

**WHOLESALE ELECTRICITY SPOT MARKET  
RULES CHANGE COMMITTEE**

**RESOLUTION NO. 2020-08**

**Proposed Abolition of Relevant WESM Manuals in View of the Implementation  
of the Enhanced WESM Design and Operations**

**WHEREAS**, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted to the Rules Change Committee (RCC) on 21 February 2020 a new proposal seeking to abolish seven (7) WESM Manuals that will either be no longer applicable or considered redundant upon commencement of the implementation of the enhanced WESM design and operations, namely:

- 1) Methodology for Determining Pricing Errors and Price Substitution Due to Congestion for Energy Transactions in the WESM Issue 4.0
- 2) Segregation of Line Rental Trading Amounts Issue 1.0
- 3) Procedures for Start Up and Shutdown of Generators Issue 1.0
- 4) Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-Run Issue 1.0
- 5) Procedure for Determining Ex-Post Nodal Energy Prices Issue 2.0
- 6) Management of Net Settlement Surplus Issue 3.0
- 7) Administered Price Determination Methodology Issue 6.0

**WHEREAS**, it was clarified that the core provisions of the foregoing Manuals were consolidated and updated under the enhanced market design versions of the WESM Manuals on (1) Dispatch Protocol, (2) Constraint Violation Coefficient and Pricing Re-run, and (3) Price Determination Methodology, as follows:

Original WESM Manuals	WESM Manual for enhanced market design where Original WESM Manuals were consolidated
1) Management Procedures on Excess Generation 2) Management Procedure for Load Shedding 3) Management of Must-Run and Must-Stop Units 4) Emergency Procedures 5) Procedures for Start-up and Shutdown of Generators	Dispatch Protocol Issue 13.1 <sup>1</sup>
Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-run	Constraint Violation Coefficient and Pricing Re-run Issue 6.0 <sup>2</sup>
1) Methodology for Determining Pricing Errors and Price Substitution Due to Congestion for Energy Transactions in the WESM 2) Segregation of Line Rental Trading Amounts 3) Administered Price Determination Methodology 4) Management of Net Settlement Surplus	Price Determination Methodology Issue 2.0 <sup>3</sup>
Procedure for Determining Ex-Post Nodal Energy Prices Issue 2.0	<i>No longer applicable since the new pricing methodology will no longer include ex-post price</i>

**WHEREAS**, it was clarified that the DOE already approved and promulgated per DC No. 2018-04-0007 the abolition of four (4) out of five (5) WESM Manuals that were consolidated under the WESM Manual on Dispatch Protocol Issue 13.1, namely:

- 1) Management Procedures on Excess Generation
- 2) Management Procedure for Load Shedding
- 3) Management of Must-Run and Must-Stop Units
- 4) Emergency Procedures

<sup>1</sup> Promulgated per DOE Department Circular Nos. 2018-04-0007 (Issue 13.0) and 2018-08-0022 (Issue 13.1)

<sup>2</sup> Promulgated per DOE Department Circular Nos. 2017-03-0001 and 2018-04-0012

<sup>3</sup> Promulgated per DOE Department Circular Nos. 2017-03-0001 and 2018-04-0012

**WHEREAS**, the proposal was published for commenting on 26 February 2020 but received none within the 30-working day commenting period;

**WHEREAS**, the RCC proceeded to deliberate on the proposal on 24 April 2020 during its 164<sup>th</sup> Meeting and found no objections for the abolition of the seven (7) Market Manuals;

**WHEREAS**, the RCC approved the proposal, as submitted, for endorsement to the PEM Board;

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

**RESOLVED**, that the RCC approves the Proposed Abolition of Relevant WESM Manuals in View of the Implementation of the Enhanced WESM Design and Operations to take effect upon the commencement of the enhanced market design and operations to be determined by the DOE;

**RESOLVED FURTHER**, that the said Proposed Abolition of Relevant WESM Manuals in View of the Implementation of the Enhanced WESM Design and Operations are hereby endorsed to the PEM Board for approval.

Done this 15 May 2020, Pasig City.

Approved by:  
**THE RULES CHANGE COMMITTEE**

Independent Members:

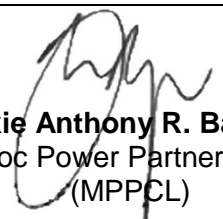
  
**Maila Lourdes G. de Castro**  
Chairperson


  
**Francisco L.R. Castro Jr.**

  
**Allan C. Nerves**

  
**Concepcion I. Tanglao**

Generation Sector Members:

  
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Masinloc Power Partners Co. Ltd.  
(MPPCL)


  
**Cherry A. Javier**  
Aboitiz Power Corp.  
(APC)

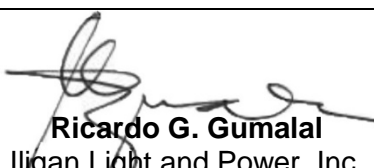
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(MEI/PEI)


  
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Vivant Corporation - Philippines  
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Distribution Sector Members:

  
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(CEBECO III)

  
**Ryan S. Morales**  
Manila Electric Company  
(MERALCO)


  
**Ricardo G. Gumalal**  
Iligan Light and Power, Inc.  
(ILPI)

  
**Nelson M. Dela Cruz**  
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**Loretto H. Rivera**  
Team (Philippines) Energy Corporation  
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Independent Electricity Market Operator of the Philippines  
(IEMOP)

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**Ambrocio R. Rosales**  
National Grid Corporation of the Philippines  
(NGCP)