

Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2020-10-0019 *h*

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) MARKET MANUALS ON REGISTRATION,
SUSPENSION AND DE-REGISTRATION, AND MARKET NETWORK MODEL
DEVELOPMENT AND MAINTENANCE FOR THE IMPLEMENTATION OF
ENHANCEMENTS TO WESM DESIGN AND OPERATIONS
(Provisions for the New Load Facility of a Registered WESM Member)**

WHEREAS, Sections 30 and 37(f) of the Electric Power Industry Reform Act (EPIRA) provides that the DOE, jointly with the electric power industry participants, shall establish the WESM and formulate the detailed rules governing the operations thereof;

WHEREAS, on 28 June 2002, the Department of Energy (DOE), with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular No. DC2002-06-003;

WHEREAS, any changes, amendments, and modifications to the WESM Rules, Retail Rules and their Market Manuals shall be undertaken in accordance with the provisions of Chapter 8 of the WESM Rules;

WHEREAS, the Market Operator submitted to the Rules Change Committee (RCC) its proposed amendments to the WESM Market Manuals, particularly on the WESM's registration and market network model;

WHEREAS, the proposal aims to prevent the possible discrepancies or disputes in the scheduling and settlement processes of the WESM caused by the non-registration of new load facilities of a registered WESM Member;

WHEREAS, on 16 August 2019, the RCC during its 155th RCC Meeting, discussed and approved the said proposal for publication in the Philippine Electricity Market Corporation's (PEMC) information website to solicit comments from market participants and other interested parties;

WHEREAS, on 18 October 2019 and 08 November 2019, during the 157th RCC Meeting and 158th RCC Meeting, respectively, deliberated on the proposal giving due course to the comments received from market participants, and thereafter finalized and approved for endorsement to the PEM Board;

WHEREAS, on 27 November 2019, after due evaluation and deliberation, the PEM Board during its 18th Regular PEM Board Meeting, approved for endorsement to the DOE the above stated RCC-approved proposal;

WHEREAS, on 19 December 2019, the PEM Board-approved amendments were submitted to the DOE for final approval, in compliance with Chapter 8 of the WESM Rules;

WHEREAS, on 18 March 2020, the DOE posted the draft Department Circular adopting the proposed amendments in the DOE website to solicit comments from the market participants and other interested parties;

WHEREAS, on 15, 17 and 19 June 2020, the DOE conducted virtual public consultations on the proposed amendments to solicit further comments from the stakeholders and other interested parties;

NOW THEREFORE, after careful review of the PEM Board-approved proposal and the comments and recommendations received on the same, the DOE, pursuant to its authority under the EPIRA and the WESM Rules, hereby adopts, issues, and promulgates the following amendments to the WESM Market Manuals:

Section 1. Amendments to the WESM Market Manual on Market Network Model Development and Maintenance. The following provisions in the Market Manual on Market Network Model Development and Maintenance - Criteria and Procedures, Issue No. 4.0, are hereby amended:

(a) Section 3.3.2 under Network Service Providers is added to read as –

“3.3.2 The *Network Service Provider* shall ensure that an equipment or facility is included in the *Market Network Model* prior to its issuance of approval to connect for energization.”

(b) Section 4.5.3 under MNM Timetable is amended to read as –

“4.5.3 The official notification from the *System Operator* shall contain the target date of energization, along with the details of the changes to the *transmission system*. The list of required information from the *System Operator* is described in Appendix A.”

(c) Section 4.5.5 under MNM Timetable is amended to read as –

“4.5.5 The *Network Service Provider* shall only issue the approval to connect for the energization of a facility only when it has been included in the *market network model* and registered in the *WESM*.”

(d) Original Section 4.5.5 under MNM Timetable is renumbered and amended accordingly to read as –

“4.5.6 The table below describes the timeline of activities involved in updating the MNM. The variable “D” stands for the target date of uploading of the new MNM. This date is set by the *Market Operator* upon its assessment, and is based on energization date or commissioning date of a new or upgraded facility or equipment.

- (e) Original Sections 4.5.6 and 4.5.7 under MNM Timetable are renumbered accordingly as Section 4.5.7 and Section 4.5.8, respectively.

Section 2. Amendments to the WESM Market Manual on Registration, Suspension, and De-Registration Criteria and Procedures. The following provisions in the Market Manual on Registration, Suspension and De-Registration Criteria and Procedures, Issue No. 7.0, are hereby amended:

- (a) Section 3.3.6 (New Facility) under Facility-related is amended to read as –

“3.3.6 New Generating Facility”

- (b) Section 3.3.7 (New Load Facility) under Facility-related Changes and its Subsections are added to read as –

“3.3.7 New Load Facility

3.3.7.1 A *WESM Member* that has a new load facility and intends to withdraw energy from the grid through a separate *market trading node* shall register that load facility with the Market Operator.

3.3.7.2 The *WESM Member* shall comply with the technical and commercial requirements under Section 2.5.3 for the registration of its new load facility.

3.3.7.3 In compliance with prudential requirements, a *WESM Member* shall, prior to energization, provide an additional security commensurate to the load profile of the new load facility.

3.3.7.4 The *Market Operator* shall assess and approve the request for the registration of a new load facility in accordance with the procedures under Sections 2.5.5, 2.5.6, and 2.5.7.


3.3.7.5 The Market Operator shall report to the Enforcement and Compliance Office any possible non-compliance to the requirement of Section 3.3.7 for its appropriate action.”

Section 3. Applicability Provisions. The foregoing amendments to the subject Market Manuals set forth in this Circular shall apply to both current and enhanced WESM design and operations.

Section 4. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

Section 5. Effectivity. This Circular shall take effect 15 days following its complete publication in at least two (2) newspapers of general circulation. Copies thereof shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued this _____ 2020 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.


ALFONSO G. CUSI
Secretary
OCT 06 2020



Republic of the Philippines
DEPARTMENT OF ENERGY
IN REPLYING PLS. CITE:

DOE-AGC-20004477

