



MEETING MINUTES

Subject/Purpose : 262nd RCC (Regular) Meeting No. 2026-09
 Date & Time : 18 September 2026, 9:00 AM to 11:19 AM
 Venue : Online via Microsoft Teams
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ATTENDEES

	Name	Designation/Position	Department/ Company
1.	Rachel Angela P. Anosan	Chairman, Independent	RCC
2.	Emmanuel Genesis T. Andar	Independent	RCC
3.	Jesusito G. Morillos	Independent	RCC
4.	Jordan Rel C. Orillaza	Independent	RCC
5.	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
6.	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
7.	Jason A. Francisco	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.	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
11.	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
12.	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
13.	Virgilio C. Fortich, Jr.	Member (Principal), Distribution Sector	RCC
14.	Darwin T. Daymiel	Member (Alternate), Distribution Sector	RCC
15.	Alfredo C. Sanaga, Jr.	Member (Alternate), Distribution Sector	RCC
16.	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
17.	Bryan Alvin A. Calasanz	Member (Alternate), Supply Sector	RCC
18.	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
19.	Kristoffer Monico S. Ng	Member (Principal), Market Operator	RCC
20.	John Paulo O. Castro	DOE Observer	DOE
21.	Dan Michael A. Lontok	DOE Observer	DOE
22.	Jane May M. Mea	DOE Observer	DOE
23.	Chrismah Joy D. Quinones	DOE Observer	DOE
24.	Karen A. Varquez	RCC Secretariat	PEMC
25.	Karlo D. Martin	RCC Secretariat	PEMC
26.	Mark Froilan L. Lingao	RCC Secretariat	PEMC
27.	Mary Rose L. Bisnar	RCC Secretariat	PEMC
28.	Erika Guia M. Espiritu	RCC Secretariat	PEMC
29.	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
30.	Jerico Andrew D. Custodio	Market Assessment Group (MAG)	PEMC
31.	Carmina A. Salamat	MAG	PEMC
32.	Darrell M. Sardina	MAG	PEMC
33.	Divine Gayle C. Cruz	MAG	PEMC



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34.	Elissa B. Pastrana	MAG	PEMC
35.	Emmanuel B. Amistoso	MAG	PEMC
36.	Ira Lee P. Corectico	MAG	PEMC
37.	Johann Rafael D.B. Biscocho	MAG	PEMC
38.	John Eisendel M. Labay	MAG	PEMC
39.	Kay Ann S. Austria	MAG	PEMC
40.	Leo John A. Juguilon	MAG	PEMC
41.	Alyssa Isabella R. Punzalan	Enforcement and Compliance Office (ECO)	PEMC
42.	Angelica G. Alejan	ECO	PEMC
43.	Carl Angelo B. Dela Cruz	ECO	PEMC
44.	Darlene C. Dublar	ECO	PEMC
45.	Dianne Kate C. Langit	ECO	PEMC
46.	Francesca Claire B. Sta. Ana	ECO	PEMC
47.	Gabbor M. Dichoso	ECO	PEMC
48.	Hilary Romeli C. Florendo	ECO	PEMC
49.	Jace A. Tesaluna	ECO	PEMC
50.	Jhezreel John G. Caramat	ECO	PEMC
51.	John Patrick D. Yanga	ECO	PEMC
52.	Josephine C. Corpuz	ECO	PEMC
53.	Joyzel B. Glumal	ECO	PEMC
54.	Kassandra Fleur Alaine D. Parnacio	ECO	PEMC
55.	Kim Albert G. Taleon	ECO	PEMC
56.	Ma. Pauline S. Figueroa	ECO	PEMC
57.	Mark Anthony C. Andrada	ECO	PEMC
58.	Nylle Gregory P. Bague	ECO	PEMC
59.	Paolo C. Alegre	ECO	PEMC
60.	Vince Luigi B. Maliwanag	ECO	PEMC
61.	Earl James G. Reyes	Legal	PEMC
62.	Gabriel R. Marmeto	Legal	PEMC
63.	Joanna B. Pangilinan	Office of the President and WGO	PEMC
64.	Gelo Africa	Proponent	ACEN Corp.
65.	Gio Almonte	Proponent	ACEN Corp.
66.	Jonathan Galope	Proponent	ACEN Corp.



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1.0 Call to Order

The meeting was called to order at 9:03 AM.

2.0 Determination of Quorum

The quorum was determined with 15 principal members and 4 alternate members present. Four DOE observers were also present at the meeting.

3.0 Adoption of Agenda

Mr. Mark Froilan L. Lingao (Secretariat) presented the proposed meeting agenda and informed the Committee of an additional item under New Business, as follows:

- Agenda 6.1 Proposed Urgent Amendments to the WESM Rules and various WESM Manuals on Forecast Accuracy Standards for Scheduled VREs.

In view of the additional agenda item, Mr. Lingao further requested that Agenda 6.1 be taken up first to accommodate the attendance of the Proponent's representatives.

- ✓ The RCC approved the revised meeting agenda, including the proposed sequence of discussions.

4.0 Draft Minutes of Previous Meetings

Mr. Lingao presented the draft minutes of the 261st RCC (Regular) Meeting held on 14 August 2026, which was circulated to the RCC on 15 September 2026. He likewise highlighted that no comments were received from the Committee.

- ✓ The RCC approved the draft minutes as presented.
- ✓ 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 regarding Additional Conditions for Qualifying a Frequency Driven Event

- Presenter/s: Ms. Mary Rose L. Bisnar (Secretariat)
- Action Requested: For Discussion
- Material/s: Annex A – Presentation Materials of the 262nd RCC (Regular) Meeting
- Proceeding/s:

Ms. Mary Rose L. Bisnar (RCC Secretariat) provided a recap of the previous deliberations on the proposal held on 14 August 2026, highlighting the following matters:

- It was raised that Ancillary Services Providers (ASPs) Certificates were originally issued by the System Operator based on prevailing testing and certification requirements and that any change in the compliance criteria may warrant a review of the validity of previously issued certifications. Suggestions were put forward that the



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ASPs be subjected to retesting and recertification should the proposal be approved and implemented, and there should be an appropriate transition period to allow the affected ASPs sufficient time to comply with any new testing, certification, and operational requirements;

- The proposal could alter the manner by which reserve response performance is assessed and may result in certain instances of non-compliance no longer being flagged under the monitoring framework;
- It was suggested that the System Operator, Market Operator, and PEMC work towards harmonizing the Ancillary Services Provider Agreement (ASPA) and the WESM Ancillary Services Monitoring Manual (ASMM) to ensure alignment between certification requirements and compliance monitoring processes; and
- It was noted that the applicability of the proposal has differing views across different generation technologies, including Pump Storage Power Plants and Battery Energy Storage Systems.

Ms. Bisnar also provided an update to the Committee on the request to the Technical Committee for an assessment of the proposed 25-second criterion and its applicability across various ASP technologies. She reported that, during its preliminary discussion on 02 September 2026, the Technical Committee highlighted the following:

- i. The need to evaluate the consistency of the compliance monitoring processes under the Ancillary Services Procurement Agreement (ASPA) and the WESM Ancillary Services Monitoring Manual (ASMM);
- ii. The importance of consistent application of rules and technical standards across market participants;
- iii. The need for further examination of reserve response deployment and monitoring in real-time operations;
- iv. Prioritization of compliance monitoring comparison over immediate amendments on the criteria of FDE; and
- v. Additional analysis, including the possible use of actual operating data from the System Operator, may be necessary to support its assessment.

Ms. Bisnar further informed the Committee that no official response or assessment has yet been issued by the Technical Committee. The RCC then discussed the next steps that they will undertake, as follows:

- Ms. Rachel Ann P. Anosan (RCC-Chairperson) asked whether the Technical Committee intends to submit a formal assessment on the matter or if it is still in the process of requesting and reviewing the necessary data. Ms. Bisnar responded that based on the latest update from the Technical Committee, an official response to the RCC's request will be provided. It was further noted that, during the discussions, the Technical Committee identified the possible need to obtain actual data from the System Operator to support its assessment.

Mr. Jayson A. Francisco (RCC-Generator) requested confirmation from the Technical Committee Secretariat on whether data requirements were already identified and an official request for data has already been submitted to the System Operator in support of the Committee's further evaluation. He likewise sought clarification on whether the requested assessment will be available for presentation at the next RCC meeting. Ms. Divine Gayle C. Cruz (TC Secretariat) responded that the Technical



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Committee has yet to complete its assessment and that the timeline for its submission to the RCC remains undetermined. She added that any data requirements from the System Operator will be further discussed by the Technical Committee in their next meeting and updates on the matter will be communicated through the RCC Secretariat.

Ms. Anosan noted that the Committee had intended to reach a decision on the proposal during the meeting. However, considering that the Technical Committee's assessment has not yet been presented and no definitive timeline for its submission has been provided, she sought the Committee's guidance on how to proceed with the matter.

- Mr. Darryl Lon A. Ortiz (RCC-System Operator) requested PEMC to provide statistics from the Reserve Conformance Standards monitoring, particularly on the types of power plants that have breached the Response Accuracy Standard (RCS1) and that may be subject to penalties. Ms. Anosan acknowledged the request and noted that the matter would be referred to Enforcement and Compliance Office for appropriate action.
- Considering the pending requests for additional information, Ms. Anosan explained the options to Committee to either defer decision to the next RCC meeting to allow the requested information to be provided and considered before a final determination is made or proceed with voting on the proposal.

Mr. Orillaza expressed support for the Technical Committee's recommendation to compare the compliance monitoring framework under the ASPA and ASMM, noting that the matter had also been raised during the previous meeting. He likewise expressed that referring the matter to the Technical Committee could extend the resolution process, given the complexity of the assessment. Noting that the decision on the proposal falls within the RCC's responsibility, he suggested holding an RCC caucus with the Proponent, the System Operator, and ECO to discuss and reconcile the relevant provisions of the ASPA and ASMM.

Ms. Anosan noted that a caucus could provide a venue for the parties to discuss and reconcile the relevant ASPA and ASMM provisions and that such discussions may also require time and may not necessarily result in an immediate resolution. She then asked Mr. Orillaza what specific outcome the Committee intends to achieve through the proposed caucus.

Mr. Orillaza reiterated its support for comparing the compliance monitoring framework under ASPA and ASMM, noting that a decision on the proposal would require a reasonable comparison of the two frameworks. While acknowledging that the Committee could already decide on the proposal as presented, he stated that he cannot make any decision as of present. He added that sufficient information is not yet available and that a position on the matter could only be formed after a reasonable comparison of the two frameworks has been undertaken.

Ms. Anosan clarified whether the comparison is based on the premise that generating units capable of complying with their contractual obligations under ASPA should likewise be capable of complying with the requirements under ASMM.



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Mr. Orillaza confirmed this and emphasized that one of the key issues is understanding why compliance can be achieved under the ASPA but not under the ASMM. He noted that the previous discussions indicated that the ASMM applies a stricter assessment based on shorter monitoring intervals, whereas the ASPA uses an hourly assessment. While acknowledging the compliance implications raised by ECO if the same monitoring approach is applied under ASMM, he expressed the view that any decision on the proposal should be supported by a reasonable comparison of the ASPA and ASMM and that compliance requirements should not be more stringent than necessary.

- In view of the foregoing, Ms. Anosan sought the Committee's views on whether to proceed with voting on the proposal or defer its consideration. She noted that an RCC caucus involving the Proponent, the System Operator, ECO and the party responsible for the ASPA compliance assessment could provide an opportunity to clarify the differences in compliance monitoring approaches, while awaiting the Technical Committee's assessment.

Noting most of the Committee to favor deferring the matter¹, Ms. Anosan inquired Mr. Ortiz whether a discussion could be arranged with the System Operator and the party responsible for the ASPA compliance assessment. Mr. Ortiz confirmed that the proposed discussion could be arranged and that the necessary presentation materials would be prepared for the Committee's consideration.

- Agreement/s:

- ✓ The RCC agreed to defer further discussion on the proposal pending the completion and submission of the Technical Committee's assessment.
- ✓ The RCC requested the RCC Secretariat to coordinate and schedule an RCC caucus with the System Operator, the Proponent, ECO and the Technical Committee to discuss matter further.

6.0 New Business

6.1 Proposed Urgent Amendments to the WESM Rules and various WESM Manuals on Forecast Accuracy Standards for VREs

- Presenter/s: Mr. Ignacio K. Gonzalez (Proponent – ACEN Corporation);
Mr. Karlo D. Martin (Secretariat)
- Action Requested: For Discussion and approval
- Material/s: Annex A – Presentation Material of the 262nd RCC (Regular) Meeting
Annex B – Proponent's Presentation Material of the Proposal

¹ Ten (10) of Fifteen (15) RCC Members present voted in favor of the deferring further deliberation of the proposal, namely: *Alabado, Ambrosio, Andal, Banzon, Claudio, Francisco, Morales, Morillos, Orillaza, and Ortiz*. The remaining Members present, namely: *Anosan, Dela Cruz, Fortich, Gutierrez, and Ng*, did not express support for the motion to defer.



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• Proceeding/s:

Mr. Karlo D. Martin (RCC Secretariat) informed the RCC of the proposed urgent amendments to the WESM Rules and relevant Market Manuals to allow the application of the Forecast Accuracy Standards (FAS) to scheduled Variable Renewable Energy (VRE) generating units. Pertinent information about the proposal and subsequent processing are as follows:

- Submitted by ACEN Corporation on 08 September 2026.
- The proposal aims to facilitate scheduled registration, support offer-based market participation, reduce exposure to negative prices, and promote a more competitive renewable energy market.
- Preliminary assessment was circulated to the Committee on 11 September 2026.
- The proposed timeline includes:
 - Presentation to the Board Review Committee (BRC) on 21 September 2026
 - Submission of the RCC Resolution to the PEM Board on 25 September 2026
 - Presentation of the proposal to the PEM Board on 30 September 2026

For this agenda item, the Committee was requested to consider: (1) certifying the proposal as an urgent amendment or re-classifying it as a general amendment; and (2) approving its posting for stakeholder comments should the RCC reclassify the proposal as the latter.

I. Presentation of the Proposal

Mr. Ignacio Francisco K. Gonzalez (ACEN Corp/Proponent) explained that, while the WESM Rules already allow VRE facilities to register as scheduled generators and participate in the market on an offer-based basis, such generating units become subject to the Dispatch Conformance Standards (DCS), which were designed for dispatch generators. He noted that the DCS framework effectively limits the practical use of the scheduled registration option by VRE facilities due to the risk of penalties and suspension for non-compliance.

Mr. Gonzalez clarified that the proposal does not seek to create a new generator classification, remove accountability requirements, or introduce a new forecasting methodology. Instead, it seeks to apply the existing FAS framework, which is currently used for must-dispatch VRE units, to VRE generating units that elect as scheduled.

He further noted that increasing occurrences of negative market prices, driven by growing VRE penetration, have resulted in significant financial impacts on renewable energy generators and may increase costs recovered through Feed-In Tariff Allowance (FIT-All) and Green Energy Auction Program (GEAP) mechanisms. He emphasized that the VRE facilities are technically capable and commercially willing to respond to market signals but are currently constrained by the applicable compliance framework.

Accordingly, Mr. Gonzalez requested the approval of the proposed urgent amendments to the WESM Rules and various WESM Manuals to allow VRE generating units that elect scheduled status to comply with FAS in lieu of DCS, thereby enabling offer-based participation while maintaining forecast accountability.



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II. Discussion of the Proposal

A. Participation of VRE Generating Units in the Market and Compliance with the Existing Framework

Mr. Ortiz inquired on whether merchant VRE generating units are already participating in the market and what prevents such units from complying with the existing DCS while responding to market signals, as compared with the proposed application of the FAS. Additionally, he inquired how the proposed FAS framework would address the limitations encountered by VRE generating units under the current DCS requirements and enable a more effective response to market price signals.

In response to Mr. Ortiz's query, Mr. Gonzalez confirmed that merchant VRE generating units are already participating in the market, citing ACEN's San Marcelino Solar Plant, which is only partially contracted. He also cited Terra Solar as another example of a solar plant that has merchant exposure. He then explained that the compliance with DCS is challenging for VRE generating units due to inherent intermittency of renewable resource such as solar and wind resources. As an example, a solar plant scheduled to generate 50 MW may experience sudden cloud cover that significantly reduces output, causing deviations beyond the allowable DCS tolerance thresholds (+ 1.5% (upper threshold) or -3% (lower threshold) of the dispatch schedules or +/- 1MW, whichever is higher). He added that the wider FAS bands better reflect the operational characteristics of VRE facilities and provide a more appropriate compliance framework for scheduled VRE generating units.

Further to his query, Mr. Ortiz sought clarification on the Proponent's statement that VRE generating units are unable to respond to market price signals under the DCS framework but would be able to do so under the FAS framework. He requested further explanation on how the application of FAS would enable VRE generating units to react to changes in market prices while remaining compliant with market requirements.

Mr. Gonzalez responded that VRE generating units currently operate as price takers and are expected to follow dispatch schedules regardless of market prices, including during negative pricing intervals. While VRE facilities may elect to become scheduled generating units and participate on an offer-based basis, doing so would subject them to the DCS designed for generators capable of controlling their output. In contrast, VRE facilities cannot fully control resource availability since their generation depend on variable weather conditions. He likewise noted that VRE facilities are technically capable of reducing output in response to negative price signals and are commercially incentivized to do so. However, reducing generation may result in deviations from the dispatch schedules that could lead to DCS non-compliance, penalties, and potential suspension or deregistration. He emphasized that the proposal could provide a compliance framework better suited to the operational characteristics of VRE facilities while allowing them to respond to market price signals. He further emphasized the urgency of the proposal, citing the expected addition of approximately 7.5 GW of solar capacity from the Green Energy Auction (GEA), which may increase the frequency of negative pricing intervals and worsen the financial impact on merchant VRE generators.



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B. Assessment on the Potential Impact of the Proposal to Renewable Energy Certificates

Mr. Ryan S. Morales (RCC-Distribution) noted that the proposal may result in reduced output from Renewable Energy (RE) plants and sought clarification on its potential impact on Renewable Energy Certificates (RECs) availability. Specifically, he inquired whether an assessment had been made of the volume of RECs that could be removed from the system and how such reduction might affect the Renewable Portfolio Standards (RPS) compliance of entities either contracted with these plants or sourcing RECs from Renewable Energy Market (REM).

Mr. Gonzalez responded that no assessment had yet been conducted on the potential reduction in RECs. However, he explained that the proposal is expected to primarily affect merchant VRE generating units, while facilities operating under FIT, GEA, or bilateral contracts are unlikely to change their operating behavior due to existing revenue arrangements. He noted that the contracted RE plants, including those supplying distribution utilities and with related REC issuance, are not expected to materially be affected. He also noted that the proposal's impact would likely be limited to a small portion of merchant RE capacity, including the merchant component of Terra Solar. He added that an estimate of the potential impact on REC generation and RPS compliance would be provided separately.

C. Optional Must-dispatch Classification for VRE Generating Units

Ms. Gian Karla C. Gutierrez (RCC-Supply) asked on whether the proposal would effectively make the must-dispatch classification optional for VRE generating units.

Mr. Gonzalez clarified that the proposal would not make must-dispatch status optional, as VRE generating units already have the option under the existing rules to register either as must-dispatch or as scheduled generating units. It was explained that the proposal does not create a new option but seeks to make the existing scheduled registration option practicable by applying the FAS framework. Additionally, he said that VRE facilities opting as scheduled generating units may still offer at very low or negative prices and, in effect, continue to be dispatched similarly to must-dispatch generating units.

D. Negative Pricing Intervals that directly affect Solar Generating Units

Mr. Carlito C. Claudio (RCC-Generation) noted that many negative pricing intervals occur during the off-peak hours, particularly before sunrise when solar plants are not generating, and sought clarification on how many negative pricing intervals directly affect solar generating units. He requested information on the extent when negative prices occur during periods when solar generation is available and whether such intervals materially impact solar plant operations.

Mr. Gonzalez clarified that the proposal applies to all VRE generating units and is not limited to solar facilities. However, it was noted that negative pricing intervals predominantly occur during periods of high solar generation, particularly between 8:00 AM and 3:00 PM. He explained that the increasing volume of solar generation, which is typically offered at very low or negative prices, tends to move the market merit order



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such that negative-priced offers become the marginal offer, resulting in negative market prices. Consequently, while some negative pricing intervals occur outside solar generation hours, solar generating units are generally the facilities most directly affected by negative pricing conditions.

A follow-up question was raised by Mr. Claudio on the negative pricing data presented by Mr. Gonzalez. Specifically, he inquired how many of the 751 negative pricing intervals recorded in 2023 and the 1,870 intervals recorded in 2025 occurred during periods when solar plants were generating and were therefore directly affected by negative market prices. Mr. Gonzalez responded that 87% of negative pricing intervals occurred between 6:00 AM to 5:00 PM.

E. Consistency of the Proposal with the Renewable Energy Act Must-dispatch Principle

Mr. Claudio sought clarification on whether the proposal would allow VRE generating units to refrain from generating during negative pricing intervals despite the availability of RE resources, and whether such an approach would be consistent with the intent of the Renewable Energy Act, which provides for the must-dispatch treatment of renewable energy resources when available. He raised that the law does not expressly provide an exception to the must-dispatch principle during periods of negative market prices.

Mr. Gonzalez expressed the view that the proposal is consistent with the intent of the Renewable Energy Act and clarified that it does not seek to compel VRE generating units to reduce generation during negative pricing intervals. He noted that merchant VRE facilities currently have limited flexibility to avoid operating at a loss, unlike other generating units that may structure their offers based on commercial considerations. He added that the proposal seeks to address what was characterized as an unintended consequence of the current framework, which effectively constrains VRE generating units from exercising an option already available under the WESM Rules.

F. Alternative Measures to Address Negative Pricing Impacts on VREs

Mr. Claudio acknowledged the proponent's concern regarding losses incurred during negative pricing intervals. He inquired whether alternatives to the proposed application of FAS had been considered. These options included adjusting the existing DCS tolerance thresholds for VRE generating units to better accommodate the variability of renewable resources or integrating Battery Energy Storage Systems (BESS) to provide greater operational flexibility and mitigate exposure to negative pricing while maintaining compliance with dispatch requirements.

Mr. Gonzalez stated that battery energy storage systems (BESS) remain a viable solution and are being developed to help manage renewable energy output and shift generation to periods when it is needed. However, he emphasized that addressing negative pricing requires multiple solutions. He raised that various regulatory options had been considered, including alternatives to the proposed approach, but the application of FAS was identified as the most practical and readily implementable option since it utilizes an existing compliance framework. He further explained that creating new compliance standards or tolerance bands would require additional studies and rule



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changes, whereas the proposed amendment could be implemented more efficiently in light of the anticipated entry of additional renewable energy capacity.

G. Impact on Generation Load Balancing

Mr. Claudio raised concern over the potential impact of replacing DCS with FAS for intermittent renewable energy resources. He noted that DCS compliance is monitored on a dispatch interval basis and supports real-time system operations, whereas FAS is assessed over a longer period and is not monitored at every dispatch interval. He then requested clarification on the potential impact of the proposed framework on system operations, particularly on frequency control and the System Operator's ability to maintain generation-load balance.

Mr. Gonzalez clarified that the proposal does not involve shifting VRE generating units from DCS to FAS. Rather, VRE generating units are already subject to FAS under the current framework. He explained that the proposed change pertains to the registration status of VRE facilities, which may elect to become scheduled generators while remaining subject to the existing FAS compliance framework.

In response, Mr. Claudio highlighted that VRE generating units electing scheduled status would be dispatched as scheduled generators rather than based solely on projected output and reiterated the implications on system operations in applying FAS framework instead of DCS, particularly on generation-load balancing and frequency control. Additionally, he observed that, under the proposed framework, VRE generating units electing scheduled status would instead be assessed under the FAS, which are monitored over a longer assessment period.

H. Operational Requirements of Scheduled Generator for VREs

Ms. Anosan observed that electing scheduled generator status entails not only a change in the applicable compliance framework but also corresponding operational obligations and expectations associated with scheduled dispatch. She noted that the proposal appears to focus primarily on the compliance standard and sought clarification on how VRE generating units electing scheduled status would meet the obligations of scheduled generators, particularly with respect to dispatch instructions and generation scheduling. She further queried whether the proposal contemplates any changes to the dispatch process, noting that VRE facilities appear to be expected to continue generating based on available resources while being assessed against forecasted output.

Responding to Ms. Anosan, Mr. Gonzalez stated that the proposal would not materially affect system operations under normal conditions. He explained that the primary change would occur during periods of oversupply and negative prices, where VRE generating units electing scheduled status would have the ability to reduce output in response to market signals. He emphasized that VRE facilities are technically capable and commercially willing to reduce generation under such conditions.



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I. Assessment of the Proposal's Impact on Spot Prices, REC Availability, and Generator Profitability

Mr. Morales requested that the proponent provide an assessment of the proposal's potential impact on WESM spot prices, including illustrative analyses based on representative trading periods, and evaluation of the potential impact of the proposal, together with the anticipated influx of additional GEA renewable energy projects, on REC availability and spot market prices, noting that such information would be important for the Committee's evaluation of the proposal. He further commented that, while losses during negative pricing intervals were cited as a justification for the proposal, it would also be useful for the Committee to understand the overall financial impact on affected generators, including whether such losses materially affect profitability over a longer period.

Mr. Gonzalez committed to provide the assessment requested by the Committee.

J. Assessment of the Proposal's Impact on Electricity Costs and Consumers

Mr. Virgilio C. Fortich, Jr. (RCC-Distribution) asked on the expected impact of the proposal from the consumers' perspective. Specifically, he inquired whether allowing VRE generating units electing scheduled status to comply with FAS would ultimately result in lower electricity costs, including potential effects on WESM spot prices, reserve market prices, and ancillary service costs.

Mr. Gonzalez stated that it would be included in the succeeding submission.

K. Daytime Negative Pricing Data and Trading Intervals

Mr. Ortiz requested the RCC Secretariat to provide data on negative pricing intervals occurring during daytime hours, including the corresponding trading intervals, dates, and months in which such intervals occurred, to enable the Committee to better assess the extent to which negative prices coincide with periods of solar generation.

Ms. Anosan noted the request and directed the RCC Secretariat to provide the information in the succeeding RCC meeting.

L. FAS Compliance and Dispatch Obligations of Scheduled VREs

Ms. Anosan sought clarification on how the proposed application of FAS would operate for VRE generating units electing scheduled status, particularly in relation to the offer submission and dispatch obligations applicable to scheduled generators. She said that scheduled generating units are dispatched based on submitted offers and may be scheduled at quantities lower than their projected output.

Mr. Gonzalez clarified that VRE generating units electing scheduled status would continue to comply with all obligations and requirements applicable to scheduled generators, including offer submission and dispatch obligations. He emphasized that the proposed amendment is limited to the applicable compliance framework, such that FAS, rather than DCS, would be used to assess compliance. He further explained that forecast accuracy would be measured against the resulting dispatch schedule, and that



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VRE generating units are technically capable of reducing generation to comply with schedules lower than their projected available output.

III. Preliminary Assessment

A. Presentation of the RCC Secretariat's Preliminary Assessment

Mr. Martin presented the RCC Secretariat's preliminary assessment of the proposal submitted on 11 September 2026, which seeks to amend the WESM Rules and relevant Market Manuals to apply the FAS to scheduled VRE generating units in lieu of the DCS. He informed the Committee that the proposal complied with the prescribed RCC format, correctly identified the relevant provisions for amendment, and contained sufficient information to support further RCC evaluation. It was likewise noted that no previously approved amendments were identified to be in direct conflict with the proposal.

With respect to classification of the proposal, Mr. Martin reported that, based on the assessment, the proposal does not satisfy the criteria for an urgent amendment per WESM Rules Clause 8.4.1.1 (a), as it does not involve an imminent threat to system security, reliability, adequacy, or normal power system operations; does not address market power, anti-competitive conduct, or market manipulation concerns; and does not arise from a newly issued DOE or ERC directive requiring immediate implementation. He further observed that the proposal introduces a distinct compliance framework for scheduled VRE generating units and may therefore constitute a substantive policy change that warrants broader review and stakeholder consultation.

Mr. Martin further noted that the RCC may wish to assess whether the proposed amendments would effectively address the concerns raised by the proponent regarding exposure to negative prices, as well as the implications of the proposal on the must-offer rule and the existing obligations of scheduled generating units, including offer submission, capacity declarations, dispatch compliance monitoring, and enforcement.

Accordingly, Mr. Martin recommended that the RCC evaluate the materiality and immediacy of the alleged adverse effects, the potential impact of the current and proposed frameworks on market operations, system reliability, market settlements, and WESM administration, and whether the proposal would be more appropriately processed as a general amendment. He likewise recommended obtaining comments from Market Operator and System Operator on the operational implications of the proposal.

In addition, Mr. Martin recommended that the proponent revisit the proposed amendments to the definition of terms and submit the proposed amendments to the WESM Manual on Penalties to the Market Surveillance Committee (MSC) for review and recommendation pursuant to the WESM Rules.

Mr. Gonzalez acknowledged the comments and informed the Committee that the requested information and supporting materials are already being prepared for submission. He also noted that action is being taken on the recommendation to submit the proposed amendments relating to penalties to the Market Surveillance Committee (MSC) for review and recommendation.



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B. Discussion on the Proposal's Classification

Mr. Kristoffer Monico S. Ng (RCC-Market Operator) sought clarification on the Secretariat's assessment of the proposal's classification, noting that the proponent appears to invoke the ground that the proposal seeks to address an unintended adverse effect of a WESM Rules. He observed that no specific assessment was presented under this criterion and requested the Secretariat to elaborate on its evaluation of the proposal against that ground.

Mr. Martin explained that the proposal was not assessed as addressing an unintended adverse effect of a WESM Rule. It was noted that the proposal seeks to establish a different compliance framework for scheduled VRE generating units through the application of FAS in lieu of DCS, which the RCC Secretariat considered a substantive policy change requiring further evaluation.

Further to his query, Mr. Ng sought comments on the observations that the proposal does not address an unintended adverse effect of a WESM Rule, noting that the proponent had cited such ground in support to its proposed urgent amendment classification.

Mr. Martin responded that that the current application of DCS to scheduled generating units is not, by itself, an unintended consequence of the WESM Rules. Rather, the proposal seeks to introduce a different compliance framework that the proponent considers more suitable to the operating characteristics of VRE generating units. As such, the RCC Secretariat viewed the proposal as a substantive policy change rather than a measure intended to correct an unintended adverse effect of an existing WESM Rule.

Mr. Ng expressed that, based on his understanding of the Proponent's position, the proposal seeks to address the situation wherein VRE generating units must choose between remaining exposed to negative prices under the current framework or electing scheduled status and facing potential non-compliance with DCS requirements. He shared that, from this perspective, the proposal could be viewed as addressing an unintended consequence of the existing rules and acknowledged the RCC Secretariat's explanation on the matter.

C. RCC's Decision on the Proposal

Ms. Anosan raised that the matter before the Committee is whether the proposal should be certified as an urgent amendment or re-classified as general amendment. She observed that, based on the presentations of both the proponent and the Secretariat, further assessment may be needed on the proposal's potential impacts. She further noted that the RCC Secretariat's assessment appears to support treatment of the proposal as a general amendment rather than an urgent amendment.

Mr. Morales reiterated that the materiality of the losses cited by the proponent should be evaluated in the context of the overall profitability of the affected generators. He noted that the losses arise from limited negative pricing intervals during certain periods of the year and observed that merchant generators may be able to recover such losses over time.



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Mr. Francisco sought clarification on whether the Committee should decide on the proposed urgent amendment classification during the current meeting or defer such determination until the additional information requested from the proponent has been submitted and evaluated. He noted that the requested information may be relevant in assessing the proposal's urgency and whether it should proceed as an urgent amendment or be processed under the general amendment process.

In response to Mr. Francisco's query, Mr. Martin clarified that the Committee is expected to determine during the meeting whether the proposal should be certified as an urgent amendment or re-classified as a general amendment. He explained that, if certified as an urgent amendment, the proposal would be endorsed to the PEMC Board for concurrence, and upon approval, may take effect immediately in accordance with the urgent amendment process.

Ms. Anosan noted that the Committee is required to decide on the proposal's classification during the current meeting and observed that the Committee must determine, based on the information presented, whether the proposal should be certified as an urgent amendment or processed as a general amendment.

Mr. Orillaza expressed agreement with the Secretariat's preliminary assessment and observed that the proposal is neither minor nor merely procedural in nature. He noted that the proposal could significantly affect the manner in which VRE generating units participate in the market and therefore warrants broader discussion and evaluation under the general amendment process.

Mr. Ortiz noted that questions had been raised regarding the consistency of the proposal with the Renewable Energy Act and observed that the matter may require further consideration of relevant DOE policies and issuances. In view of the legal and policy implications involved, he expressed the view that the proposal would be more appropriately evaluated under the general amendment process rather than as an urgent amendment.

Ms. Anosan observed that the existing rules already allow must-dispatch generating units to register as scheduled generators. However, she noted that the proposal may have broader implications on other rules and obligations applicable to such units, which may require further review and reconciliation.

Mr. Francisco sought clarification on the next procedural step should the Committee determine that the proposal is not urgent and should instead be processed as a general amendment. Specifically, he inquired whether the proposal should still be endorsed to the PEMC Board for approval or whether publication and further processing would proceed only after obtaining the PEM Board's approval.

Mr. Anosan explained that should the Committee determine that the proposal does not qualify as an urgent amendment, the proposal would still be endorsed to the PEMC Board through an RCC Resolution recommending its classification as a general amendment. Upon the PEM Board's concurrence, the proposal would proceed through the general amendment process, including publication and further stakeholder consultation, as applicable.



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- Agreement/s:

- ✓ The RCC deemed that, by majority of vote², the proposal not urgent and re-classified the proposal as General Amendment and approved the publication of the proposal in the PEMC website for solicitation of stakeholder comments.
- ✓ As requested by the RCC, the Proponent agreed to submit an assessment of the proposal's impact on the following:
 - Spot Prices, REC Availability and Generator Profitability; and
 - Electricity Costs and Consumers
- ✓ For additional information, the RCC directed the Secretariat to provide data on daytime negative pricing intervals, including the corresponding trading intervals, dates, and months of occurrence.

7.0 Other Matters

7.1 Updates on Proposed Amendments

- Presenter/s: Mr. Mark Froilan L. Lingao (Secretariat)
- Action Requested: For Information
- Material/s: Annex A – Presentation Material of the 262nd RCC (Regular) Meeting
- Proceeding/s:

Mr. Lingao provided updates on the following rules change proposals:

Status	Topic
A. Urgent Amendments – Ongoing Implementation	Reserve Conformance Standards and related Enforcement Actions
B. Urgent Amendments Under RCC Evaluation	Forecast Accuracy Standards for Variable Renewable Energy
C. General Amendments Under RCC Evaluation	1. Qualification for a Frequency Driven Event 2. Metering Standards and Procedures
D. General Amendments for DOE Promulgation	1. Reserve Conformance Standards and related Enforcement Actions 2. Market Surveillance Processes 3. Enforcement Proceedings and Clarifying Compliance Guidelines
E. Deferred Proposals	1. Must-Offer Rule 2. Harmonization of Marke Rules and Manuals with ERC Resolution No. 13, Series of 2024
F. Withdrawn by the Proponent	Energy Storage Systems

² Fourteen (14) out of fifteen (15) RCC Members present voted not to certify the proposal as an Urgent Amendment and instead to reclassify it as a General Amendment, namely: *Alabado, Anosan Andal, Banzon, Claudio, Dela Cruz Francisco, Fortich, Gutierrez, Morales, Morillos, Ng, Orillaza, and Ortiz*, while one (1) RCC Member, *Ambrosio*, abstained from voting.



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With regards to item F, Mr. Francisco asked whether the new version of the proposed amendments regarding Energy Storage Systems remain on track for submission in October. Mr. Ng confirmed that the target filing date remains October and that drafting is ongoing despite the ERC's ongoing public consultation on its draft ESS rules.

Mr. Ortiz also inquired about the status of the proposed rules changes related to the DOE directives on the dispatch and settlements of Kalayaan Pump Storage Phases I and II.

Mr. Ng replied that the settlement mechanism is still pending ERC approval and that the corresponding rules change proposal is expected to be filed to the RCC thereafter.

- Agreement/s:

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

7.2 DOE Updates

- Presenter/s: Ms. Jane May M. Mea (DOE Observer)
- Action Requested: For Information
- Material/s: N/A
- Proceedings:

Ms. Jane May M. Mea (DOE Observer) informed the Committee that the virtual Public Consultation on the following endorsed proposals is tentatively scheduled for 02 October 2026:

- Proposed General Amendment to the WESM Rules and Market Manuals in Alignment with the Market Surveillance Committee (MSC) Process, submitted by MSC; and
- Proposed General Amendment to the WESM Rules and Enforcement Compliance Manual related to Enforcement Proceedings and Clarifying Compliance Guidelines by PEMC, submitted by PEMC.

- Agreement/s:

- ✓ The RCC noted the update on the tentative schedule of the virtual Public Consultation for the endorsed proposals.

7.3 Schedule of Activities

- Presenter/s: Mr. Mark Froilan L. Lingao (Secretariat)
- Action Requested: For Information
- Material/s: Annex A – Presentation Material of the 262nd RCC (Regular) Meeting
- Proceedings:

Mr. Lingao provided the schedule of activities, as follows:

Activities	Schedules
RCC Meeting	16 Oct 2026 (In-Person) 20 Nov 2026 (Online)



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Activities	Schedules
	11 Dec 2026 (In-Person)
BRC Meeting	21 Sep 2026
PEM Board Meeting	30 Sep 2026
PEMC Events	20 Oct 2026 – WCO Summit

Mr. Lingao informed the Committee that the *Proposed Urgent Amendments to the WESM Rules and related WESM Manuals on Forecast Accuracy Standards for Scheduled VREs* will be presented at the upcoming BRC and PEM Board meetings.

He likewise informed that PEMC will hold its WESM Compliance Office (WCO) Summit 2026 on 20 October 2026 at The Fifth at Rockwell, Makati City.

In addition, he informed the Committee of the reappointment of Mr. Clark N. Agustin as the alternate member to Mr. Darryl Lon A. Ortiz representing the Transmission Sector.

- Agreement/s:

- ✓ The RCC noted the updates and the schedule of activities.

8.0 Adjournment

The meeting was adjourned at 11:19 AM.

Prepared by:



MARY ROSE L. BISNAR
 Rules Review Sr. Analyst
 Market Assessment Group

Reviewed by:



KAREN A. VARQUEZ
 Rules Review Sr. Manager
 Market Assessment Group

Noted by:



BIENVENIDO C. MENDOZA, JR.
 Chief Market Assessment Officer



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Approved by:



RACHEL ANGELA P. ANOSAN
Chairperson, Independent



JESUSITO G. MORALLOS
Member, Independent



JORDAN REL C. ORILLAZA
Member, Independent



EMMANUEL GENESIS T. ANDAL
Member, Independent



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



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



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



JOSE ILDEBRANDO B. AMBROSIO
Member, Generation Sector
ACEN Corporation



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



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



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



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

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[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 (IEMOP)

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

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PLEASE BE INFORMED THAT THE **262ND 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.

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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.



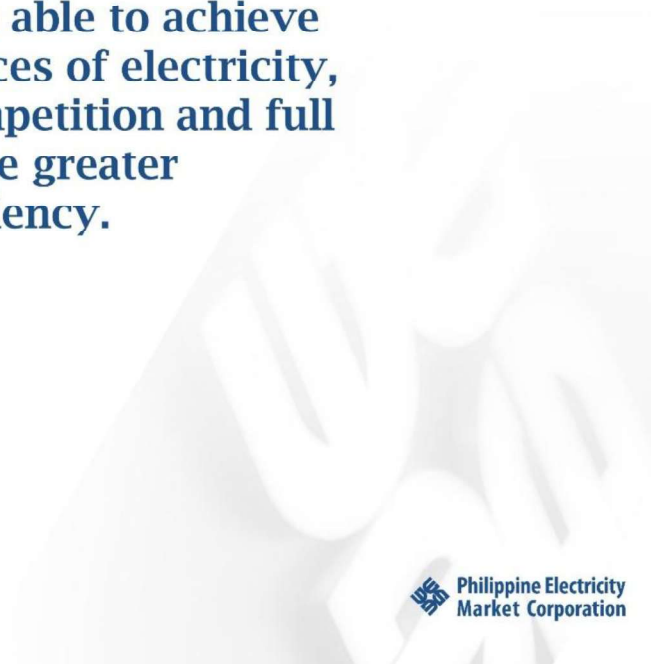
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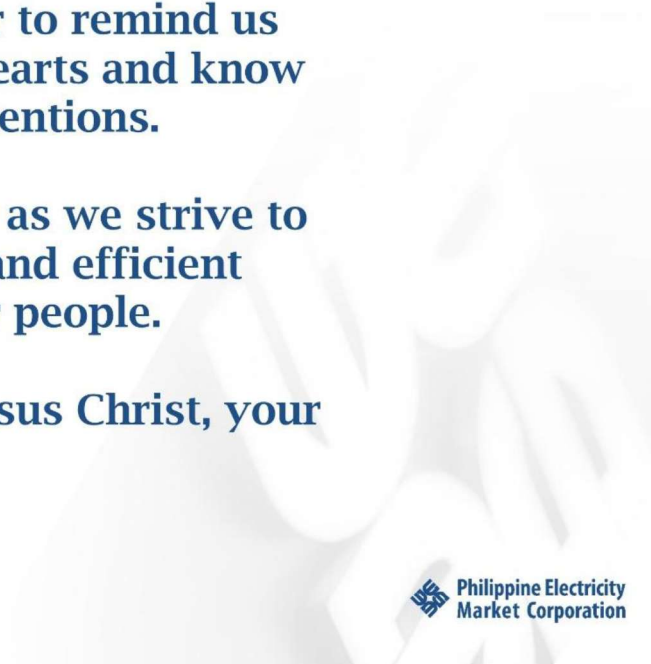
We pray that this nation will be able to achieve transparent and reasonable prices of electricity, in a regime of free and fair competition and full public accountability, to achieve greater operational and economic efficiency.



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.





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CALL TO ORDER



RCC MEMBERSHIP UPDATES

- **26 August 2026** – During the 99th Regular PEM Board Meeting, the PEM Board approved the re-appointment of the alternate member of the Rules Change Committee.

RCC MEMBER	Membership Status	Term	Effectivity
Alternate Members			
Mr. Clark Agustin	Reappointed	1 st	20 May 2026 to 19 May 2029*

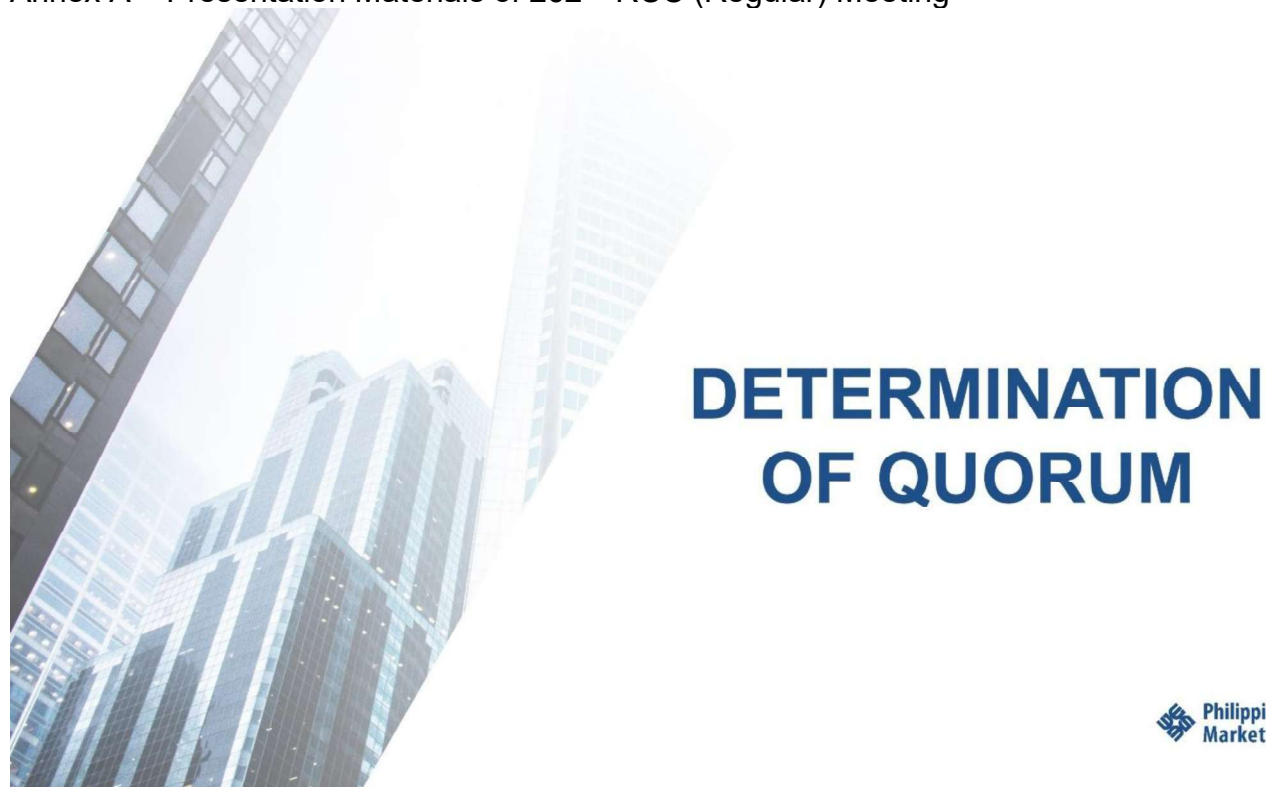
*coterminous with Mr. Darryl Lon A. Ortiz



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DETERMINATION OF QUORUM

Representation/ Sector	Principal Member / Alternate Member		Attendance (AM)		Attendance (PM)	
Independent	Rachel Angela P. Anosan					
	Jesusito G. Morillos					
	Jordan Rel C. Orillaza					
	Emmanuel Genesis T. Andal					
Generation	Dixie Anthony R. Banzon	Michael Valer G. Mariano				
	Jayson A. Francisco	Charm Krizia L. Medina				
	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. Vetus-Magtalas				





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ADOPTION OF THE AGENDA



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 • 261 st RCC (Regular) Meeting, 14 August 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 • Updates on RCC request to TC	Secretariat	For Discussion
VI. New Business		
6.1 Proposed Urgent Amendments to the WESM Rules and various WESM Manuals on Forecast Accuracy Standards for Scheduled VREs • Presentation of the Proposal • Preliminary Assessment	Proponent (ACEN)/Secretariat	For Discussion and Approval
VI. Other Matters		
7.1 Updates on the Proposed Amendments	Secretariat	For Information
7.2 DOE Updates	DOE Observers	For Information
7.3 Schedule of Activities	Secretariat	For information
VIII. Adjournment		

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AGENDA IV

- **Draft Minutes of Previous Meeting**
 - **261st RCC (Regular) Meeting, 14 August 2026**

Action Requested: ***For Approval***



AGENDA V: MATTERS ARISING

5.1 Proposed General Amendments on Additional Condition for Qualifying a Frequency Driven Event (FDE) by SNAP Group

Action Requested: ***For Discussion***





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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.



*Originally submitted as Urgent Proposal

** RCC Resolution No. 2026-03

***PEM Board Resolution No. 2026-95-03



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DISCUSSION RECAP DURING THE 261ST RCC MEETING

- Matter raised from the previous meeting:
 - Implementation of the proposal without updating ASP Certificates
 - The proposal might allow instances of non-compliance to go unflagged
 - Suggestion on suspending flagging and penalties while harmonization between ASPA and ASMM is underway
 - Whether the standards can be applied across various generation technologies, noting the different positions from Generation Companies operating Pump Storage Power Plant and Battery Energy Storage System Facilities
- RCC Agreement:
 - 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

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UPDATES

Request for Technical Inputs from Technical Committee

- ☐ 24 August 2026 – RCC letter to TC requesting for assessment on the technical appropriateness of the proposed 25-second criterion and its overall applicability across different ASP technologies.
- ☐ 02 September 2026 – TC discussed the RCC request. Highlights of the discussion are as follows:
 - Compliance monitoring comparison between ASPA and the ASMM
 - Adherence to uniform standards and utilization of derogation mechanisms instead of rule amendments.
 - Re-evaluation of real-time frequency deployment monitoring responsibilities
 - Prioritization of compliance monitoring comparison over immediate amendments on the criteria of FDE.
 - Assessment requires integration of actual operations data, statistical sampling and SO collaboration.

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AGENDA VI: NEW BUSINESS

6.1 Proposed Urgent Amendments to the WESM Rules and Various WESM Manuals on Forecast Accuracy Standards for Scheduled VREs

Action Requested: ***For Discussion and Approval***





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FORECAST ACCURACY STANDARDS FOR SCHEDULED VRES

Rationale: This proposal seeks urgent amendments to the WESM Rules and relevant market manuals to allow the application of Forecast Accuracy Standards (FAS) to Scheduled Variable Renewable Energy (VRE) Generating Units, making scheduled registration a viable option, enabling efficient offer-based participation in the WESM, reducing exposure to negative prices, and supporting a more competitive and market-driven renewable energy sector.



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AGENDA VII: OTHER MATTERS

7.1 Updates on Proposed Amendments

Action Requested: ***For Information***





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UPDATES ON PROPOSED AMENDMENTS

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



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	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, GNP&C & TC 17 July & 14 Aug 2026 - Discussion of proposal and comments/ response to the RCC and RCC deliberation of the Proposal 24 Aug 2026 – RCC request TC for technical assessment of the proposed 25-second recovery period (via letter) Xx Sep 2026 – TC responded to RCC request (via letter).
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 20 Aug to 05 Oct 2026 – posting in the PEMC Website to solicit comments





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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	13 Dec 2024 - Deferred (As requested by proponent) pending the forthcoming issuance of the ERC Rules on Energy Storage Systems 02 Dec 2025 - DOE IEC on CSP Policy and Public Consultation on ESS Policy 15 Apr 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 Jul 2026 – IEMOP informed, via email that they intend to withdraw the proposal and submit new proposal that incorporates the supplemental guidelines for ESS. 17 Jul 2026 – IEMOP advised that the revised proposal is targeted for submission by October 2026 20 Aug 2026 – IEMOP submitted a formal notice of withdrawal regarding the proposal and informed the RCC that it intends to submit a new version incorporating stakeholders' comments and the Supplemental Policy on ESS



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)





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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



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





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Annex A – Presentation Materials of 262nd RCC (Regular) Meeting

AGENDA VII: OTHER MATTERS

7.2 DOE Updates

Action Requested: ***For Information***



AGENDA VII: OTHER MATTERS

7.3 Schedule of Activities

Action Requested: ***For Information***





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SCHEDULE OF ACTIVITIES

• 16 Oct 2026 (In-Person) • 20 Nov 2026 (Online) • 11 Dec 2026 (In-Person) RCC Meetings	• 20 October 2026 – WCO Summit PEMC Events	• 21 Sep 2026 ▪ Proposed Urgent Amendments to the WESM Rules and various WESM Manuals on Forecast Accuracy Standards for Scheduled VREs BRC Meeting	• 30 Sep 2026 ▪ Proposed Urgent Amendments to the WESM Rules and various WESM Manuals on Forecast Accuracy Standards for Scheduled VREs PEM Board Meeting
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PEMC EVENTS

- ☐ Event: WCO Summit 2026
- ☐ Date: 20 October 2026
- ☐ Time: 9:00 AM – 10:00 PM
- ☐ Venue: The Fifth at Rockwell, Makati City
- ☐ Theme: Compliance and Continuity: Building Resilience Amid Energy Uncertainty
- ☐ Registration Fee:
 - Early Bird (01 to 30 Sep 2026): Php 9,500 VAT Inc
 - Regular (01 to 09 Oct 2026): Php 10,500 VAT Inc

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OTHER MATTERS

☐ PEMC's new address effective 15 September 2026

 **21F and 22F One Filinvest, Ortigas Avenue cor. ADB Avenue and Sapphire Road, Ortigas Center, San Antonio, Pasig City 1605, Philippines**



ADJOURNMENT

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Annex A – Presentation Materials of 262nd RCC (Regular) Meeting

The presentation slide for PEMC features a hand holding a smartphone on the left, with the screen displaying a blue background and a white graphic of two electrical plugs connected by a cord. The background of the slide is split diagonally, with a yellow upper-left section and a light gray lower-right section. In the top right corner, the PEMC logo and name are displayed. The main text 'Connect with PEMC' is prominently shown in the center-right. At the bottom, contact information is provided, including an email address, a phone number, and a physical address, each accompanied by its respective icon. Social media links for Facebook, LinkedIn, Twitter, and YouTube are also listed. A small number '33' is visible in the bottom left corner of the slide.

Philippine Electricity Market Corporation

Connect with PEMC

pemc.info@wesm.ph +63 2 8631 8734 18F Robinsons Equitable Tower, ADB Avenue
Ortigas Center, Pasig City 1600, Philippines

[pemcinfo](#) [pemcinfo](#) [PEMC_Info](#) [PEMC Info](#)

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Annex B – Proponent’s Presentation Material for the Proposal

APPLICATION OF FORECAST ACCURACY STANDARDS TO VRE GENERATING UNITS OPTING TO BE CLASSIFIED AS SCHEDULED GENERATING UNITS

18 September 2026
Online via Microsoft Teams

THE PROPONENT

- ACEN Corporation is a publicly listed Philippine energy company and the Ayala Group’s renewable energy platform, with approximately 7 GW of attributable renewable capacity in the Philippines and the Asia-Pacific region
- Market participant with FIT eligible and merchant renewable units, participating in the WESM and long-term contracting arrangements



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Annex B – Proponent’s Presentation Material for the Proposal

OUTLINE



**ACTION
REQUESTED**



**RATIONALE OF THE
PROPOSAL**



**SUMMARY OF THE
PROPOSAL**



**OTHER RELEVANT
MATTERS**

3

ACTION REQUESTED

We respectfully request the PEMC Board to:

- Approve the application of Forecast Accuracy Standards (FAS), in lieu of Dispatch Conformance Standards (DCS), to VRE generating units that elect scheduled generating status, thereby enabling offer-based participation in the WESM; and
- Authorize the urgent rules change process to amend the relevant provisions of the WESM Rules, Dispatch Protocol Manual, and affected Market Manuals to implement the FAS-based framework.

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Annex B – Proponent’s Presentation Material for the Proposal

RATIONALE OF THE PROPOSAL

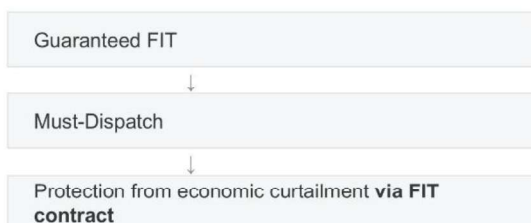
- The RE Act introduced policy mechanisms to promote RE development, including FIT, priority grid connection, and priority dispatch.
- This framework served its original purpose, but market conditions have changed with the significant increase in solar and wind capacity.
- Negative price intervals have become more frequent, exposing must-dispatch VREs to prices they cannot respond to, as price-taking resources.

5

RATIONALE OF THE PROPOSAL

Historically coherent

FIT ERA



Need for market optionality

UNSUBSIDIZED VRE ERA



MARKET
EVOLUTION

PROPOSAL: Scheduled VRE compliance to use existing Forecast Accuracy Standards methodology

Gives VRE a **practical pathway to economic dispatch** without imposing **thermal-generator Dispatch Conformance Standards (“DCS”)** on inherently intermittent resources

No new methodologies – uses pre-existing FAS calculations already being applied to the same power plants

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Annex B – Proponent’s Presentation Material for the Proposal

RATIONALE OF THE PROPOSAL

Existing Regulatory Gap

- Under the WESM Rules, scheduled classification is available to VREs, but not viable, as it triggers DCS obligations designed for dispatchable plants.
- FAS is not expressly applied to VREs electing scheduled status, creating a compliance mismatch.
- VREs are unable to respond to negative prices and reduce uneconomic dispatch, subjecting them to financial burden.

7

RATIONALE OF THE PROPOSAL

Unintended Market Effects

- Must-dispatch VREs must inject output even at negative prices, limiting price-based market response.
- This exposes merchant VREs to direct settlement losses when prices fall below zero.
- For FIT- and GEA-plants, the same negative price intervals widen FIT- and GEA-All recovery gaps.
- Consumers ultimately absorb the burden through higher FIT- and GEA-All recoveries.

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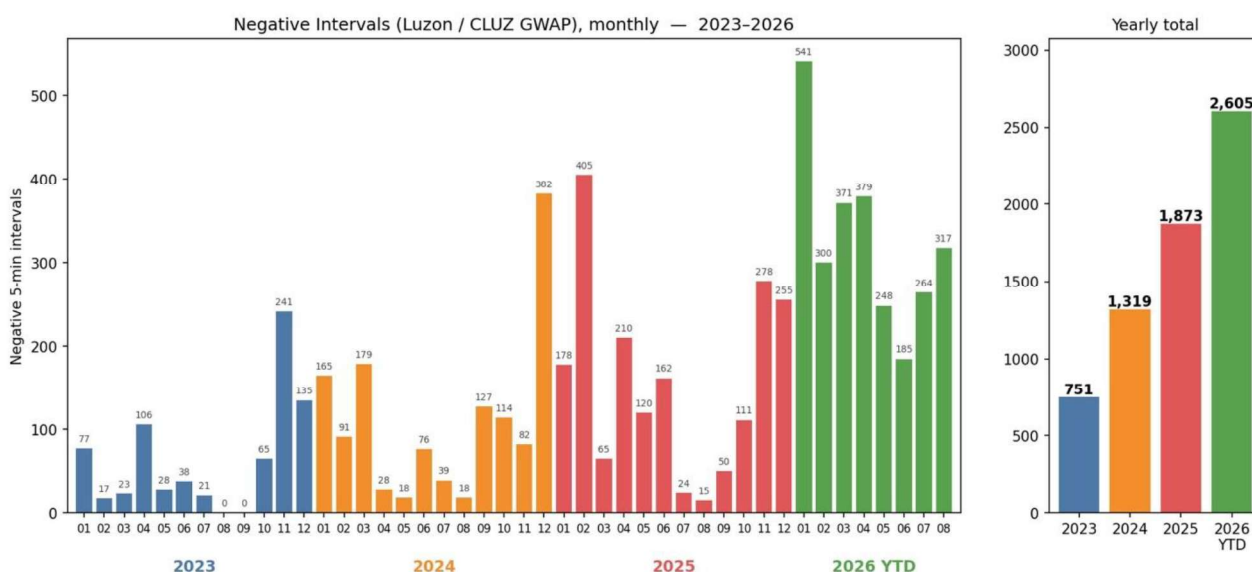
RATIONALE OF THE PROPOSAL

Basis of Urgency

- To correct the DCS/FAS inconsistency that prevents VRE plants from using scheduled classification as a practical response to increasing negative price intervals.
- Immediately addresses the unintended consequence of financial burden on VREs from negative prices.
- Negative price intervals in Luzon have sharply increased, from **751 in 2023** to **1,873 in 2025**; with **2,605 already recorded as of August 2026**.

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RATIONALE OF THE PROPOSAL



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MEETING MINUTES

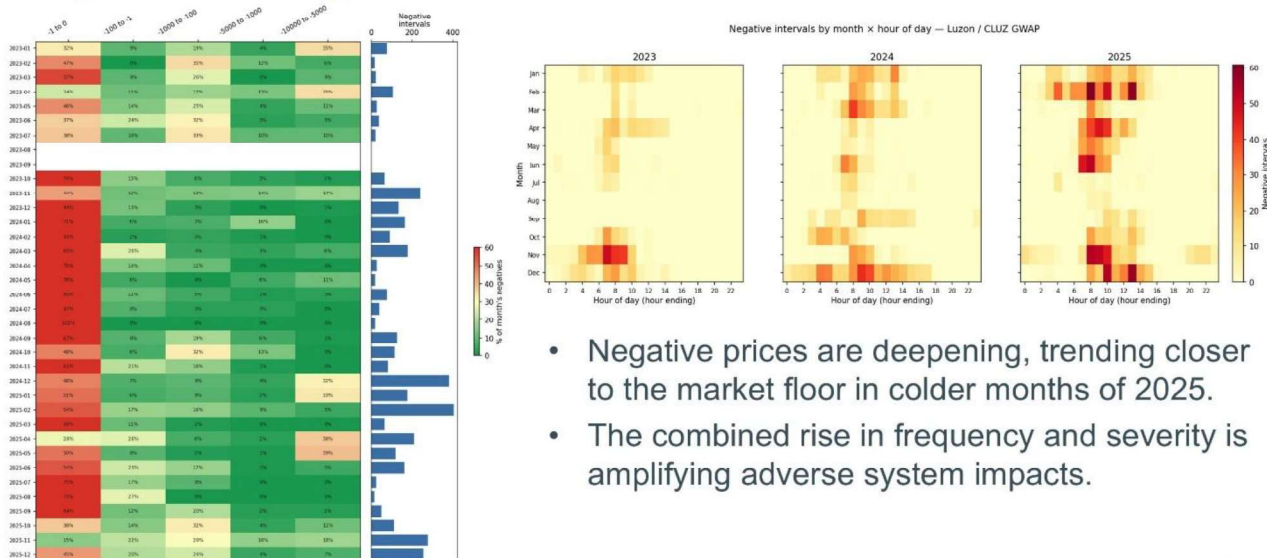
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Annex B – Proponent’s Presentation Material for the Proposal

RATIONALE OF THE PROPOSAL

Negative Pricing Trends in Luzon



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RATIONALE OF THE PROPOSAL

Basis of Urgency
 GEA-4 (~10W) and succeeding GEA capacity will add more must-dispatch VRE capacity under the existing dispatch framework.

Fourth round of Green Energy Auction awards top 10,159 MW, 96% of target

November 6, 2025 | 8:36 pm

Ground-mounted solar projects accounted for over 4,179.09 MW, floating solar 2,284 MW, onshore wind 2,518.29 MW, IRESS 1,189.29 MW, and roof-mounted solar 24.82 MW.

For policymakers to develop VRE curtailment mechanism. As a last resort, implement the controlled curtailment of solar and other Variable Renewable Energy (VRE) resources to maintain system stability, ensure supply-demand balance, and avoid overgeneration conditions

NGCP "Way Forward to Address the Duck Curve Problem Associated with High Solar Generation", presentation during the 2026 GenCo Conference

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MEETING MINUTES

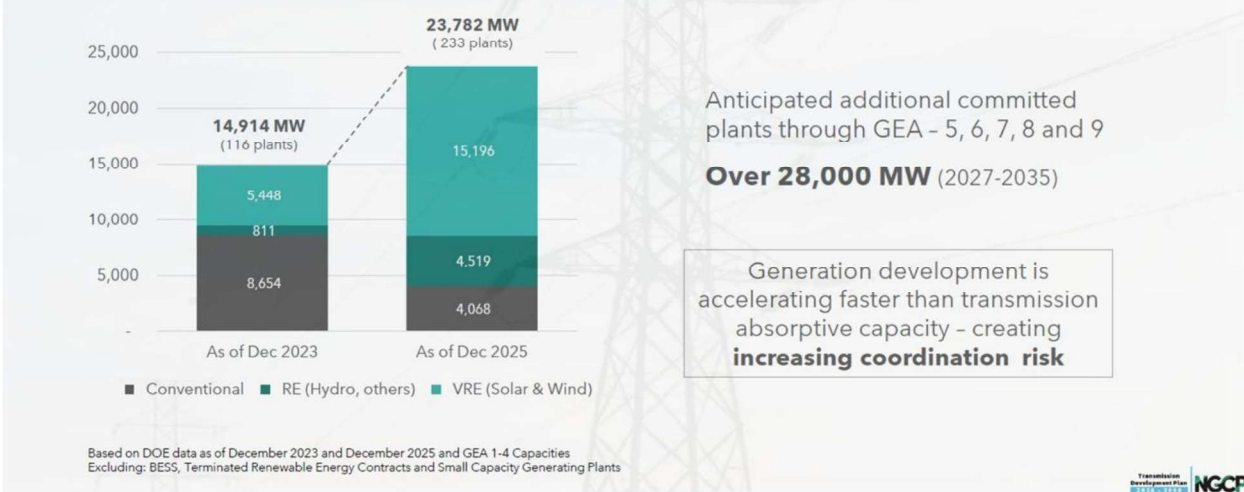
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Annex B – Proponent’s Presentation Material for the Proposal

RATIONALE OF THE PROPOSAL

Driven by VRE: 60% increase in committed capacity in 2 years

For LVM grid connection in 2026 to 2032



Source: NGCP Transmission Development Plan 2026-2050, August 2026. Presentation during 2026 TDP Consultation

RATIONALE OF THE PROPOSAL

Implications and Benefits

- **For investors and merchant VRE developers:**
Improves investment certainty by making offer-based participation workable under FAS, reducing unavoidable negative-price exposure while preserving forecast discipline.
- **For electricity consumers:** Allowing VRE to make price offers should reduce negative price occurrences, which in turn will lessen the burden of FIT-All and GEA-All recovery gaps, reducing subsidy-related cost exposure over time.



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Annex B – Proponent’s Presentation Material for the Proposal

RATIONALE OF THE PROPOSAL

Implications and Benefits

- **For system reliability:** Mitigates extreme negative-price outcomes that can trigger uneconomic thermal ramping or shutdowns and affect reserve adequacy.
- **For market efficiency:** Enables VREs to respond to price signals under FAS, allowing negative prices to better reflect oversupply rather than must-dispatch distortions. VREs are better-equipped to ramp down than thermal technologies, which tend to have adverse outcomes when subjected to frequent ramping.

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RATIONALE OF THE PROPOSAL

Implications and Benefits

- **For DUs and ECs:** May reduce short-term WESM procurement discounts but better aligns prices with actual system conditions. In the long term, better investment outcomes for RE should encourage additional supply and importantly reduce system reliance on external factors, e.g., imported fuel.

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Annex B – Proponent’s Presentation Material for the Proposal

OTHER RELEVANT MATTERS

- **Targeted and proportionate amendment** — the proposal makes an existing WESM option workable for VRE plants without creating a new generator class or preferential treatment.
- **Accountability is preserved under FAS** — VRE plants electing scheduled classification remain subject to measurable performance standards through MAPE/Perc95 and applicable compliance monitoring.

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OTHER RELEVANT MATTERS

- **Implementation is clear and administratively manageable** — the required amendments can be aligned across the WESM Rules, Dispatch Protocol Manual, Registration Manual, Penalty Manual, FAS Manual, and Definition of Terms.
- **Smooth transition can be supported through existing registration processes** — VRE plants may be given a defined pathway to elect scheduled classification once the amendments are approved.

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OTHER RELEVANT MATTERS

- **The proposal strengthens market discipline** — enabling offer-based participation allows VRE generators to respond to price signals while maintaining forecast accountability.
- **Overall consumer and market benefits outweigh short-term impacts** — the proposal reduces distorted negative price outcomes, limits unnecessary FIT-All/GEA-All exposure, and supports a more efficient, investible RE market.

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SUMMARY OF THE PROPOSAL

The must-dispatch framework has helped deliver the RE Act’s renewable energy objectives. As the WESM matures, the rules can now build on that progress by supporting more market-responsive VRE participation.

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Annex B – Proponent’s Presentation Material for the Proposal

SUMMARY OF THE PROPOSAL

We urgently request the PEMC Board to authorize VREs that opt to be scheduled generating units to comply with FAS in lieu of DCS, and thereby:

- **Enable VRE generators to participate in the WESM on an offer-based basis**, allowing them to respond to negative prices, reduce uneconomic dispatch, and preserve forecast accountability under FAS instead of DCS.

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SUMMARY OF THE PROPOSAL

- **Approve the application of Forecast Accuracy Standards (FAS)**, in lieu of Dispatch Conformance Standards (DCS), to VRE generating units that elect scheduled classification under the WESM Rules.
- **Authorize the urgent rules change process and consequential amendments** to the WESM Rules, Dispatch Protocol Manual, WESM-PM, WESM-FASMD, WESM-RSDCP, and Definition of Terms.

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ACTION REQUESTED

We respectfully request the PEMC Board to:

- Approve the application of Forecast Accuracy Standards (FAS), in lieu of Dispatch Conformance Standards (DCS), to VRE generating units that elect scheduled generating status, thereby enabling offer-based participation in the WESM.
- Authorize the urgent rules change process to amend the relevant provisions of the WESM Rules, Dispatch Protocol Manual, and affected Market Manuals to implement the FAS-based framework.

23

THANK YOU!

MEETING MINUTES

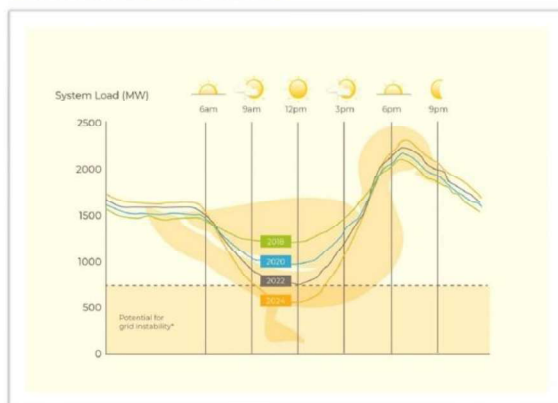
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Annex B – Proponent’s Presentation Material for the Proposal (Supporting Slides)

SYSTEM RELIABILITY

THE DUCK CURVE PHENOMENON ASSOCIATED WITH HIGH SOLAR GENERATION

The Duck Curve Problem



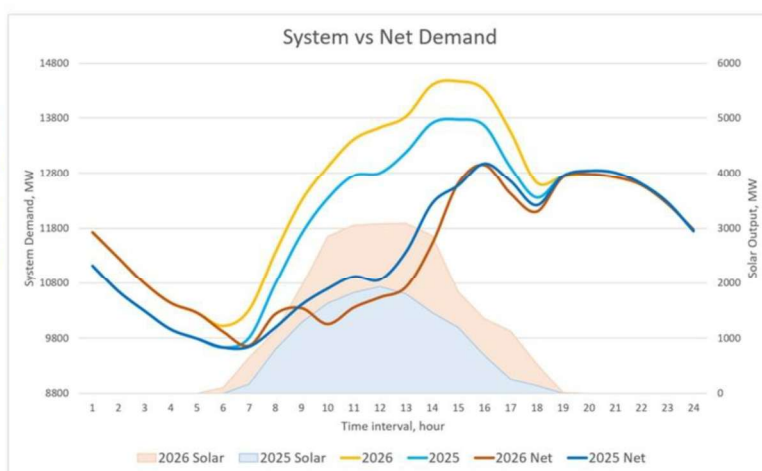
The duck curve shows how electricity demand compares with the amount of solar energy available over the course of a day. When the sun rises and solar generation increases, reliance on other power sources decreases, causing net demand to drop and form the “belly” of the curve. As the sun sets and solar output declines, demand for non-solar generation rises sharply, creating the “neck.”

As solar production falls in the late afternoon, conventional power plants must quickly increase their output to meet growing demand, putting considerable pressure on these generation facilities.

SYSTEM RELIABILITY

Grid Impact for System and Net Demand

Year	Solar (MW)	Date
2021	519	Sunday, October 31, 2021
2022	639	Thursday, September 08, 2022
2023	965	Friday, December 29, 2023
2024	1581	Friday, December 06, 2024
2025	1970	Saturday, December 27, 2025
2026	3266	Tuesday, July 28, 2026



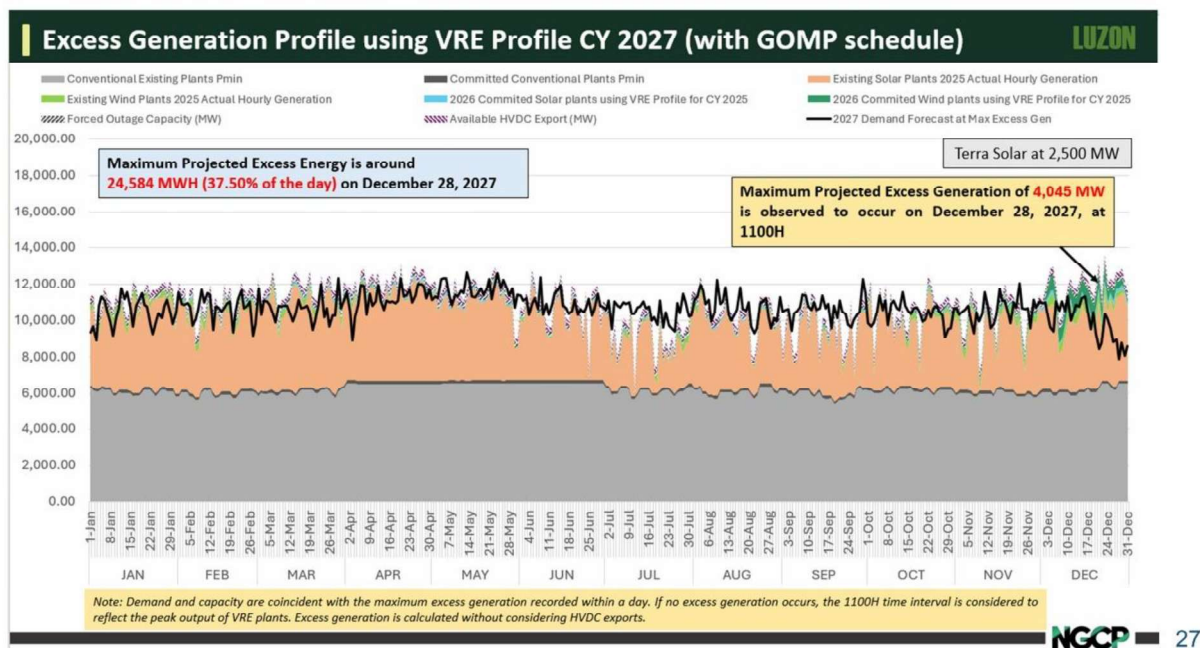
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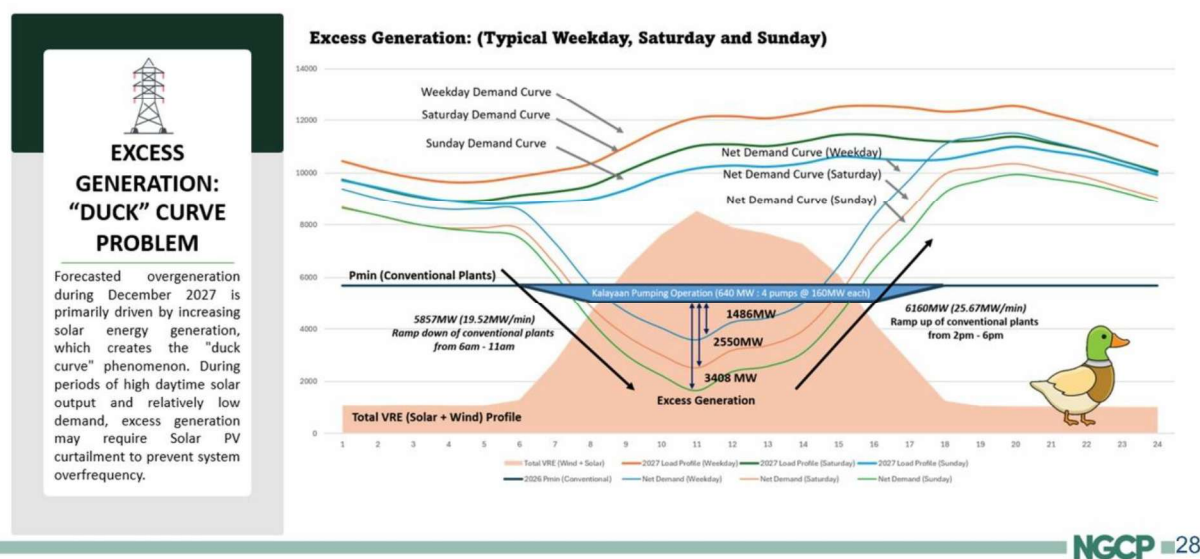
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SYSTEM RELIABILITY



SYSTEM RELIABILITY

Excess Generation December 2027


[BACK](#)