

## RULES CHANGE COMMITTEE WORK PLAN for 2019

### I. MISSION: POWER

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

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
<b>P.1. Indicator: Availability of relevant and accurate market signals</b>					
P.1.1 Implement the enhanced market design in Luzon and Visayas	1. Complete the software certification audit of the New Market Management System (NMMS)	<ul style="list-style-type: none"><li>Deliberate on proposed amendments related to the implementation of enhanced market design<ul style="list-style-type: none"><li>Proposed Amendments related to FAS</li><li>Rules Changes as required by the Certification Audit of New Market Management System, CRSS</li></ul></li><li>Present the approved proposed amendments to the BRC and PEM Board</li><li>Participate in DOE activities relating to the approval of</li></ul> <p>Target date: Sixty (60) days from the publication of the proposed amendments</p>	<ul style="list-style-type: none"><li>RCC Resolution on the proposed amendment / RCC Updates on the developments of proposed amendments</li><li>PEM Board approval on the proposed amendments</li><li>DOE-promulgated amendments</li></ul>	MAG CSD-Finance (Budget for participation/ attendance)	MAG PAC
	2. Commercial operations of the NMMS				
	3. Readiness certificate on the implementation of the enhanced market design signed by market participants				
	4. Complete the software certification audit of the New Market Management System (NMMS)				
	5. Commercial operations of the NMMS				

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
P.1.2 Provide and promote the relevant market information to potential investors and current market players	1. Enhanced WESM website	<ul style="list-style-type: none"> <li>Timely review and approval of reports for publication</li> <li>Recommend enhancements to the PEMC website, as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Published RCC Reports and documents in the PEMC website, within the prescribed timeline</li> <li>Enhanced PEMC website</li> </ul>	<ul style="list-style-type: none"> <li>MAG, ECO, OCGO</li> </ul> PEMC, IEMOP, WGCs, DOE, ERC, Budget for meetings, Meeting Rooms	ISTD
	2. Conducted Information campaigns, membership meetings, and trainings	Participate in relevant activities and provide inputs, as necessary	<ul style="list-style-type: none"> <li>Attendance to activities</li> </ul>	MAG CPC	CPC
	4. Glossary of WESM terminologies, aligned with the Philippine Grid Code, Philippine Distribution Code and other relevant documents	Participate in the development of a Consolidated Glossary to harmonize technical terms relevant to the Market, in coordination with the MSC	Inputs on the development of the glossary of WESM terminologies	PEMC IEMOP WGCs DOE ERC	TC CPC
<b>P.2 Indicator: Commercial operations of WESM Mindanao</b>					
P.2.1 Assess the Market in Mindanao	1. Study on the appropriate market design for Mindanao, including recommended policies, to the DOE 2. Complete the readiness assessment of Mindanao market participants	Provide inputs, as necessary	Inputs on the Mindanao Market Assessment Report, as necessary	MAG OCGO OP DOE ERC	TC CPC
<b>P.3 Indicator: Co-optimization of energy and reserves market</b>					

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
P.3.1 Advocate for the approval of the PDM	1. Completed the conduct of necessary activities for the implementation of co-optimized energy and reserves markets <ul style="list-style-type: none"> <li>- Secured agreement/commitment from SO</li> <li>- Conducted and participated in coordination/consultations meetings with NGCP-SO, ERC and DOE.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliberate on proposed amendments <ul style="list-style-type: none"> <li>• Rules Changes as required by the Reserve Market</li> </ul> </li> <li>• Present the approved proposed amendments to the BRC and PEM Board</li> <li>• Participate in DOE activities relating to the approval of</li> </ul> <p>Target date: Sixty (60) days from the publication of the proposed amendments</p>	<ul style="list-style-type: none"> <li>• RCC Resolution on the proposed amendment / RCC Updates on the developments of proposed amendments</li> <li>• PEM Board approval on the proposed amendments</li> <li>• DOE-promulgated amendments</li> </ul>	NGCP-SO OP MAG OCGO OP DOE ERC	OP OCGO
	2. Harmonized rules and standards on ancillary services				
	3. Benchmarking study on energy and reserves markets co-optimization	Provide inputs, as necessary	Inputs to the Study on Energy and Reserves Markets Co-optimization		
<b>P.4 Indicator: Responsive integration of variable renewable energy (VRE) resources and other new technologies</b>					
P.4.1 Conduct a comprehensive analysis on the integration of the variable renewable energy (VRE) and other new technologies into the WESM.	1. Roadmap and proposed recommendations for the integration of VRE and other technologies into the WESM				CPC TC
	2. Proposed amendments to market rules and guidelines to mitigate the impact and imbalances caused by the integration of VRE in the market	<ul style="list-style-type: none"> <li>• Deliberate on proposed amendments <ul style="list-style-type: none"> <li>✓ Proposed Amendments related to FAS</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• RCC Resolution on the proposed amendment / RCC Updates on the developments of proposed amendments</li> </ul>	MAG PEM Board DOE	CPC TC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
		<ul style="list-style-type: none"><li>• Present the approved proposed amendments to the BRC and PEM Board</li><li>• Participate in DOE activities relating to the approval of</li></ul> <p>Target date: Sixty (60) days from the publication of the proposed amendments</p>	<ul style="list-style-type: none"><li>• PEM Board approval on the proposed amendments</li><li>• DOE-promulgated amendments</li></ul>		

## II. MISSION: EFFICIENCY

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

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
<b>E.1 Indicator: The operation and performance of the Market operator, service providers, and PEMC continue to improve to be among the best in the global electricity markets.</b>					
E.1.1 Establish performance management framework, on market and system operations, and market governance functions with corresponding provisions on incentives and penalties	1) Revised MOPS to include 1. Financial and institutional compliances of the market operator; and 2. global electricity market practices on identified/specific criteria with respect to market and system operations and market governance functions and prescribe the stages to attain global benchmarks to the PEM Board	Review/provide inputs/comments on the revised MOPS (Q4 2019)	Inputs to the revised MOPS	MAG OCGO OP DOE/ERC MO SO WESM TPs	MAG PAC
	2) Performance metrics for NGCP-SO	Review/provide inputs/comments in the development of System Operator Performance Standards (SOPS) (subject to NGCP-SO-IEMOP Protocol)	Inputs/comments to SOPS	MAG OCGO OP DOE/ERC MO SO WESM TPs	MAG PAC
	3) Performance metrics for PEMC	Review/provide inputs/comments in the development of performance metrics for PEMC, as necessary	Inputs to the performance metrics of PEMC	MAG OCGO OP DOE/ERC MO	CPC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
				SO WESM TPs	
	4) Performance metrics for MSPs	Review/provide inputs/comments in the proposed rules changes to the metering manual on the enhanced performance metrics for MSPs  Target date: two (2) quarters after the finalization of SO-PEMC Protocol	Inputs/comments to the proposed rules changes for the enhanced performance metrics for MSPs	MAG OCGO OP DOE/ERC MO SO WESM TPs	MAG PAC
<b>E.3 Indicator: Level of compliance with the Market Rules and relevant Market Manuals by the Market Operator and Service Providers</b>					
E.3.1 Enhance performance and business processes of WGCs.	1. Performance metrics for the WGCs	Provide inputs/comments on the performance metrics for WGCs	Inputs/comments to the WGCs performance metrics, as necessary	MAG	OCGO
	2. Enhanced WGC processes based on global best practices	Review of RCC Internal Rules, annual or as may be necessary	Approved RCC Internal Rules	MAG	OCGO
<b>E.4 Indicator: Strengthened coordination with the IEMOP, NGCP and other service providers</b>					
E.4.1 Establish effective protocols with service providers	1. PEMC- IEMOP protocol	Provide inputs in the development of protocols	Inputs to the development of protocols		
	2. PEMC- NGCP-SO protocol				
	3. PEMC-MSPs protocol				

### III. Mission: MARKET

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

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
M.1. Indicator: Commercial operations of RE Market					
M.1.1 Establish the RE Market	1. Appropriate systems for the RE Market	<ul style="list-style-type: none"><li>Deliberate on proposed amendments<ul style="list-style-type: none"><li>Rules Changes to the WESM Rules and manuals as required by REC Market, Renewable Portfolio Standards and Green Energy Option Program</li></ul></li><li>Present the approved proposed amendments to the BRC and PEM Board</li><li>Participate in DOE activities relating to the approval of rules change related to REC market</li></ul> <p>Target date: Sixty (60) days from the publication of the proposed amendments</p>	<ul style="list-style-type: none"><li>RCC Resolution on the proposed amendment / RCC Updates on the developments of proposed amendments</li><li>PEM Board approval on the proposed amendments</li><li>DOE-promulgated amendments</li></ul>	MAG OCGO OP	CPC
	2. Completed necessary activities in coordination with the DOE for the establishment of the RE Market				
	3. Completed the necessary preparations within PEMC for the operations of the RE Market				
	4. Capacity-building activities on the operations of the RE Market for the market participants				
M.2 Indicator: Implementation of demand-side participation					
M.2.1 Propose policies on alternative demand side resources and	1. Study on the proposed design for the demand-side participation	Provide inputs on the proposed design for demand-side participation	Inputs to the Study on the Proposed Design for the Demand-Side Participation	MAG ECO OCGO OP	CPC TC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
accounting for demand side resources					
<b>M.3. Indicator: Decision to implement the Financial Transmission Rights</b>					
M.3.1 Conduct a study on the viability to implement FTRs provider to their audit action plans	1. Study on the viability to implement FTRs	Provide inputs on the Study on the Viability of Financial Transmission Rights (FTRs)	Inputs to the Report on the Viability of FTRs	MAG	MAG MSC
<b>M.4. Indicator: Commercial operations of Derivatives Market</b>					
M.4.1 Recommend policies on the effective implementation of derivatives market	1. Study on the proposed design for the electricity derivatives market in consideration of the previous study with recommended policies and proposed ways forward to the DOE.	Provide inputs on the proposed design for the electricity derivatives market	Inputs to the proposed design for the electricity derivatives market	MAG	CPC PAC



#### IV. MISSION: GOVERNANCE

**Desired Outcome: Empowered Governance:** PEM Board and Governance Committees attain timely, responsive and strategic goals that are consistent with the market objectives and the changing electricity landscape

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
G.1. Indicator: Timely provision of adequate support and information required by the WESM Governance Committees and PEM Board					
G.1.1 Coordinate the overall operations and activities of the PEM Board, WESM Governance Committees	1. Timely provision of secretariat and technical support to the PEM Board and Committees relevant to their decision making functions	Participate in PEM Board and related meetings and activities as resource persons for the presentation of RCC proposed amendments and reports	Attendance to the PEM Board Activities	MAG OP OCGO	CORSEC MAG CPC
G.1.1 Formulate and implement the Committee Work Plans that are responsive to the needs of the industry	1. Committee Work Plan	<ul style="list-style-type: none"><li>Participation in PEMC Strategic Planning activities – attendance to meetings and workshops;</li><li>Formulation of the RCC Work Plan and completed activities within committed timelines</li></ul>	1. Participation to PEMC Strategic Planning activities		
	2. Timely completion of committed activities		2.Approved Work Plan		
	3. Monitoring and assessment report on the implementation of the committed activities		3.Completed activities within committed timelines		
G.2. Indicator: Adequate composition of WGC membership and PEM Board Sub-Committees					
G.2.1 Coordinate and facilitate the selection and creation of the PEM Board sub-committees and WESM Governance Committees	4. Enhanced Guidelines Governing the Constitution of the PEM Board Committees	<ul style="list-style-type: none"><li>Deliberate on proposed amendments related to enhancements in the Guidelines Governing the Constitution of the PEM Board Committees</li></ul>	<ul style="list-style-type: none"><li>RCC Resolution on the proposed amendment / RCC Updates on the developments of proposed amendments</li></ul>	MAG OP OCGO	CORSEC MAG CPC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
		<ul style="list-style-type: none"> <li>Present the approved proposed amendments to the BRC and PEM Board</li> <li>Participate in DOE activities relating to the approval of</li> </ul> <p>Target date: Sixty (60) days from the publication of the proposed amendments</p>	<ul style="list-style-type: none"> <li>PEM Board approval on the proposed amendments</li> <li>DOE-promulgated amendments</li> </ul>		
<b>G.3 Indicator: Responsive market rules and manuals</b>					
G.3.1. Assess the effectiveness of market rules and manuals and propose amendments, as necessary	<ol style="list-style-type: none"> <li>Proposed amendments to WESM Rules, manuals and market processes</li> <li>Mapped WESM Rules and WESM Manuals</li> <li>“Rules Responsiveness or Effectiveness Metrics” (sample: Effectiveness of Prudential requirements rules)</li> </ol>	<ul style="list-style-type: none"> <li>Deliberate on proposed amendments: <ul style="list-style-type: none"> <li>✓ Proposed Amendments to the WESM Registration Manual to Include Additional Modelling Requirements and Procedures</li> <li>✓ Proposed Amendments to the WESM Registration Manual to Harmonize with the WESM Rules</li> <li>✓ Proposed Amendments to the WESM Registration Manual to Clarify Basis for Registered Capacities</li> <li>✓ Proposed Amendments to the WESM Rules and WESM</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>RCC Resolution on the proposed amendment / RCC Updates on the developments of proposed amendments</li> </ul>	IEMOP PEMC	MAG RCC

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
		<p>Registration Manual on MSP Performance Monitoring</p> <ul style="list-style-type: none"><li>✓ Proposed Amendments to the Forecast Accuracy Standards Manual</li><li>✓ Proposed Urgent Amendments Regarding the Contingency Plan during Prolonged Market System Failure</li><li>✓ Proposed Amendments to the Market Manuals to Reduce Barriers to Entry and Participation in Retail Competition</li><li>✓ Proposed Amendments to the WESM Rules and Manual on Guidelines on Significant Variations in and between Trading Intervals</li><li>✓ Proposed Amendments to Provisions related to Audit and Performance Monitoring under Market Rules and Manuals</li><li>✓ Proposed Urgent Amendments to the (1) WESM Rules and (2) WESM Manual on Billing and Settlement for Enhancements</li></ul>	<ul style="list-style-type: none"><li>• PEM Board approval on the proposed amendments</li><li>• DOE-promulgated amendments</li></ul>		

Corporate Strategies	Corporate Targets	Committee Activities	Targets & Outputs	Required Resources	Lead Dept./WGC
		<p>to the Determination of Initial Prudential Requirements</p> <p>✓ Proposed Amendments to the WESM Metering Manual Issue 12.0</p> <ul style="list-style-type: none"><li>• Present the approved proposed amendments to the BRC and PEM Board</li><li>• Participate in DOE activities relating to the approval of</li></ul> <p>Target date: Sixty (60) days from the publication of the proposed amendments</p>			