



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



ADVISORY
2024-01-001-SEC

TO : WHOLESALE ELECTRICITY SPOT MARKET (WESM)
PARTICIPANTS

INDEPENDENT ELECTRICITY MARKET OPERATOR OF THE
PHILIPPINES (IEMOP)

PHILIPPINE ELECTRICITY MARKET CORPORATION (PEMC)

NATIONAL GRID CORPORATION OF THE PHILIPPINES
(NGCP)

CC : ENERGY REGULATORY COMMISSION (ERC)

FROM : SECRETARY OF ENERGY

SUBJECT : COMMENCEMENT OF THE FULL COMMERCIAL OPERATIONS
OF THE RESERVE MARKET

DATE : JAN 25 2024

The Department of Energy (DOE) mandated the full implementation and commercial operations of the Reserve Market (RM) under Department Circular (DC) No. DC2023-09-0026¹, subject to the issuance by the Governance Arm (GA) of a certification on the readiness and completeness of the requirements for such.

On 22 December 2023, the DOE issued an Advisory to all WESM Participants, the Market Operator (MO), the GA, and the Systems Operator (SO) directing them to continue the final preparatory activities for the commercial operations of the RM.

On 24 January 2024, the GA submitted a Certification, without prejudice to the continuing enhancements to the RM, attesting that the activities identified are crucial for the commercial operations of the RM had been complied with or implemented consistently with the requirements.

For the pricing, the RM shall adopt the Interim Relief for the Price Determination Methodology (PDM) for the Full Commercial Operations of the Reserve Market until the final approval by the Energy Regulatory Commission (ERC) of the said PDM.

In view of the foregoing and pursuant to DOE DC No. DC2023-09-0026, the DOE hereby declares the start of the Full Commercial Operations of the RM at dispatch interval 0005H of 26 January 2024.

¹ Titled "Declaring the Commercial Operations of the Reserve Market and Providing Further Policies".

In this regard, all stakeholders shall observe and comply with the duties, responsibilities, and requirements under DC No. DC2023-09-0026 and applicable provisions of WESM Rules and Market Manuals. In addition, all stakeholders shall comply with the Supplemental Operating Guidelines for the Commercial Operations of the Reserve Market herein attached as Annex A (Supplemental Operating Guidelines).

The Supplemental Guidelines on the Submission of Offers with Mode of Operations shall be effective only until the MMS Scheduling Enhancements are integrated into the Reserve Markets Commercial Operations. The Guidelines on the Interim Monitoring and Reporting of Non-Compliance to Timely and Accurate Provision of AS shall be effective only until the approval of the WESM Manual on AS Monitoring.

The GA is directed to further review the current WESM Rules and Market Manuals and submit the appropriate proposal to the WESM Rules Change Committee for the integration of the Supplemental Operating Guidelines into the WESM Rules and the relevant WESM Market Manuals, as may be necessary.

Further, the GA and the MO shall temporarily implement the PhP32,000/MWh Offer Price Cap and PhP0/MWh Offer Price Floor² until the ERC's promulgation of a new Offer Price Cap/Floor applicable for the RM. The GA shall enforce compliance with the Reserve Offer Capacity Compliance and Reserve Conformance Standards pursuant to DC No. DC2023-09-0026 and applicable provisions of the WESM Rules and Market Manuals.

For other concerns and clarifications, kindly coordinate directly with the Electric Power Industry Management Bureau of the DOE through telephone nos. (02) 8840-1773 and (02) 8479-2900 loc. 264/387 or email at pmdd.wesm@doe.gov.ph.

Please be guided accordingly.


RAPHAEL P.M. LOTILLA
Secretary



² Offer Price Cap and Price Floor submitted by GA and MO to the ERC pursuant to ERC Case No. 2023-002 RC.