

ANNEX A

ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY SPOT MARKET (WESM) RULES AND MARKET MANUAL ON MANAGEMENT OF MUST-RUN AND MUST-STOP UNITS

(Provisions for the Settlement of Displaced Generators)

WESM Rules (as amended per DOE DC2019-12-0017 dated 04 Dec 2019; for current market design)						
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
Over-riding Constraints	3.5.13.1	<p>xxx</p> <p>The <i>System Operator</i>, in consultation with the <i>Market Operator</i> and the <i>Trading Participants</i>, shall develop the criteria and procedures for dispatch of generating units that are required to run as a result of the imposition or relaxation of constraints stated in the preceding paragraph, and the manner for compensating said units. (As amended by DOE DC NO.2006-01-0001 and further amended by DOE DC No. 2006-05-0006 dated 5 May 2006)</p> <p>The <i>System Operator</i> shall advise the <i>Market Operator</i> of the actions it has taken in</p>	<p>xxx</p> <p>The <i>System Operator</i>, in consultation with the <i>Market Operator</i> and the <i>Trading Participants</i>, shall develop the criteria and procedures for dispatch of generating units that are required to run as a result of the imposition or relaxation of constraints stated in the preceding paragraph, and the manner for compensating said units. (As amended by DOE DC NO.2006-01-0001 and further amended by DOE DC No. 2006-05-0006 dated 5 May 2006)</p> <p>The <i>System Operator</i> shall advise the <i>Market Operator</i> of the actions it has taken in relation to the foregoing, including but not limited to information necessary</p>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

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		relation to the foregoing, including but not limited to information necessary for the proper settlement of affected <i>generating units</i> , and the <i>Market Operator</i> shall <i>publish</i> the said information no later than one (1) week from the relevant <i>trading day</i> . For proper settlement of <i>must-run units</i> and <i>must-stop units</i> , <i>Trading Participants</i> shall review the information and notify the <i>Market Operator</i> of any discrepancies no later than two (2) weeks from the date of <i>publication</i> , otherwise the information contained in the report shall be deemed final for use in the settlement of <i>must-run units</i> and <i>must-stop units</i> . (As amended by DOE DC	for the proper settlement of affected <i>generating units</i> , and the <i>Market Operator</i> shall <i>publish</i> the said information no later than one (1) week from the relevant <i>trading day</i> . For proper settlement of <i>must-run units</i> and <del><i>must-stop units</i></del> , <i>Trading Participants</i> shall review the information and notify the <i>Market Operator</i> of any discrepancies no later than two (2) weeks from the date of <i>publication</i> , otherwise the information contained in the report shall be deemed final for use in the settlement of <i>must-run units</i> and <del><i>must-stop units</i></del> . (As amended by DOE DC NO.2015-11-0016 dated 12 November 2015) xxx			

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Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		NO.2015-11-0016 dated 12 November 2015) xxx				
Settlement Amounts of Trading Participants	3.13.14.3	The <i>Market Operator</i> shall develop and implement, subject to approval by the ERC, the appropriate pricing and settlement methodology for compensation of trading participants whose generating units are designated as <i>Must-Run Units</i> or identified as Displaced Generators, and the corresponding recovery mechanism for the same. (As amended by DOE DC No.2014-10-0021 dated 24 October 2014)	The <i>Market Operator</i> shall develop and implement, subject to approval by the ERC, the appropriate pricing and settlement methodology for compensation of trading participants whose generating units are designated as <i>Must-Run Units</i> <del>or identified as Displaced Generators</del> , and the corresponding recovery mechanism for the same. (As amended by DOE DC No.2014-10-0021 dated 24 October 2014)	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		
Glossary		Displaced Generator. A generating unit identified and instructed by the <i>System Operator</i> in an <i>Out of Merit Dispatch</i> to reduce the	<del>Displaced Generator. A generating unit identified and instructed by the <i>System Operator</i> in an <i>Out of Merit Dispatch</i> to reduce the provision</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives		

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WESM Rules (as amended per DOE DC2019-12-0017 dated 04 Dec 2019; for current market design)						
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		provision of energy specified in its <i>Real Time Dispatch</i> instruction exclusively caused by excess generation due to non-compliance of generators to dispatch instructions and use of reactive support reserve. (As amended by DOE DC No.2014-10-0021 dated 24 October 2014)	<del>of energy specified in its <i>Real Time Dispatch</i> instruction exclusively caused by excess generation due to non-compliance of generators to dispatch instructions and use of reactive support reserve. (As amended by DOE DC No.2014-10-0021 dated 24 October 2014)</del>	resulting from said ERC Order.		
Glossary		Must- Stop Unit (MSU). A generating unit identified and instructed by the <i>System Operator</i> to reduce the provision of energy due to its non compliance of the <i>Dispatch Schedule</i> to address or prevent possible threat to the System Security requirements of the Grid. (As amended by DOE DC No.2014-10-0021 dated 24 October 2014)	<del>Must- Stop Unit (MSU). A generating unit identified and instructed by the <i>System Operator</i> to reduce the provision of energy due to its non compliance of the <i>Dispatch Schedule</i> to address or prevent possible threat to the System Security requirements of the Grid. (As amended by DOE DC No.2014-10-0021 dated 24 October 2014)</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

ANNEX B

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(Provisions for the Settlement of Displaced Generators)

WESM Rules (as amended per DOE DC2019-12-0017 dated 04 Dec 2019; for enhanced market design)						
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
Dispatch Conformance Standards	3.8.5.6	In cases when a <i>generating unit</i> was identified as a <i>Must-Stop Unit</i> , the <i>System Operator</i> shall include such in the Dispatch Deviation Report.	In cases when a <i>generating unit</i> <del>was identified as a <i>Must-Stop Unit</i></del> <b><u>does not comply with its dispatch schedule</u></b> , the <i>System Operator</i> shall include such in the Dispatch Deviation Report.	<ul style="list-style-type: none"><li>For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.</li><li>To ensure that the System Operator shall document non-compliant generating units in its regular Report. This is consistent with Section 14.4.2 of the Dispatch Protocol Issue 13.1.</li></ul>		
Glossary		Must-Stop Unit (MSU). A generating unit identified and	<del>Must-Stop Unit (MSU). A generating unit identified and</del>	For consistency with ERC Order dismissing		

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ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY SPOT MARKET (WESM) RULES AND MARKET MANUAL ON MANAGEMENT OF MUST-RUN AND MUST-STOP UNITS

(Provisions for the Settlement of Displaced Generators)

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Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		instructed by the <i>System Operator</i> to reduce the provision of energy due to its non compliance of the <i>Dispatch Schedule</i> to address or prevent possible threat to the System Security requirements of the Grid.	<del>instructed by the <i>System Operator</i> to reduce the provision of energy due to its non compliance of the <i>Dispatch Schedule</i> to address or prevent possible threat to the System Security requirements of the Grid.</del>	ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

ANNEX C

ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY SPOT MARKET (WESM) RULES AND MARKET MANUAL ON MANAGEMENT OF MUST-RUN AND MUST-STOP UNITS

(Provisions for the Settlement of Displaced Generators)

WESM Manual on Must-Run and Must-Stop Units Issue 8.0 (for current market design)						
Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
Manual Title		Management of Must-Run And Must-Stop Units Issue 8.0	Management of Must-Run <del>And Must-Stop Units</del> Issue <del>8.0</del> <u>9.0</u>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		
Introduction	1.0	In Section 6.6.1 of the WESM Rules, the System Operator was mandated to develop and periodically update the system security and reliability guidelines in consultation with WESM participants and the Market Operator. Part of this guideline is the introduction of Must-Run Units (MRUs) and nomination of MRUs by the System Operator whether scheduled or on real-time basis to address the system security aspect of the grid. Likewise, to address system security and reliability of the grid, the use of Must Stop Units (MSU) was also introduced to tag certain generator/s for the non-conformity to dispatch instructions as issued by the System Operator. This document	In Section 6.6.1 of the WESM Rules, the System Operator was mandated to develop and periodically update the system security and reliability guidelines in consultation with WESM participants and the Market Operator. Part of this guideline is the introduction of Must-Run Units (MRUs) and nomination of MRUs by the System Operator whether scheduled or on real-time basis to address the system security aspect of the grid. <del>Likewise, to address system security and reliability of the grid, the use of Must Stop Units (MSU) was also introduced to tag certain generator/s for the non-</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

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WESM Manual on Must-Run and Must-Stop Units Issue 8.0 (for current market design)						
Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		discusses the criteria used in designating MRUs during scheduling and dispatch. It also discusses the manner of settlement or compensation of MRUs. xxx	<del>conformity to dispatch instructions as issued by the System Operator.</del> This document discusses the criteria used in designating MRUs during scheduling and dispatch. It also discusses the manner of settlement or compensation of MRUs. xxx			
Objective	2.3	This document is intended to –  xxx Introduce the concept of Must-Stop Units and Displaced Generators and the procedures for their treatment and settlement.	This document is intended to –  xxx <del>Introduce the concept of Must-Stop Units and Displaced Generators and the procedures for their treatment and settlement.</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		
Definition of Terms	4.4	Displaced Generator - a generating unit identified and instructed by the System Operator in an Out of Merit Dispatch to reduce the provision of energy specified in its Real-Time Dispatch instruction exclusively caused by excess generation due to	<del>Displaced Generator – a generating unit identified and instructed by the System Operator in an Out of Merit Dispatch to reduce the provision of energy specified in its Real-Time Dispatch instruction</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		



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Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		non-compliance of other generators to dispatch instructions.	<del>exclusively caused by excess generation due to non-compliance of other generators to dispatch instructions.</del>			
Definition of Terms	4.5	4.5 Must-Run Unit (MRU) – xxx 4.5.1 Scheduled MRU – xxx 4.5.2 Real Time MRU – xxx  xxx	<del>4.5</del> <b>4.4.</b> Must-Run Unit (MRU) – xxx  <del>4.5.1</del> <b>4.4.1</b> Scheduled MRU – xxx  <del>4.5.2</del> <b>4.4.2</b> Real Time MRU – xxx  xxx	Re-numbering with deletion of original Section 4.4.		
Definition of Terms	4.6	4.6 Must-Stop Unit (MSU) – a generating unit identified and instructed by the System Operator to reduce the provision of energy due to its non-compliance of the Dispatch Schedule to address or prevent possible threat to the System Security requirements of the Grid.	<del>4.6 Must-Stop Unit (MSU) – a generating unit identified and instructed by the System Operator to reduce the provision of energy due to its non-compliance of the Dispatch Schedule to address or prevent possible threat to the System Security requirements of the Grid.</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

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WESM Manual on Must-Run and Must-Stop Units Issue 8.0 (for current market design)						
Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
Definition of Terms	4.7 4.8 4.9 4.10 4.11	4.7 Out of Merit Dispatch – xxx  4.8 System Security – xxx  4.9 System Security and Reliability Guidelines – xxx  4.10 System Test – xxx  4.11 WESM Merit Order Table (WMOT) – xxx	<del>4.7</del> <b>4.5</b> Out of Merit Dispatch – xxx  <del>4.8</del> <b>4.6</b> System Security – xxx  <del>4.9</del> <b>4.7</b> System Security and Reliability Guidelines – xxx  <del>4.10</del> <b>4.8</b> System Test – xxx  <del>4.11</del> <b>4.9</b> WESM Merit Order Table (WMOT) – xxx	Re-numbering with deletion of original Sections 4.4 and 4.6.		
Responsibilities	5.5	The System Operator shall be responsible for monitoring and submitting the necessary information in the Dispatch Discrepancy Report to the Market Operator for purposes of the settlement amount of MRUs and Displaced Generators. The Market Operator shall publish the same information in the WESM website after one week.  All information related to the use and designation of MRUs and MSUs are	The System Operator shall be responsible for monitoring and submitting the necessary information in the Dispatch Discrepancy Report to the Market Operator for purposes of the settlement amount of MRUs and <del>Displaced Generators</del> . The Market Operator shall publish the same information in the WESM website after one week.	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

ANNEX C

ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY SPOT MARKET (WESM) RULES AND MARKET MANUAL ON MANAGEMENT OF MUST-RUN AND MUST-STOP UNITS

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WESM Manual on Must-Run and Must-Stop Units Issue 8.0 (for current market design)						
Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		contained in the Dispatch Discrepancy Report which shall contain the following information as the minimum: <ul style="list-style-type: none"><li>Trading Date and interval concerned</li><li>Criteria used for the designation of the MRU/MSU</li><li>Short description of the issue being addressed (e.g. frequency breached x Hz)</li><li>Loading of scheduled Ancillary Services</li></ul>	All information related to the use and designation of MRUs and <del>MSUs</del> are contained in the Dispatch Discrepancy Report which shall contain the following information as the minimum: <ul style="list-style-type: none"><li>Trading Date and interval concerned</li><li>Criteria used for the designation of the MRU/<del>MSU</del></li><li>Short description of the issue being addressed (e.g. frequency breached x Hz)</li><li>Loading of scheduled Ancillary Services</li></ul>			
Responsibilities	5.6	The Market Operator shall be responsible for implementing the procedures on the settlement of MRUs and Displaced Generators.	The Market Operator shall be responsible for implementing the procedures on the settlement of MRUs and <del>Displaced Generators.</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		

ANNEX C

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WESM Manual on Must-Run and Must-Stop Units Issue 8.0 (for current market design)						
Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
Considerations and Criteria for Selection of Must Run Units	7.1	The System Operator shall select and designate the generating unit that will run as an MRU or will be tagged as MSU for any relevant trading interval, in accordance with the criteria set forth in this Manual.	The System Operator shall select and designate the generating unit that will run as an MRU <del>or will be tagged as MSU</del> for any relevant trading interval, in accordance with the criteria set forth in this Manual.	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		
Scheduling and Dispatch Procedures	8.1	The Generating unit/s identified and instructed by the System Operator as MRUs or tagged as MSUs or displaced generators shall be based on the security assessment conducted by the System Operator. The MRU plants utilized by the System Operator shall be reported to the Market Operator for MRU settlement.	The Generating unit/s identified and instructed by the System Operator as MRUs <del>or tagged as MSUs or displaced generators</del> shall be based on the security assessment conducted by the System Operator. The MRU plants utilized by the System Operator shall be reported to the Market Operator for MRU settlement.	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives resulting from said ERC Order.		
Settlement of Displaced Generators	10.0 10.1 10.2 10.3	Generating plants that do not follow the instructions of the System Operator to reduce their target loading for a particular trading interval and continue to generate shall be tagged	<del>Generating plants that do not follow the instructions of the System Operator to reduce their target loading for a particular trading interval and continue to</del>	For consistency with ERC Order dismissing ERC Case No. 2016-159RC and subsequent DOE directives		

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Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		<p>as MSUs and shall pay the displaced Generators, if any during the said interval. A list of displaced plants shall be generated by the Market Operator from the Dispatch Deviation Report provided by the System Operator. Displaced plants will be identified using the WMOT in the interval where an MSU was tagged by the System Operator. The Market Operator will facilitate the process of payment to the Displaced Generators by the corresponding MSUs in accordance with the formula stated in this Manual. Any adjustment in the settlement shall be included in the final billing statement.</p> <p>10.1 Calculation of Amounts due to Displaced Generator/s</p> <p>xxx</p>	<p><del>generate shall be tagged as MSUs and shall pay the displaced Generators, if any during the said interval. A list of displaced plants shall be generated by the Market Operator from the Dispatch Deviation Report provided by the System Operator. Displaced plants will be identified using the WMOT in the interval where an MSU was tagged by the System Operator. The Market Operator will facilitate the process of payment to the Displaced Generators by the corresponding MSUs in accordance with the formula stated in this Manual. Any adjustment in the settlement shall be included in the final billing statement.</del></p> <p><del>10.1 Calculation of Amounts due to Displaced Generator/s</del></p>	<p>resulting from said ERC Order.</p>		

ANNEX C

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Title	Section	Provision	Proposed Amendment	Rationale	Stakeholder Recommendation	Stakeholder Rationale
		10.2 Settlement of Amounts Due to Displaced Generators  xxx  10.3 Settlement of Amounts due to Displaced Generators	<del>xxx</del>  <del>10.2 Settlement of Amounts Due to Displaced Generators</del>  <del>xxx</del>  <del>10.3 Settlement of Amounts due to Displaced Generators</del>			
Market Re-run	11.0	11.0 Market Re-run  xxx	<del>11.0</del> <b>10.0</b> Market Re-run  xxx	Re-numbering due to deletion of original Section 10		