



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

DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) RULES AND VARIOUS WESM MANUALS ON THE
INTERRUPTIBLE LOAD PROGRAM IMPLEMENTATION**

WHEREAS, in compliance with Section 3 of the DOE issued DC2015-06-0003¹, PEMC published in 2015 the “Interim Protocol for the Declaration of Bilateral Contract Quantities during the Implementation of Interruptible Load Program” (“Interim Protocol”) to allow re-declaration for contestable customers (CC) and directly connected customers (DCC) that participate in the Interruptible Load Program (ILP), i.e. ILP-CC and ILP-DCC, respectively, such that:

- a) Generation Company counterparty of Suppliers submit bilateral contract quantity (BCQ) re-declaration for ILP-CCs and re-declare it for the account of the host distribution utility; and
- b) Generation Company counterparty of DCC submit BCQ re-declaration for ILP DCCs

WHEREAS, on 17 February 2023, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted its proposed urgent amendments to the WESM Rules and various WESM Manuals on the ILP implementation to comply with the DOE request for IEMOP to conduct a review of the accuracy of Day-Ahead Projection (DAP) submitted by Generation Companies being submitted to WESM and propose a penalty provision as part of the market rules for those non-compliant with the submitted DAP;

WHEREAS, comments received from Manila Electric Company (MERALCO), National Grid Corporation of the Philippines (NGCP) and Philippine Electricity Market Corporation (PEMC) were responded to by the proponent and were taken up by the RCC in several meetings;²

WHEREAS, on 29 August 2023 the RCC finalized the proposal and approved its endorsement to the PEM Board by way of RCC Resolution No. 2023-09 with notable points, as follows:

- a) Approval of the proposed revisions that require Market Participants to provide inputs based on reasonable estimates of their expected capability for the upcoming week/day;

¹ Department Circular No. DC2015-06-0003 Providing the Interim Manner off Declaring Bilateral Contract Quantities (BCQ) in the Wholesale Electricity Spot Market (WESM) and directing the Philippine Electricity Market Corporation (PEMC) to establish Necessary Protocols to Complement the Interruptible Load Program (ILP)

² The proposal was discussed during the 217th, 218th, and 219th RCC Meetings held on 23 June, 21 July, and 18 August 2023, respectively.

- b) Inclusion of procedures for BCQ declaration during ILP from the Interim Protocol to the WESM Billing and Settlement Manual (BSM), thus replacing the Interim Protocol, which is currently not officially part of the WESM Manuals; and
- c) Decision, by vote, to approve the provision allowing corrections to approved-BCQ re-declaration related to ILP provided that it is made before the preparation of the final settlement statement under the proposed BSM Clause 9.5.12;

WHEREAS, on 30 August 2023, the PEM Board remanded RCC Resolution No. 2023-09 to address the concerns raised by IEMOP on 1) the definition of “force majeure” causing inaccessibility of the Central Registration and Settlement System (CRSS), and 2) the determination of erroneous BCQ re-declaration that would be processed by the MO as correction to the submitted BCQ re-declaration;

WHEREAS, the DOE reviewed and finalized the said PEM Board-approved proposals and made revisions thereto, taking into consideration the comments and recommendations received from the stakeholders; the RCC discussed in several meetings³ the revisions made on the draft proposal and the issues raised by the MO, MERALCO, and other concerned parties in the BCQ re-declaration process for ILP.

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 Rules and various WESM Manuals on ILP implementation:

Section 1. Amendments to the WESM Rules. The following provisions of the WESM Rules are hereby amended to read as:

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3.13.1 Submission of Bilateral Contract Data for Energy

3.13.1.3 *Trading Participants* which deliver electricity pursuant to bilateral contracts with *Contestable Customers* and/or *Directly Connected Customers* that participate in the *Interruptible Load Program (ILP)*, and those *bilateral contracts* to be accounted for in the WESM settlement as *bilateral contract* quantities of the *Distribution Utility* that implemented the ILP, shall submit or re-declare the schedule of *bilateral contract* quantities of the said *Contestable Customers* or *Directly Connected Customers* in accordance with Clause 3.13.1.1 of the *WESM Rules* and the relevant provisions of the *WESM Manual on Billing and Settlement*.

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Chapter II

Glossary

³ Revisions to the proposal was discussed during the 220th, 221st, 223rd, 224th, 225th, and 226th RCC Meetings held on 15 and 26 September 2023, 20 October, 13, 17 November, and 14 December 2023, respectively.

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Interruptible Load Program (ILP). The program set out in relevant *ERC* issuances where an *End-user*, in accordance with its protocol with its *Network Service Providers*, voluntarily agrees to either fully de-load, by disconnecting its delivery point that receives electricity, or partially de-load by reducing its load in response to an alert or notice issued by the *System Operator* of an expected power shortage.

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Section 2. Amendments to the WESM Manual on Dispatch Protocol. The following provisions of the WESM Manual on Dispatch Protocol are hereby amended to read as:

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Section 4 WESM Timetable

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4.3 Week-Ahead Projection (WAP)

4.3.1 xxx xxx xxx

4.3.2 xxx xxx xxx

Table 1. WAP Timeline

Time	Activity	Responsible Party
Before 0845H	Submit the most recent <i>self-scheduled nominations</i> , bids and offers for all relevant hours of the WAP run consistent with the provisions of Sections 6.1.7 and 6.13 of this Manual.	Trading Participants
Before 0900H	xxx xxx xxx	xxx xxx xxx
Before 0900H	xxx xxx xxx	xxx xxx xxx
0900H	xxx xxx xxx	xxx xxx xxx
Before 1100H	xxx xxx xxx	xxx xxx xxx
	xxx xxx xxx	xxx xxx xxx

xxx xxx xxx

4.4 Day-Ahead Projection (DAP)

4.4.1 xxx xxx xxx

4.4.2 xxx xxx xxx

Table 2. DAP Timeline

Time	Activity	Responsible Party
Before [STPH1* - 10 minutes]	Submit the most recent <i>self-scheduled nominations</i> , bids and offers for all relevant hours of the DAP run consistent with the provisions of Sections 6.1.7 and 6.13 of this Manual.	Trading Participants
Before [STPH1 + 1 minute]	xxx xxx xxx	xxx xxx xxx
Before [STPH1 + 1 minute]	xxx xxx xxx	xxx xxx xxx
[STPH1 + 1 minute]	xxx xxx xxx	xxx xxx xxx
Before [STPH1 + 25 minutes]	xxx xxx xxx	xxx xxx xxx

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Section 3. Amendments to the WESM Manual on Billing and Settlement. The following provisions of the WESM Manual on Billing and Settlement are hereby amended to read as:

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9.5 Bilateral Contract Declaration

9.5.1 *Generation Companies* may re-declare *bilateral contract* quantities in respect to:

- a) *Contestable Customers* that are registered with the *Distribution Utility as Interruptible Load Program* participants; or
- b) *Directly Connected Customers* that are registered with the *Transmission Network Service Provider as Interruptible Load Program* participants.

The concerned *Generation Company* and *Distribution Utility* shall coordinate with each other to ensure that the bilateral contract quantities declared by the *Generation Company* on the ground under this Section reflect the actual *bilateral contract* quantities for the concerned *Contestable Customer* or *Directly Connected Customer* during the dispatch interval when the *Interruptible Load Program* was activated.

- 9.5.2 In relation to Sections 9.5.1(a) and 9.5.1(b) of this Manual, the *System Operator* and *Distribution Utilities* shall provide the *Market Operator* the list of *Directly Connected Customers* and *Contestable Customers* respectively participating in the *Interruptible Load Program* every 15th day of the month.
- 9.5.3 If re-declaration is due to Section 9.5.1(a) of this Manual, the *Generation Companies* shall enroll the applicable *Distribution Utility* as a supply customer with the *Market Operator* prior to re-declaration in accordance with Section 3.5 of the WESM Manual on Registration, Suspension and De-Registration Criteria and Procedures.
- 9.5.4 The *System Operator* and *Distribution Utilities* shall inform the *Market Operator* of the actual time and duration of de-loading of their customers participating in the *Interruptible Load Program* no later than one (1) business day from the end of the relevant trading day the *Interruptible Load Program* was activated.
- 9.5.5 If re-declaration is due to Section 9.5.1(a) of this Manual, the *Generation Companies* shall submit, only once, the re-declaration of *bilateral contract* quantities for the relevant *Contestable Customers* for the account of the corresponding *Distribution Utilities* no later than seven (7) business days from the end of the trading day when the *Interruptible Load Program* was activated.
- 9.5.6 If re-declaration is due to Section 9.5.1(b) of this Manual, the *Generation Companies* shall submit, only once, the re-declaration of bilateral contract quantities for the relevant *Directly Connected Customers* no later than seven (7) business days from the end of the trading day when the *Interruptible Load Program* was activated.
- 9.5.7 The *Market Operator* is authorized to accept the re-declaration of *bilateral contract* quantities made under Sections 9.5.5 and 9.5.6 of this Manual provided that such re-declaration complies with all the following requirements:
- a) The *bilateral contract* quantity re-declaration was submitted no later than seven (7) business days from the end of the relevant trading day when the *Interruptible Load Program* was activated;
 - b) The bilateral contract quantity re-declarations were only for intervals and for the *Contestable Customers* and/or *Directly Connected Customers* that participated when the *Interruptible Load Program* was activated;

- c) The bilateral contract quantity re-declarations of Generation Companies correspond with their respective contract enrolments; and
- d) The bilateral contract re-declarations of Generation Companies follow the prescribed format and mode of submissions.

For avoidance of doubt, in case of multiple submissions of requests for re-declarations, the earliest submitted re-declaration of *bilateral contract* quantity shall be considered by the *Market Operator*.

Further, any re-declaration of *bilateral contract* quantities made under Sections 9.5.5 and 9.5.6 of this Manual made beyond the timeline prescribed in (a) hereof shall be considered non-compliant and therefore shall not be accepted by the *Market Operator*.

The *Market Operator* shall notify the relevant *Generation Company* and relevant counterparty of the acceptance or non-acceptance of bilateral contract quantity re-declaration, as the case may be, including the reason therefor, within a period of five (5) working days from receipt thereof.

9.5.8 If the concerned *Generation Company* and *Distribution Utility* later discovers an error on the re-declared *bilateral contract* quantities for the concerned *Contestable Customer* or *Directly Connected Customer* accepted under Section 9.5.7, the concerned *Generation Company* may submit, only once, the corrected *bilateral contract* quantities provided that such submission complies with the following requirements:

- a) The *Generation Company* has complied with the requirements for re-declaration of *bilateral contract* quantity under Section 9.5.7;
- b) The submission of corrected *bilateral contract* quantity is made no later than ten (10) days from the from the end of the relevant trading day when the *Interruptible Load Program* was activated;
- c) The corrected *bilateral contract* quantity re-declarations of *Generation Companies* correspond with their respective contract enrolments; and
- d) The corrected bilateral contract re-declarations of *Generation Companies* follow the prescribed format and mode of submission.

For avoidance of doubt, in case of multiple submissions of requests for correction, the earliest submitted correction of re-declared *bilateral contract* quantity shall be considered by the *Market Operator*.

Further, any correction of re-declared bilateral contract quantities made under Sections 9.5.5 and 9.5.6 of this Manual made beyond the timeline prescribed in (b) hereof shall be considered non-compliant and therefore shall not be accepted by the *Market Operator*.

The *Market Operator* shall notify the relevant *Generation Company* and relevant counterparty of the acceptance or non-acceptance of correction to *bilateral contract* quantity re-declaration, as the case may be,

including the reason therefor, within a period of five (5) *working days* from receipt thereof.

9.5.9 In case the *Generation Company* does not submit a re-declaration during the period under Section 9.5.5, and the concerned *Generation Company* and *Distribution Utility* later discovers an error on the *bilateral contract* quantities for the concerned *Contestable Customer* or *Directly Connected Customer* accepted under Section 9.2.1, the concerned *Generation Company* may submit, only once, the corrected *bilateral contract* quantities provided that such submission complies with the following requirements:

- a) The *Distribution Utility* has informed the *Market Operator* of the actual time and duration of de-loading of the *Contestable Customer* in its franchise area no later than one (1) day from the end of the relevant *trading day* when the *Interruptible Load Program* was activated pursuant to Section 9.5.4 of this *Market Manual*;
- b) The submission of corrected *bilateral contract* quantity is made within the eighth (8th) to tenth (10th) day from the relevant trading day when the *Interruptible Load Program* was activated;
- c) The corrected *bilateral contract* quantity of *Generation Companies* corresponds with their respective contract enrolments; and
- d) The corrected bilateral contract re-declarations of *Generation Companies* follow the prescribed format and mode of submission.

For avoidance of doubt, in case of multiple submissions of requests for correction, the earliest submitted correction of bilateral contract quantity shall be considered by the *Market Operator*.

Further, any correction of bilateral contract quantities made beyond the timeline prescribed herein shall be considered non-compliant and therefore shall not be accepted by the *Market Operator*.

The *Market Operator* shall notify the relevant *Generation Company* and relevant counterparties of the acceptance or non-acceptance of corrections to *bilateral contract* quantity re-declaration, as the case may be, including the reason therefor, within a period of five (5) *working days* from receipt thereof.

9.5.10 A monthly summary of re-declaration and correction requests, including the reasons and decisions, shall be provided by the *Market Operator* to the *Enforcement and Compliance Office* of the *WESM Governance Arm*.

9.5.11 Disputes in respect of the *Market Operator's* disapproval of a request for re-declaration may be raised within six (6) months from the *WESM Member's* receipt of the *Market Operator's* decision. It shall be resolved

pursuant to the dispute resolution procedure set out in the *WESM Rules* Clause 7.3.

- 9.5.12 Re-declarations under Section 9.5.7 or submissions of corrected *bilateral contract* quantities under Section 9.5.8 made on or before the 28th day of the relevant billing month shall be included in the computation of the preliminary settlement statements for the said month, otherwise, the same shall be included in the final settlement statements for the relevant billing month.
- 9.5.13 The *Market Operator* shall issue advisories on the format and mode of submissions of the re-declaration and corrected *bilateral contract* quantities to the *Market Participants* through various platforms.

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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. Repealing Clause. Except insofar as may be manifestly inconsistent herewith, nothing in this Circular shall be construed as to repeal any mechanisms already existing or responsibilities already provided for under existing rules.

Section 6. Effectivity. This Circular shall take effect fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this _____ 2024 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

RAPHAEL P. M. LOTILLA
Secretary