

MINUTES OF THE RULES CHANGE COMMITTEE 129th REGULAR MEETING (No. 2017-07)	
Meeting Date & Time:	19 May 2017, 9:00 AM to 4:00 PM
Meeting Venue:	19/F PEMC Conference Room, Robinsons Equitable Tower, Ortigas Center, Pasig City
Attendance List	
In-Attendance	Not In-Attendance
Rules Change Committee	
Principal Members:	
Maila Lourdes G. de Castro, Chairperson – Independent	Abner B. Tolentino – Generation (PSALM)
Francisco Leodegario R. Castro, Jr. – Independent	Jose Ildebrando B. Ambrosio – Generation (Northwind)
Concepcion I. Tanglao – Independent	
Allan C. Nerves–Independent	
Theo Cruz Sunico – Generation (1590 EC)	
Ciprinilo C. Meneses – Distribution (MERALCO)	
Juanito O. Tolentino, Jr. – Distribution (MECO)	
Jose P. Santos –Distribution (INEC)	
Ludovico D. Lim – Distribution (ANTECO)	
Lorreto H. Rivera – Supply (TPEC)	
Ambrocio R. Rosales – System Operator (NGCP)	
Isidro E. Cacho Jr. – Market Operator (PEMC)	
Alternate Members:	
Ma. Erliza C. Casas – Generation (PSALM)	
PEMC – Market Assessment Group (MAG)	
Chrysanthus S. Heruela Elaine D. Gonzales Geraldine A. Rodriguez Ma. Delia B. Arenos Karen A. Varquez Divine Gayle C. Cruz	

Aldjon Kenneth M. Yap

PEMC – Legal

Atty. Caryl Miriam L. Mateo
Atty. Sheryll M. Dy

PEMC – Billing and Settlement

Renato B. Afurong
Richard Araullo

DOE Observers

Ferdinand B. Binondo

1 There being a quorum and as requested by Chairperson Maila G. de Castro, Dr. Allan C. Nerves
2 (Independent) called the meeting to order at approximately 9:15 AM. Afterwards, the RCC
3 adopted the proposed agenda, as revised.

4 **1. Review of the Minutes of the Previous Meetings**

5
6 The Minutes of the 127th and 128th RCC Meetings held on 17 March and 11 April 2017,
7 respectively, were approved as submitted.

8 **2. Business Arising from Previous Meetings**

9
10 **2.1. Draft RCC Resolution No. 2017-06 on the Proposed Amendments to the WESM**
11 **Manual on Registration Suspension and De-registration Criteria and Procedures**

12 The RCC reviewed and subsequently approved the draft resolution as submitted, approving
13 the Proposed Amendments to the WESM Manual on Registration, Suspension and De-
14 registration Criteria and Procedures. The resolution shall be submitted to the PEM Board for
15 endorsement to the DOE.

Agreements/Action Plans

The RCC approved the submission of the proposed amendments to the PEM Board for its subsequent transmittal to the DOE.

2.2. Finalization of Proposed Amendments to the WESM Rules and Various Manuals for the Implementation of WESM Design Enhancements – Dispatch Protocol Manual Issue 12 (Proposed Dispatch Protocol Manual Issue 13)

Ms. Karen Varquez from the Philippine Electricity Market Corporation – Market Operator (PEMC – MO) led the discussion on the further changes to the proposed Dispatch Protocol Manual Issue 13 (DPM 13) based on the agreements reached during the previous meeting held on 11 April 2017 as follows:

Dispatch Protocol

Description	Section/s
RCC instructions (11 April 2017)	
• retain the original provision regarding reportorial requirements	11.3.1 - Dispatch Implementation
• deletion of the provision pertaining to MRU settlement as this is already covered under the PDM	11.6.4 & 11.6.5 - Dispatch Implementation (Re-dispatch)
• revise the timeline for the submission of the daily operations report by the SO from 0800H to 1200H	14.4.1 - Post Dispatch Data And Operation Reports (DOR)
• include the procedures in addressing excess generation during day-ahead projection and real-time situations	18 – Excess Generation
Minor corrections (e.g. references)	1.3.2, 7.6.2, 11.4.1, 18.2.1
Simplified/consolidated MRU provisions	11.7.2
Changes to reports	11.8.4, 11.8.5
Additional sections	19 – Load Shedding 20 – Emergency Procedures



1

The RCC discussed and agreed on the following:

Section	Original Provision	Proposed DPM 13	RCC Discussion
11.3.1 Responsibilities	System Operator. The System Operator shall implement the real time dispatch schedules generated by the Market	The System Operator, <u>in coordination with the Market Operator</u> , shall <u>be responsible for the following:</u>	Approved as presented

Section	Original Provision	Proposed DPM 13	RCC Discussion
	Operator and shall monitor compliance and report non-compliance with dispatch schedules and instructions by Trading Participants. It shall be responsible for assuring the security and reliability of the grid at all times in compliance with the provisions of the System Security and Reliability Guidelines, and shall issue re-dispatch instructions as it may deem necessary and in accordance with this Section.	<p>xxx</p> <p>e. Reporting events and actions made within each one (1) hour after that one (1) hour interval during dispatch intervals. shall issue re-dispatch instructions as it may deem necessary and in accordance with this Section.</p>	
11.6.4 Re-Dispatch Process	11.5.4 In cases when normal market conditions prevail but there is an increase or decrease in system demand within the trading interval or there are forecast errors, the System Operator shall issue re-dispatch instructions. The System Operator may constrain-on or constrain-off generators based on the Merit Order Table to ensure that the supply and demand is balanced at all times.	<p>11.5.4 11.6.4 In cases when normal market conditions prevail but there is an imbalance in supply and increase or decrease in system demand within the trading dispatch interval and all available reserves have been exhausted or there are forecast errors, the System Operator shall may issue re-dispatch instructions. The System Operator may shall constrain-on or constrain-off generators based on using the Merit Order Table WMOT in accordance with Section 11.6.1. to ensure that the supply and demand is balanced at all times Constrained-on generators shall be designated as must-run units and shall be settled as must-run units in accordance with the Price</p>	Approved as presented

Section	Original Provision	Proposed DPM 13	RCC Discussion
		<u>Determination Methodology.</u>	
11.6.5 Re-Dispatch Process	NEW	<p>11.6.5 In an event where all available reserves have been exhausted to address a threat in system security covered under Section 11.6.2, the System Operator may re-dispatch generating units out of merit to ensure the reliability and security of the grid in accordance with the selection criteria provided in Section 11.6.3. <u>Generating units re-dispatched out of merit shall be designated as must-run units and shall be settled as must-run units in accordance with the Price Determination Methodology.</u></p>	Approved as presented
14.4.1 Daily Operations Report	<p>The System Operator shall prepare a daily report containing the summary of its hourly operations during each trading day. The System Operator shall submit to the Market Operator the Daily Operations Report not later than 0800H of the following trading day. The report shall include the following information:</p>	<p>The System Operator shall prepare a daily report containing the summary of its <u>hourly</u> operations during each trading day. The System Operator shall submit to the Market Operator the Daily Operations Report not later than <u>0800H1200H</u> of the following trading day. The report shall include the following information:</p>	<p>Mr. Ambrocio Rosales inquired about the daily operations report. Ms. Varquez explained that the requirement has been in the original provision of the dispatch protocol manual and the only revision introduced was the change in the timeframe for submission the said</p>

Section	Original Provision	Proposed DPM 13	RCC Discussion
			report. Dr. Nerves then inquired about the requirement for the daily report noting that it required a summary of hourly operations. He further opined that the time covered should be consistent with the dispatch interval and thus suggested the deletion of the word hourly. In agreement, the RCC approved the deletion of the term "hourly" in the identified provision.
14.4.2 Post-Dispatch Reports and Information	<p>Dispatch Deviation Report. For each trading day, the System Operator shall prepare a report presenting on an hourly basis all instances in which the deviation from the dispatch schedule per category occurred.</p> <p>Pursuant to section 5.5 of the WESM Manual on Management of Must-Run and Must-Stop Units, the Dispatch Deviation Report shall contain the following information as the minimum:</p>	<p>Dispatch Deviation Report. For each trading day, the System Operator shall prepare a report presenting on an hourly basis all instances in which the deviation from the dispatch schedule per category occurred <u>all re-dispatch instructions it has issued to Trading Participants, including but not limited to the instructions pertaining to provision of ancillary services, and to emergency directions issued under WESM Rules Clauses 6.3 and 6.5.</u></p> <p>Pursuant to section 5.5 of the WESM Manual on Management of Must-Run and Must-Stop Units <u>At the minimum</u>, the Dispatch Deviation Report shall contain the following information as the minimum:</p>	<p>Atty. De Castro inquired about the timeline for the submission of the Dispatch Deviation Report noting the absence of such a timeline for the submission of said report to the Market Operator. The RCC thus agreed that the System Operator shall submit the Dispatch Deviation Reports to the Market Operator on a weekly basis with the System Operator providing a description of the information included in the Dispatch Deviation Reports in order to review if such information should be revised with the shorter dispatch interval.</p>

Section	Original Provision	Proposed DPM 13	RCC Discussion
	a. Trading Date and interval concerned b. Criteria used for the designation of the MRU/MSU c. Short description of the issue being addressed (e.g. frequency breached x Hz) d. Loading of scheduled Ancillary Services	a. Trading Date and interval concerned <u>Covered period (start time and end time)</u> b. Criteria used for the designation of the MRU/MSU <u>Type of instruction (must-run unit, provision of ancillary service)</u> c. Short description of the issue being addressed (e.g. frequency breached x Hz) d. Loading of scheduled Ancillary Services	
18.1.5 Excess Generation	NEW	18.1.5 WESM Rules Clause 3.9.8.2 states that "during the hour-ahead projection and/or dispatch interval, if Excess Generation is imminent or is detected in the Power System by the System Operator in accordance with the Grid Code and it is established that the Excess Generation is being caused by a Generating System that is not following its dispatch schedule or observing a linear ramp rate, then the Generation Company representing the Generating System in the market may be liable of a sanction under Clause 7.2. The Generation Company representing the Generating System that	Ms. Varquez explained that the deletion was due to the inapplicability of the provision. Subsequent changes to WESM Rules Clauses 3.9.8.2 and 3.9.8.3 have also been adopted by the RCC.

Section	Original Provision	Proposed DPM 13	RCC Discussion
		is not following its Dispatch Schedule or observing linear ramp rate, however, shall compensate other Generation System that has been constrained-off by the System Operator. Such conditions shall also be considered in the procedures to be developed under Clause 3.9.8.2".	
20 Emergency Procedures			Ms. Varquez informed the RCC that the WESM Manual on Emergency Procedures was directly inserted to the proposed DPM 13 without changes.

27 • On Section 18 – Excess Generation

28 Mr. Isidro E. Cacho recalled that Mr. Rosales earlier suggested for the Market Operator to
 29 formulate a procedure in addressing excess generation during day-ahead projection. He then
 30 explained that per the Market Operator's procedure, upon confirmation of a possible excess
 31 generation, the Market Operator notifies Trading Participants of the foreseen event. The
 32 Trading Participants shall then be responsible in adjusting its offers strategically, considering
 33 the notification from the Market Operator. He also added that in case excess generation still
 34 exists during real-time, the System Operator shall then implement the emergency procedures
 35 as provided for in the relevant Market Manual.

36 Mr. Rosales then inquired about the actions to be done in case Trading Participants do not
 37 aid in addressing the foreseen excess generation. Ms. Varquez explained that the System
 38 Operator may thereafter impose an over-riding constraint on the generating units that are
 39 required to operate during the duration of the anticipated excess generation. Mr. Cacho
 40 explained that this is to address the concerns on the probable shutdown of those generators
 41 which may be needed in the next intervals. Mr. Rosales stated that the same will still not
 42 address the excess generation scenario during day-ahead projection. He again inquired about
 43 the actions which may be done by the Market Operator to address the excess generation
 44 during day-ahead projection. Mr. Cacho reiterated that only the Trading Participants may be
 45 able to address the excess generation by modifying its offers in the WESM. Atty. De Castro
 46 inquired as to what may occur if Trading Participants do not react to the foreseen excess

47 generation. Mr. Cacho answered that there exists the probability that emergency may happen
48 during the real-time situation.

49 Mr. Ciprinilo C. Meneses recalled that previously, PEMC stated that it can calculate for the
50 transmission loss factor. He opined that generators may be ranked through its transmission
51 loss factor to aid in deciding which generator may be curtailed first. Mr. Rosales stated that
52 the loss of load factor may be used as a trigger for the generators to change or cancel their
53 offers. Atty. Caryl Miriam L. Mateo opined that if the proposal will be implemented, then it
54 would seem like the Market Operator is deciding on which generator shall run or not. Mr.
55 Rosales expressed that the intention in recommending the actions on day-ahead projection is
56 to minimize its effect on real-time situations.

57 Atty. De Castro asked for the comments of the representatives from the generation sector.
58 Mr. Theo C. Sunico opined that the excess generation may indeed be addressed during the
59 day-ahead projections through a prompt coming from the Market Operator. He added that the
60 generators may either choose to retain its offer, or vary it depending on its intention.
61 Afterwards, he then sought clarification on the proposed prioritization through transmission
62 loss factor. Mr. Cacho explained that the Market Operator may notify the Trading Participants
63 through the Market Participants Interface informing it of its probable curtailment due to the
64 foreseen excess generation.

65 Mr. Rosales recommended for PEMC to simulate excess generation during day-ahead
66 projection considering the cases discussed by the RCC, as well as the procedures for notifying
67 the System Operator and Trading Participants regarding the anticipated excess generation
68 and determining the ranking of generators through the Trading Participants' transmission loss
69 factors for the affected period of the next day. The conduct of the simulation intends to aid the
70 RCC in drafting procedures or a protocol to be performed by the Market Operator to alleviate
71 the likelihood of the occurrence of excess generation during real-time situations.

Agreements/Action Plans
<p>The RCC agreed with the following:</p> <ul style="list-style-type: none">• Adopt further changes to the proposed amendments to the WESM Rules and the Dispatch Protocol Manual• PEMC shall conduct simulation for excess generation during day-ahead projection considering the agreements of the body

**2.3. Revisions to the Proposed Amendments to the WESM Rules and WESM Manual on
Market Surveillance, Enforcement and Compliance**

As a background, the Secretariat informed the RCC that the Committee deliberated on the proposed amendments to the WESM Rules and Market Manual on Market Surveillance, Enforcement and Compliance during its meeting held on 17 March 2017. Taking note of the instructions from the RCC, the Market Surveillance Committee submitted its further revisions, for consideration of the body.

- On the general replacement of the term "PEM Board Committees" or "PEM Committees" with "WESM Governance Committees"

The Secretariat explained that the proposal intends to differentiate the terms when referring to the five (5) Governance Committees and the other PEM Board Committees (e.g. Board Review Committee (BRC), Board Selection Committee (BSC) and etc.) which assist the PEM Board in performing its duties. The RCC then looked into the Guidelines Governing the Constitution of PEM Committees. Upon review, the RCC noted that the guidelines still utilize the term "PEM Board Committees". Atty. De Castro then stated that if the term is replaced in the WESM Rules, all other manuals, which use the same references as the provision being revised, be amended. Mr. Cacho thus suggested to look at the WESM Rules for all appearances of the said term being revised. According to him, if the rules utilize the term "PEM Committees", it may be assumed that it is really the intended terminology for such. The Secretariat then informed the RCC that both of the terms were just added through recent revisions to the WESM Rules. Mr. Ferdinand Binondo then opined that if the RCC shall amend the terms in the WESM Rules, then subsequently all other manuals where the terms appear should be amended as well for consistency. Ms. Concepcion I. Tanglao raised that in the Clauses in the WESM Rules it is stated the Market Assessment Group (MAG) shall assist all the PEM Board Committees. The Secretariat then explained that MAG is not the Secretariat for the other PEM Committees such as the Board Review Committee (BRC) and the Board Selection Committee (BSC), among other PEM Committees.

Considering the discussions above, the RCC agreed to remand this portion of the amendments to the MSC Manual for the MSC to reflect the proposed amendments in the affected WESM Manuals.

- On the deletion of enumerated items for the Market Intervention Report in the WESM Rules Clause 6.9.4.1

The Secretariat informed the RCC that the MSC proposed to delete the enumeration in the WESM Rules, since the deleted portion is anyway being proposed to be reflected in the relevant market manual. Mr. Binondo reiterated the DOE's stand regarding the deletion. He stated that the WESM Rules should contain the basis of the provision and

the WESM Manuals shall set out further details of the rules. The Secretariat then informed the RCC of the proposed wording of the MSC as follows:

WESM Rules	MSC Proposal
(a) The adequacy of the relevant provisions of the WESM Rules in relation to the event or events which occurred;	i. <u>The adequacy of the provisions of the WESM Rules relevant to the event, and its proposed amendments, if any;</u>
(b) The appropriateness of actions taken by the System operator and the Market Operator in relation to the event or events which occurred;	ii. <u>The appropriateness of actions taken by the System Operator and/or Market Operator in relation to the event;</u>
(c) The costs incurred by WESM members as a consequence of responding to the event or events; and	iii. <u>The impact and possible costs incurred by WESM members as a consequence of the event; and</u>
(d) Any finding of potential, fault of any WESM Participant including a preliminary recommendation for further evaluation by the PEM Auditor.	iv. <u>Potential breaches by WESM members.</u>

Mr. Cacho then suggested adopting the proposed wording as it is clearer than what is currently used in the WESM Rules. The RCC then agreed to disapprove the deletion but to instead reflect the proposed wording of the MSC in the WESM Rules.

- On the proposed amendments to the WESM Manual on Market Surveillance and Compliance
 - On the use of the term "Market Rules", Atty. De Castro inquired if the same is defined in the WESM Rules. Upon checking, the Secretariat informed the RCC that the term does not exist in the WESM Rules. Mr. Cacho then opined that it may be interpreted that the intention of the MSC is to cover both the WESM and Retail Rules. Considering the statement of Mr. Cacho, the RCC agreed that instead of using the term "Market Rules" it will be better to just enumerate all the referred to Rules for the periodic monitoring by the MSC, as necessary.
 - On the referencing of relevant provisions to the WESM Manual on Procedures for Changes to the WESM Rules, Mr. Binondo stated that the manual is still subject to be aligned with the Chapter 8 of the WESM Rules. In this regard, he recommended referring the relevant provisions to Chapter 8 of the WESM Rules.

- On the proposed Section 5.3.3 which removes the timeline within which a Market Intervention shall be submitted by the MSC, Atty. De Castro opined that a timeline needs to be set for the said submission. She further stated that the MSC is however, in the best position to provide the timeline for the submission, but the RCC may also recommend a timeline for the same. Ms. Rodriguez then explained that the whole process of reviewing a market intervention takes time since the MSC, at some point, invites affected Trading Participants and the System Operator to discuss the incident. Atty. De Castro then inquired if there is a timeline set for breaches to be resolved. Mr. Cacho stated that as far as he can recall, a timeline has not been set in resolving breaches. Ms. Tanglao opined that there should preferably be a timeline set for the submission. Mr. Binondo then stated that in case the MSC is not able to accomplish its report for any reason, then the committee may be allowed to seek for extensions. Considering the discussions, the RCC agreed to recommend the following:

MSC Proposal	RCC Recommendation
<p>11.3 <u>5.3</u> Review of <u>the Market</u> Intervention</p> <p>xxx</p> <p>11.3.3 The request from the PEM Board for an investigation and an Intervention Report shall include: <u>5.3.3 Upon receipt of the notification from the Market Operator or the System Operator, the Market Surveillance Committee shall conduct a review and shall prepare a Market Intervention Report, which shall include:</u></p> <p>xxx</p> <p>(c) <u>(b)</u> A reasonable period within which the report of the MSC should be submitted, provided that such period will not be less than twenty (20) business days after the MSC has received the foregoing information. <u>Assessment and recommendations, as applicable, on:</u></p> <p>i. <u>The adequacy of the provisions of the WESM Rules relevant to the event, and its proposed amendments, if any;</u></p>	<p>Timeline: <u>Within 30 working days, subject to one (1) time extension after the assessment of relevant information.</u></p>

- | | |
|--|--|
| ii. <u>The appropriateness of actions taken by the System Operator and/or Market Operator in relation to the event;</u>
iii. <u>The impact and possible costs incurred by WESM members as a consequence of the event; and</u>
iv. <u>Potential breaches by WESM members.</u> | |
|--|--|

- On the proposed amendments to the WESM Manual on Enforcement and Compliance

The Secretariat informed the RCC of the clerical revisions to the WESM Manual on Enforcement and Compliance in order to remain consistent with the amendments to the WESM Manual on Market Surveillance and Compliance. Noting the rationale, the RCC approved the revision, as follows:

WESM Rules	ECO Proposal
Clause 1.3.1.2	Xxx (c) Identify Report any apparent or suspected possible incidents of anti-competitive behavior or possible non-compliance with the WESM Rules and market manuals by any WESM Member. Xxx

Upon finalization of the agreements, Atty. De Castro inquired about the urgency of the proposal. Ms. Rodriguez then explained that the proposed amendments by the MSC having been submitted in tandem with the Enforcement and Compliance Manual, which amendments are considered urgent, makes the MSC's proposed amendments also urgent. She further added that re-organization within the Enforcement and Compliance Office and changes in the procedures for Enforcement and Compliance are hinged on the approval of the Enforcement and Compliance Market Manual.

Agreements/Action Plans

The RCC agreed to give a one (1)-week timeline for the MSC to respond to the RCC's instructions and just approve the further amendments, if any, through e-mail.

2.4. Finalization of Proposed Amendments to the WESM Manual on Metering Standards and Procedures relative to:

- (a) RCC-approved amendments pertaining to Back-up Meters and MSP Performance Rating
- (b) WESM Design Enhancements

The RCC reviewed the additional changes to the draft revised WESM Manual on Metering Standards and Procedures, which already contains the RCC-approved amendments related to back-up meters and Metering Services Providers (MSP) performance rating. Said additional changes to the draft Manual already incorporated the amendments related to WESM design enhancements, as already discussed by the RCC during previous meetings.

On the formula in computing for Site-Specific Loss Adjustment (SSLA), Atty. De Castro inquired if other WESM Manuals provide sample computations. The Secretariat then informed the RCC that on the amendments related to the MSP Performance Standards, the RCC agreed to provide sample calculations for the same. The RCC then agreed that for clarity, sample calculations for the computation for SSLA should be appended to the manual.

Atty. De Castro also inquired about the relocation of the formula in the appendix. Mr. Cacho explained that the rationale in doing so is to remove the formulas from the body of the Market Manuals.

Ms. Tanglao clarified about the definition of variable t in the revised formula below for the calculation of SSLA. Mr. Cacho explained that the intention of the variable t is to convert the 5-minute readings to kilowatt values in order to be used in the subsequent calculations for adjustments. Mr. Meneses further explained that in order to get the actual values of the reading during the 5-minute intervals, the conversion factor to be used is $\frac{5}{60}$ or simply $\frac{1}{12}$. Mr. Richard Araullo also explained that depending on the agreed dispatch interval, there will be a different value for variable t . Considering that the variable has a constant value, Ms. Tanglao recommended to simply include the value of t in the formula, for clarity, thus:

$$\begin{aligned} kW_{\text{Meter}} &= kWh_{\text{Meter},t} \div t \\ kVar_{\text{Meter}} &= kVarh_{\text{Meter},t} \div t \end{aligned}$$

xxx

$$\underline{\text{Adjusted}_{kW}} = \underline{\text{Adjusted}_{kW}} * t$$

Where:

$kWh_{Meter,i-XXMin}$: ~~15-minute~~ **dispatch** interval active energy meter registration **metered**

$kVarh_{Meter,i-XXMin}$: ~~15-minute~~ **dispatch** interval reactive energy meter registration **metered**

XXX

Adjusted_{kWh} : adjusted kWh active energy

t : dispatch interval time (in hours), specifically $\frac{1}{12}$ hour for 5-minute dispatch interval

i : dispatch interval

Afterwards, Atty. De Castro requested for the Philippine Electricity Market Corporation – Billing, Settlement and Metering Department (PEMC – BSMD) to provide sample SSLA computations for the 5-minute dispatch interval to be appended in the Market Manual. Mr. Araullo noted the instruction and agreed to submit before the end of the succeeding week.

Mr. Ludovico Lim raised his concerns about the configuration of the meters. According to him, the current data being captured by the meters is for a 15-minute resolution. Mr. Renato Afurong commented that the agreement between the Metering Services Providers for WESM and the PEMC – BSMD is that once the Central Registration and Settlement System (CRSS) is deployed, the PEMC – BSMD shall only be accepting 5-minute data resolution. Mr. Lim also expressed that for the retail level, the meters shall also be configured with the requirements of the new Market Management System (MMS). Mr. Cacho agreed that the Distribution Utilities and Electric Cooperatives should reconfigure their respective revenue meters since the agreement of the RCC during its previous discussions regarding the division of the 15-minute reading to be submitted as 5-minute reading is not documented in the Market Manual. He further expressed that if the DOE can include the interim agreement in its Department Circular, then the agreed procedure will have its basis.

Agreements/Action Plans

The RCC agreed to approve the proposed amendments to the WESM Manual on Metering Standards and Procedures, pending the submission of sample computations of Site-Specific Loss Adjustment from the PEMC – BSMD.

229 **3. Other Matters**230 **3.1. DOE letter regarding decision on the Proposed Amendments to the WESM Manuals**
231 **on Dispute Resolution and Registration, Suspension and De-registration Criteria**
232 **and Procedures**

233 Ms. Divine Gayle Cruz informed the RCC regarding the DOE's decision on the subject
234 proposal, essentially disapproving the proposed removal of the PEM Board as an
235 impleadable entity in WESM disputes. Mr. Binondo expounded that the PEM Board should
236 still be retained as a possible party in disputes to maintain that it should be accountable
237 for its decisions, but should be excluded as a party if the dispute involves civil or business
238 transactions in the WESM. Considering the disapproval, Ms. Cruz explained that upon
239 cases when the PEM Board decides that a Trading Participant is responsible for a breach,
240 due to the disapproval, the Trading Participant may dispute the PEM Board's decision.

241 The RCC noted the information.

242 **3.2. DOE Department Circulars on the Proposed Amendments to the PDM and CVC**
243 **Manuals (WESM design enhancements) and other WESM Manuals (implementation**
244 **of preferential dispatch)**

245 The Secretariat informed the RCC that the DOE has already promulgated on 20 March
246 2017 the (i) Proposed Amendments to the WESM Rules and WESM Manuals on Price
247 Determination Methodology and on Constraint Violation Coefficient and Pricing Re-run for
248 the Implementation of WESM Design Enhancements per Department Circular No.
249 DC2017-03-0001, and (ii) Proposed Amendments to Various WESM Manuals for the
250 Implementation of Preferential Dispatch per Department Circular No. DC2017-03-0002.
251 The WESM Rules and all relevant Manuals will be updated accordingly following the
252 DOE's official transmittal of said Department Circular to PEMC.

253 Mr. Cacho raised the PEMC's concerns regarding the transition period in complying with
254 the forecast accuracy standards as it is not included in the Department Circular. Mr.
255 Binondo then recommended for the MO to write a letter to DOE proposing a transition
256 period, after which preferential dispatch generating units should be able to fully comply
257 with the forecast accuracy standards. Regarding the timeline for which the Trading
258 Participants are allowed to deviate from the standards, Mr. Cacho suggested for a one (1)
259 year period as the same is monitored annually. Mr. Meneses then opined that the
260 transition period shall only be applicable to new power plants since the existing power
261 plants already have enough data to give a reasonable forecast.

262 The RCC then noted the agreements above.

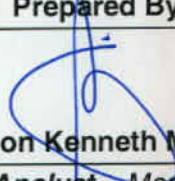
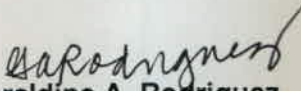
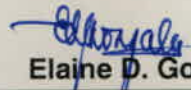
4. Next Meeting

The RCC agreed to hold subsequent meetings on the following schedules:

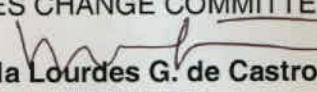
- **June 9** (to coincide with the schedule of photo shoot for the 2017 PEMC Annual Report)
- **July 7**
- **August 4**

5. Adjournment

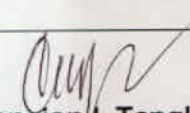
There being no other matter to be discussed, the meeting was adjourned at around 4:00 PM.

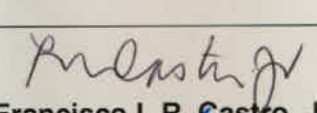
Prepared By:	Reviewed By:	Noted By:
 Aldjon Kenneth M. Yap Analyst – Market Governance Administration Unit	 Geraldine A. Rodriguez Assistant Manager – Market Governance Administration Unit	 Elaine D. Gonzales Manager – Market Data and Analysis Division
Market Assessment Group	Market Assessment Group	Market Assessment Group

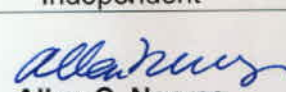
Approved by:
RULES CHANGE COMMITTEE

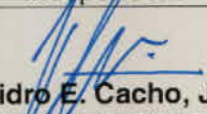

Maila Lourdes G. de Castro
Chairperson
Independent


Members:

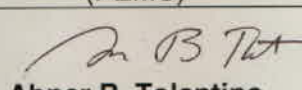

Concepcion I. Tanglao
Independent


Francisco L.R. Castro, Jr.
Independent

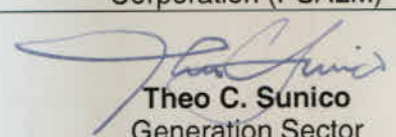

Allan C. Nerves
Independent

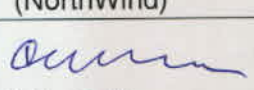

Isidro E. Cacho, Jr.
Market Operator
Philippine Electricity Market Corporation
(PEMC)

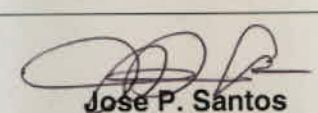

Ambrocio R. Rosales
Transmission Sector
National Grid Corporation of the Philippines
(NGCP)



Abner B. Tolentino
Generation Sector
Power Sector Assets and Liabilities Management
Corporation (PSALM)

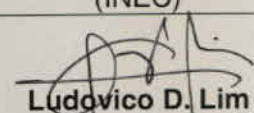
Jose Ildebrando B. Ambrosio
Generator Sector
NorthWind Power Development Corp.
(NorthWind)



Theo C. Sunico
Generation Sector
Vivant Corporation


Ciprinilo C. Meneses
Distribution Sector (PDU)
Manila Electric Company
(MERALCO)


Jose P. Santos
Distribution Sector (EC)
Ilocos Norte Electric Cooperative, Inc.
(INEC)


Juanito O. Tolentino, Jr.
Distribution Sector (PDU)
Mactan Electric Company
(MECO)


Ludovico D. Lim
Distribution Sector (EC)
Antique Electric Cooperative, Inc.
(ANTECO)


Lorreto H. Rivera
Supply Sector
TeaM (Philippines) Energy Corporation
(TPEC)