

[DOE DEPARTMENT CIRCULAR NO. DC2013-03-0005, March 22, 2013]

**ADOPTING FURTHER AMENDMENTS TO THE WESM RULES
(REGISTRATION AND SETTLEMENT PROVISIONS OF THE WESM
RULES)**

WHEREAS, on 31 August 2012, the Philippine Electricity Market Corporation (PEMC) submitted its proposed changes to the Registration and Settlement Provisions of the Wholesale Electricity Spot Market (WESM) Rules to the Rules Change Committee (RCC) for consideration and approval;

WHEREAS, the PEMC proposed amendment aims to qualify the term "business day" in relation to specific registration and settlement processes and to enhance the procedure formulation of certain clauses of the WESM Rules on Settlement Quantities and Amounts for clarity, to address the findings in the second market operations audit;

WHEREAS, the RCC thoroughly discussed and deliberated the proposed amendments in its 66th Meeting (05 September 2012) and 67th Meeting (03 October 2012) and published the proposal, incorporating the revisions/ inputs during the said Meetings, in the WESM website to solicit comments from participants and other interested parties;

WHEREAS, on 14 November 2012, the RCC in its 68th Meeting deliberated upon the comments submitted and affirmed its 03 October 2012 approval of the proposed amendments for endorsement to the PEM Board;

WHEREAS, on 21 January 2013, after discussion, the PEM Board has resolved to approve for endorsement to the DOE the above stated changes to the WESM Rules;

NOW THEREFORE, pursuant to its authority under the WESM Rules, the DOE hereby issues, adopts and promulgates the following amendments to the WESM Rules:

Section 1. Amendments to the WESM Rules.

- 1.1 Clause 2.5.3.1 under Further Information to Assess Application is amended to read -

Within five *Working Days* of receiving an application, the *Market Operator* shall advise the applicant of any further information which the *Market Operator* reasonably considers to be required to enable the *Market Operator* to properly assess the application.

- 1.2 Clause 2.5.3.2 under Further Information to Assess Application is amended to read -

If the *Market Operator* has not received any further information as required under clause 2.5.3.1 within the next fifteen *Working Days*, the *Market Operator* may treat the application as withdrawn.

- 1.3 Clause 2.5.5.1 under Notice of Approval of Application is amended to read -

If the *Market Operator* approves an application under clause 2.5.4, the *Market Operator* shall send written notice of approval to the applicant within fifteen *Working Days* from receipt of: xxx

- 1.4 Clause 2.5.5.2 under Notice of Approval of Application is amended to read -

The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven days *Working Days* after the date on which the *Market Operator* sends the notice of approval under clause 2.5.5.1.

- 1.5 Clause 2.5.6.1 under Notice of Approval of Non-Application is amended to read -

If the *Market Operator* does not approve an application for registration in a category to which an application relates, the *Market Operator* shall send within fifteen (15) *Working Days* written notice to the applicant advising the applicant that the application is not approved and the *Market Operator* shall give reasons for its decision.

- 1.6 Clause 2.5.6.2 under Notice of Approval of Non-Application is amended to read -

The DOE and ERC shall, in all instances, be provided a copy of such written notice within five (5) *Working Days* after issuance to the applicant.

- 1.7 Clause 3.13.5.1 under Defining the Gross EX-Ante Energy Settlement Quantity for Market Trading Nodes is amended to read -

For each *trading interval*, the gross *ex-ante energy settlement quantity* before being adjusted for bilateral Contracts for each *market trading node* shall be determined by the *Market Operator* as follows:

- (a) If the *market trading node* is defined under clause 3.2.2.1 as lying on the boundary of the *power system* operated by the *System operator*, the gross *ex-ante energy settlement quantity* for that *market trading node* is the average of the *net* expected flows into the *power system* operated by the *System operator* through the associated *meter*, as estimated by the initial conditions assumed for the beginning of the *trading interval*, and by the *forecast*, or target, for the end of that *trading interval* for that *market trading node* assumed in, or estimated by, the *dispatch optimization* performed prior to the beginning of that *trading interval*;
- (b) If the *market trading node* is defined under clause 3.2.2.2 as a *generator node* lying on the interface between *networks*, apparatus or equipment operated by parties other than the *System operator*, the gross *ex-ante energy settlement quantity* for the *market trading node* is the average of the net expected flows through the associated meter from the *Generating Company* to the *Customer side* of the *meter*, as estimated by the initial conditions assumed for the beginning of that *trading interval*, and