14 August 2026, 09:01 AM to 11:51 AM
Venue : Online via Microsoft Teams

PROJECT SCHEDULE



7

Philippine Electricity Market Corporation

