**Name of Stakeholder:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**WESM Rules**

| **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** |  **Comment /** **Proposed Revision** | **Rationale** |
| --- | --- | --- | --- | --- | --- |
| 3.5.5.43.5.5.53.5.5.63.5.5.73.5.5.83.5.5.93.5.5.103.5.5.113.5.5.123.5.5.13 | xxx3.5.5.4 Each *Non-Scheduled Generation Company* shall submit a standing nomination of *loading levels* xxx3.5.5.5 *Generation Companies* shall provide to the *Market Operator* and the *System Operator* standing *projected outputs* xxx3.5.5.6 A *Trading Participant* who fails to submit *projected outputs* for its *must dispatch generating unit* or *priority dispatch generating unit* as provided under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2.3.5.5.7 Each *Generation Company* shall submit check data to be used by the *Market Operator,* in accordance with the relevant Market Manuals, to assist in determining the validity of any *projected output* submitted in respect of a *must dispatch generating unit* or a *priority dispatch generating unit* under Clause 3.5.5.5.3.5.5.8 *Must dispatch generating units* shall comply with forecast accuracy standards, in respect of their projected outputs submitted under Clause 3.5.5.5, consistent with the *Grid Code*.3.5.5.9 The *Enforcement and Compliance Office* shall evaluate annually the forecast accuracy standards complied with by *must dispatch generating units* in accordance with Clause 3.5.5.8.3.5.5.10 A *Trading Participant* who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 in respect of *projected outputs* for a *must dispatch generating unit* submitted under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2.3.5.5.11 The *Enforcement and Compliance Office* shall report to the *PEM Board* and the *DOE* the monthly and annual compliance xxx3.5.5.12 The *Market Operator* shall report to the *PEM Board* and the *DOE* the monthly and annual compliance of each *must dispatch generating unit* xxx | xxx~~3.5.5.4~~ **3.5.5.5** Each *Non-Scheduled Generation Company* shall submit a standing nomination of *loading levels* xxx~~3.5.5.5~~ **3.5.5.6** *Generation Companies* shall provide to the *Market Operator* and the *System Operator* standing *projected outputs* xxx~~3.5.5.6~~ **3.5.5.7** A *Trading Participant* who fails to submit *projected outputs* for its *must dispatch generating unit* or *priority dispatch generating unit* as provided under Clause 3.5.5.~~5~~**6** may be liable for sanctions imposed under Clause 7.2.~~3.5.5.7~~ **3.5.5.8** Each *Generation Company* shall submit check data to be used by the *Market Operator,* in accordance with the relevant Market Manuals, to assist in determining the validity of any *projected output* submitted in respect of a *must dispatch generating unit* or a *priority dispatch generating unit* under Clause 3.5.5.~~5~~**6**.~~3.5.5.8~~ **3.5.5.9** *Must dispatch generating units* shall comply with forecast accuracy standards, in respect of their projected outputs submitted under Clause 3.5.5.~~5~~**6**, consistent with the *Grid Code*.~~3.5.5.9~~ **3.5.5.10** The *Enforcement and Compliance Office* shall evaluate annually the forecast accuracy standards complied with by *must dispatch generating units* in accordance with Clause 3.5.5.~~8~~**9**.~~3.5.5.10~~ **3.5.5.11** A *Trading Participant* who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.~~8~~**9** in respect of *projected outputs* for a *must dispatch generating unit* submitted under Clause 3.5.5.~~5~~**6** may be liable for sanctions imposed under Clause 7.2.~~3.5.5.11~~ **3.5.5.12** The *Enforcement and Compliance Office* shall report to the *PEM Board* and the *DOE* the monthly and annual compliance xxx~~3.5.5.12~~ **3.5.5.13** The *Market Operator* shall report to the *PEM Board* and the *DOE* the monthly and annual compliance of each *must dispatch generating unit* xxx | To correct redundant numbering and reference WESM Rules clauses. |  |  |
| 3.5.5.14 (New) | (None) | **3.5.5.14 Each *Generation Company* that has secured a Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC shall submit, as applicable:** **a) standing nomination of *loading levels* for each of its *scheduled generating units, battery energy storage systems* and *pumped-storage units;* or****b) *projected outputs* in respect of its *must dispatch generating units* and *priority dispatch generating units*****The *Generation Company* shall submit its nomination of *loading levels* or *projected outputs* for each *dispatch interval* in each *trading day* of the week in accordance with the *timetable*. The standing nomination of *loading levels* and *projected* outputs shall apply until revised or updated by the *Generation Company*.** | To emphasize that a Generation Company with FCATC but still awaiting COC for its generating unit(s) is obligated to submit nominations of loading levels or projected outputs to be included in scheduling and dispatch, instead of through imposition non-security overriding constraints if under test and commissioning. |  |  |
| 3.5.5.15 (New) | (None) | **3.5.5.15 A *Generation Company* that has secured a Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC for its *must dispatch generating unit* shall comply with the *forecast accuracy standards* in respect of its *projected outputs* which shall be evaluated by the *Enforcement and Compliance Office,* in accordance with Clauses 3.5.5.8 to 3.5.5.12.** | * To reflect DOE DC 2022-05-0015 as regards must dispatch generating units’ obligation to comply with forecast accuracy standards
* To include must dispatch generating units in the ECO’s monitoring and evaluation of the compliance with the forecast accuracy standards
 |  |  |
| 3.8.4.5 (New) | (None) | xxx**3.8.4.5 A *generating unit* that has secured a Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC shall likewise comply with the obligations, as applicable, of dispatched *Trading Participants* prescribed in Clause 3.8.4.**  | To reflect DOE DC 2022-05-0015 as regards obligation to comply with dispatch schedules, dispatch instructions by the System Operator, dispatch conformance standards and forecast accuracy standards. |  |  |
| 3.8.6 | Any *Trading Participant* that (a) does not comply with the *dispatch conformance standards* or (b) consistently fails to use its reasonable endeavors to comply with the *dispatch instructions* issued by the *System Operator* under Clauses 3.8.3, 6.3 and 6.5, may be liable of a sanction imposed under Clause 7.2. | Any *Trading Participant***, including those that has secured a Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC,** that (a) does not comply with the *dispatch conformance standards* or (b) consistently fails to use its reasonable endeavors to comply with the *dispatch instructions* issued by the *System Operator* under Clauses 3.8.3, 6.3 and 6.5, ~~may~~ **shall** be liable ~~of a~~ **to** sanction**s** imposed under Clause 7.2. | To reflect DOE DC 2022-05-0015 as regards compliance with dispatch conformance standards. |  |  |

**WESM Manual on Registration, Suspension and De-registration Criteria and Procedures**

| **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comment /** **Proposed Revision** | **Rationale** |
| --- | --- | --- | --- | --- | --- |
| 2.5.4.4  | A *Generation Company* shall include in its application the *maximum stable load (Pmax)*, the *minimum stable load (Pmin)*, the *ramp up rate*, and the *ramp down rate* of each *generating unit* or aggregated *generating units* that are included in its application. The information provided to the *Market Operator* must be consistent with the information contained in the *Certificate of Compliance* issued by the ERC as well as submissions made to the ERC in relation to the issuance of its *Certificate of Compliance*. If the *generating unit* is a *battery energy storage system*, the *Generation Company* shall include the *generating unit’s* energy storage efficiency and maximum storage capacity in its Application. If the *generating unit* is a *pumped-storage unit*, the *Generation Company* shall include the *generating unit’s* maximum pump load.The *Generation Company* shall also provide information on the location of the real-time monitoring facility where the *Pmin, Pmax* and *ramp up/down rates* were certified against (i.e., gross generation, or net of station use). Should the location represent the gross generation output of the *generating system*, the *Generation Company* shall comply with the procedures provided for under Section 2.5.4.5 of this *Market Manual.* | A *Generation Company* shall include in its application **for registration** the *maximum stable load (Pmax)*, the *minimum stable load (Pmin)*, the *ramp up rate*, and the *ramp down rate* of each *generating unit* or aggregated *generating units* that are included in its application.**For *Generation Companies* applying for *Test and Commissioning* registration, the information on the *generating unit* parameters provided to the *Market Operator* shall be consistent with that contained in the ERC Form 7 (General Plant Description), duly received by the ERC. For *Generation Companies* applying for Commercial Operations registration,** ~~The~~**the** information **on *generating unit* parameters** provided to the *Market Operator* ~~must~~**shall** be consistent with th**at**~~e information~~ contained in the *Certificate of Compliance* **or the** **Provisional Authority to Operate** issued by the ERC**,** as well as submissions made to the ERC in relation to the issuance ~~of its Certificate of Compliance~~ **thereof**. If the *generating unit* is a *battery energy storage system*, the *Generation Company* shall include the generating unit’s energy storage efficiency and maximum storage capacity in its Application. If the *generating unit* is a *pumped-storage unit*, the *Generation Company* shall include the generating unit’s maximum pump load.The *Generation Company* shall also provide information on the location of the real-time monitoring facility where the *Pmin, Pmax* and *ramp up/down rates* were certified against (i.e., gross generation, or net of station use). Should the location represent the gross generation output of the generating system, the *Generation Company* shall comply with the procedures provided for under Section 2.5.4.5 of this *Market Manual.* | To delineate basis of registered capacities of Generation Companies applying for Test and Commissioning Registration and Commercial Operations, respectively |  |  |
| 2.5.6.1 (h)Submission and Preliminary Assessment of Applications | 2.5.6.1xxxh) Participant Interface Access. During the *Test and Commissioning* Registration phase, the *Applicant* may subscribe to and allow the *Market Operator* to apply or install a method employing encryption in its computers to provide secure access to the *Market Management System*. The *Applicant* shall have read-only access to its facility during the *Test and Commissioning* phase to enable the *Trading Participant* to view its generating unit’s schedules. Meanwhile, full access to its *facility* will only be enabled by the *Market Operator* no later than eight (8) calendar days from approval of the *Applicant’s* Commercial Operations registration. | 2.5.6.1xxxh) Participant Interface Access. During the *Test and Commissioning* Registration phase, the *Applicant* may subscribe to and allow the *Market Operator* to apply or install a method employing encryption in its computers to provide secure access to the *Market Management System*. The *Applicant* shall have read-only access **to the *Market Management System*** ~~to~~ **for** its *facility* during the *Test and Commissioning* phase to enable the *Trading Participant* to view its generating unit’s schedules. ~~Meanwhile,~~ ~~f~~**F**ull access ~~to~~ **for** its *facility* will only be enabled by the *Market Operator* no later than eight (8) calendar days from approval of the *Applicant’s* Commercial Operations registration**, or** from the date of effectivity of final Certificate of Approval to Connect if the ERC is yet to issue the Certificate of Compliance. | To align with DOE DC2022-05-0015 |  |  |
| 2.5.7.3 (a)Guidelines for Test and Commissioning Registration | a) The generating unit of the *WESM Member* shall be allowed to declare bilateral contract quantities and be entitled to WESM payments for its generated output only within the *test and commissioning* period indicated in the valid Provisional Certificate of Approval to Connect issued by the *Network Service Provider* or upon completion of the conduct of *test and commissioning*, if completed earlier. Generation beyond the authorized *test and commissioning* period shall not be allowed to be declared as a bilateral contract quantity and shall not be entitled to WESM payments. Any net surplus as a result of injected energy from unauthorized *test and commissioning* activity will be treated in accordance with *WESM Rules Clause* 3.13.12. However, the *WESM Member* shall still be charged for all withdrawals from the grid for the conduct of its *test and commissioning* activities. xxx | a) The ~~generating unit of the~~ *WESM Member* shall be allowed to declare bilateral contract quantities **for its *generating unit*** and be entitled to WESM payments for its generated output only**:** **(i)** within the *test and commissioning* period indicated in the valid Provisional Certificate of Approval to Connect issued by the *Network Service Provider* or ~~upon~~ **until** completion of the conduct of *test and commissioning*, if completed earlier**; or****(ii) when the *WESM Member* is issued a Final Certificate of Approval to Connect by the *Network Service Provider* pending the issuance of the Certificate of Compliance by the Energy Regulatory Commission, unless the latter issues an Order for the immediate disconnection of the *generating unit* from the Grid.**  **In the absence of the requirement or condition set forth in this section, except for its own station use,** ~~G~~generation beyond the authorized ~~test and commissioning~~ period **to operate** shall not be allowed**.** ~~to~~ **Neither shall such generation** be declared as a bilateral contract quantity ~~and~~ **nor** shall **it** be entitled to WESM payments. Any net surplus as a result of injected energy from unauthorized *test and commissioning* activity **or operation** will be treated in accordance with *WESM Rules* Clause 3.13.~~12~~**16**. However, the *WESM Member* shall still be charged for all withdrawals from the grid ~~for the conduct of its test and commissioning activities~~ **or distribution network, as the case may be.** | * For (a)(ii): To align with DOE DC2022-05-0015
* To explicitly state that generation for a generation facility’s own station use is allowed beyond its authorized period for test and commissioning
* To make it a statement of obligation or a clear prohibition first, i.e., “…generation beyond the authorized (test and commissioning) period to operate shall not be allowed”; followed by a consequence, i.e., no BCQ declaration and no WESM settlement.
* Deletion of original last phrase: to cover instances where the withdrawal (or injection) of energy happens *after* the test and commissioning activities or while awaiting the requirements for commercial operations
* Addition of last phrase: to align with Section 4.3.3 (b) of DOE DC 2021-06-0013, which recognizes energy withdrawals not only from the grid but also from the distribution network
 |  |  |
| 2.5.7.3 Guidelines for Test and Commissioning Registration | (None) | *(insert new provision)***b) Dispatch of a *generating unit* to which Final Certificate of Approval to Connect has been released but with pending issuance of COC shall be in accordance with the following:****i) For its *must dispatch* *generating units*, the *Generation Company* shall submit *projected output* to the *Market Operator* and comply with the applicable forecast accuracy standards; and****ii) For *scheduled* *generating units, priority dispatch generating unit,* and *energy storage systems,* the *Generation Company* shall submit to the *Market Operator* its day-ahead nomination and shall comply with the applicable *dispatch conformance standards*.*****Projected output* and day-ahead nominations shall be submitted through the *Market Operator’s Market Participant Interface,* which, as necessary, may be revised by the *Generation Company* near real-time.****Compliance of *generating units* referred in these guidelines with the forecast accuracy standards and *dispatch conformance standards*, as applicable, shall be monitored by the *Enforcement and Compliance Office* andnon-compliance shall be subject to imposition of financial penalties.** | To align with Section 4.4.5 of DOE DC2022-05-0015 |  |  |
| 2.5.7.3Guidelines for Test and Commissioning Registration | b) xxxc) xxxd) xxxe) xxx | ~~b)~~ **c)** xxx~~c)~~ **d)** xxx~~d)~~ **e)** xxx | Re-numbering due to insertion of proposed new provision, i.e., Section 5.4.7.3 (b) |  |  |
| 2.5.7.3 (e)Guidelines for Test and Commissioning Registration | e) In case of changes in capacity and capabilities of the generating unit arising from the results of test and commissioning, the WESM Member shall immediately inform the Market Operator for the purpose of updating its registration details.f) xxx | ~~e)~~ **f)** In case of changes in capacity and capabilities of the generating unit arising from the results of test and commissioning, the WESM Member shall immediately inform the Market Operator for the purpose of updating its registration details **subject to provisions of Section 3.3 of this Manual**.~~f)~~ **g)** xxx | For the Market Operator to be able to use other valid third-party certified documents in updating registered capacities as requested by the Trading Participant |  |  |
| 2.5.7.3 (g) Guidelines for Test and Commissioning Registration | g) The *WESM Member* of a generating unit shall submit to the *Market Operator* an application for Commercial Operations Registration within three (3) working days from receipt of its Certificate of Compliance or Provisional Authority to Operate (PAO).  | ~~g)~~ **h)** The *WESM Member* ~~of a generating unit~~ shall submit to the *Market Operator* an application for Commercial Operations Registration **of its generating unit** within three (3) *working days* from **date of** receipt of its Certificate of Compliance or Provisional Authority to Operate ~~(PAO)~~ **from the Energy Regulatory Commission, *provided* that this shall not apply to embedded generation companies that are allowed to registeron a voluntary basis and have opted not to register in the WESM**.**Furthermore, the WESM Member shall likewise furnish the System Operator of the said submission. The said notification shall include the date of effectivity of the Certificate of Compliance or the Provisional Authority to Operate, and the estimated or target date of commercial operation of the WESM Member.** | * To align with Section 6.2 of the DOE Department Circular No. DC2019-02-0003 (Providing for the Framework Governing the Operations of Embedded Generators), which states that embedded generators that do not reach the prescribed threshold level per Sec. 6.1.1 and those that do not intend to sell outside its host DU shall register in the WESM only on a voluntary basis.
* To specify the responsibility of WESM Members to notify the System Operator of their application to the Market Operator for Commercial Operations with corresponding target date.
 |  |  |
| 2.5.7.3 (h) Guidelines for Test and Commissioning Registration | *[None]* | *[New]* **i) The *Market Operator* shall submit a monthly report on the status of generating units on *Test and Commissioning* to the *Enforcement and Compliance Office* indicating information such as, but not limited to:****(i) whether a *WESM Member* has been duly notified of the impending expiration of its Provisional Certificate of Authority to Connect;** **(ii) Whether a *WESM Member* is given a Final Certificate of Authority to Connect, Certificate of Compliance, or the Provisional Authority to Operate, including the effectivity date/s, if such is known to the Market Operator; and** **(iii) any relevant information affecting the obligations set forth in paragraphs (a), (d) and (h) of this Section for its appropriate enforcement action.** **An investigation may likewise be initiated *motu proprio* by the *Enforcement and Compliance Office* as may be authorized under Section 7.2.1 of the Enforcement and Compliance Manual.** | To set a trigger for investigation wherein: 1. The concerned WESM Member is timely advised of its obligation to comply with the Manual
2. Despite the said notification, reminder, or advice, the WESM Member failed to comply with relevant rules/Manuals

The intention of this provision is to exhaust the possible actions before one is investigated and/or penalized, considering that the entity involved is not in full commercial operation yet (although a registered WESM Member already). For those information that are made known or readily available to PEMC/ECO, the ECO may investigate *motu proprio*, as allowed under the EC Manual. |  |  |
| 3.3.1 Registered Capacities | 3.3.1.1. The Trading Participant wishing to change the registered capacities and/or ramp rates of its generating unit/s shall make a request in writing to the Market Operator. Such changes shall be in accordance with the latest Certificate of Compliance (COC). | 3.3.1.1. The Trading Participant wishing to change the registered capacities and/or ramp rates of its generating unit/s shall make a request in writing to the Market Operator. Such changes shall be in accordance with the latest Certificate of Compliance (COC)**, any ERC-certified document, or the Generating Unit Capability Test issued by NGCP**. | For the Market Operator to be able to use other valid third-party certified documents in updating registered capacities as requested by the Trading Participant |  |  |
| 3.3.1 Registered Capacities | 3.3.1.2. Request for changes submitted by the Trading Participant, in connection with the registered capacities and/or ramp rates of its generating units shall be approved by the Market Operator on the basis of the latest Certificate of Compliance. | 3.3.1.2. Request for changes submitted by the Trading Participant, in connection with the registered capacities and/or ramp rates of its generating units shall be approved by the Market Operator on the basis of the latest Certificate of Compliance**, any ERC-certified document, or the Generating Unit Capability Test issued by NGCP**. | For the Market Operator to be able to use other valid third-party certified documents in updating registered capacities as requested by the Trading Participant |  |  |

**WESM Manual on Dispatch Protocol**

| **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comment /** **Proposed Revision** | **Rationale** |
| --- | --- | --- | --- | --- | --- |
| 2.1.2 (dd) | Self-scheduled nomination. Nominations of *loading levels* by *Non-Scheduled Generation Companies* and *projected outputs* of *Generation Companies* with *must dispatch generating units* and *priority dispatch generating units*. | Self-scheduled nomination. Nominations of *loading levels* by *Non-Scheduled Generation Companies***,** ~~and~~ *projected outputs* of *Generation Companies* with *must dispatch generating units* and *priority dispatch generating units***, and *loading levels* or *projected outputs* of *generating units*, as applicable, that has been issued with a Final Certificate of Approval to Connect for completing conduct of *test and commissioning* but with pending issuance of COC by the ERC.** | To reflect DOE DC 2022-05-0015 regarding relevant Generation Companies’ requirement to nominate loading levels or projected outputs to be included in scheduling and dispatch, instead of through imposition non-security overriding constraints if under test and commissioning |  |  |
| 6.4.1 | The *self-scheduled nominations,* *bids*, and *offers* that can be submitted in the *WESM* are as follows: 1. Real-time *market offers* for *scheduled generating units* of *Scheduled* *Generation Companies*;
2. Operating *reserves* *offers* for certified *ancillary service providers;*
3. *Demand bids* from *customer Trading Participants*; and
4. *Self-scheduled nominations*
5. Schedule of *loading levels* (i.e. *energy* quantities only) for *non-scheduled generating units* of non-scheduled *Generation* *Companies*; and
6. *Projected output* (i.e. *energy* quantities only) of *Generation Companies* with *must dispatch generating units* and *priority dispatch generating units*
 | The *self-scheduled nominations,* *bids*, and *offers* that can be submitted in the *WESM* are as follows: 1. Real-time *market offers* for *scheduled generating units* of *Scheduled* *Generation Companies*;
2. Operating *reserves* *offers* for certified *ancillary service providers;*
3. *Demand bids* from *customer Trading Participants*; and
4. *Self-scheduled nominations*
5. Schedule of *loading levels* (i.e. *energy* quantities only) for *non-scheduled generating units* of non-scheduled *Generation* *Companies*; ~~and~~
6. *Projected output* (i.e. *energy* quantities only) of *Generation Companies* with *must dispatch generating units* and *priority dispatch generating units****; and***
7. **Schedule of *loading levels* or *projected output* (i.e., *energy* quantities only) of *generating units*, as applicable, that has been issued with a Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of COC by the ERC**
 | To reflect DOE DC 2022-05-0015 regarding relevant Generation Companies’ requirement to nominate loading levels or projected outputs to be included in scheduling and dispatch, instead of through imposition non-security overriding constraints if under test and commissioning |  |  |
| 11.3.4 (New) | (None) | **11.3.4 A *Trading Participant* that has been released with Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC for its *generating units* shall likewise comply with *dispatch schedules* issued by the *Market Operator*, the *dispatch instructions* issued by the *System Operator* to their facilities operating on AGC mode, and the re-dispatch instructions issued to them by the *System Operator*, if any.** | To reflect DOE DC 2022-05-0015 and emphasize the relevant Generation Companies’ obligation to comply with the dispatch conformance standards |  |  |
| 11.5.1 | A *must dispatch generating unit* shall generate at its *maximum available output* at all times, unless the *Market Operator* or *System Operator* has instructed the *generating unit* to restrict output. | A *must dispatch generating unit* shall generate at its *maximum available output* at all times, unless the *Market Operator* or *System Operator* has instructed the *generating unit* to restrict output. **This shall likewise apply to *must dispatch generating units* that has secured Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC.** |  |  |  |
| 12.1.5 (New) | (None) | ***Scheduled generating units*, *battery energy storage systems, pumped storage units, must dispatch generating units* and *priority dispatch generating units* that has Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC shall likewise operate in accordance with Sections 12.1.1 and 12.1.3, as applicable, and as prescribed in Chapter 3 of the WESM Rules.** | To reflect DOE DC 2022-05-0015 and emphasize the relevant Generation Companies’ obligation to generate according to dispatch schedules or its maximum available capacity, as applicable, and with the dispatch conformance standards |  |  |
| 12.4.1 (a) | All *scheduled generating units* and *priority dispatch generating units* shall comply with their respective *dispatch schedules*. In complying with their *dispatch schedules*, said *generating units* shall generate in accordance with *dispatch conformance standards* prescribed in Section 12.5 of this Dispatch Protocol. In the case of a *priority dispatch generating unit*, compliance with the *dispatch conformance standards* shall also apply in cases where its *dispatch schedule* was restricted pursuant to *WESM Rules* Clauses 3.6.1.7 and 3.6.1.8 because of a potential *system security* *contingency*. | All *scheduled generating units* and *priority dispatch generating units* comply with their respective *dispatch schedules*. **This obligation shall also apply to *scheduled generating units* and *priority dispatch generating units* with Final Certificate of Approval to Connect after completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC.** In complying with their *dispatch schedules*, said *generating units* shall generate in accordance with *dispatch conformance standards* prescribed in Section 12.5 of this Dispatch Protocol. In the case of a *priority dispatch generating unit*, compliance with the *dispatch conformance standards* shall also apply in cases where its *dispatch schedule* was restricted pursuant to *WESM Rules* Clauses 3.6.1.7 and 3.6.1.8 because of a potential *system security* *contingency*. | To reflect DOE DC 2022-05-0015 and emphasize the relevant Generation Companies’ obligation to generate according to dispatch schedules or its maximum available capacity, as applicable, and with the dispatch conformance standards |  |  |
| 12.4.2 (a) | A *must dispatch generating unit* shall generate at its *maximum available output* at all times, unless it has been instructed to restrict its output by the *Market Operator* or *System Operator*. | A *must dispatch generating unit* shall generate at its *maximum available output* at all times, unless it has been instructed to restrict its output by the *Market Operator* or *System Operator*. **This obligation shall also apply to *must dispatch generating units* with Final Certificate of Approval to Connect after completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC.** | To reflect DOE DC 2022-05-0015 and emphasize the relevant Generation Companies’ obligation to generate according to dispatch schedules or its maximum available capacity |  |  |

**WESM Penalty Manual**

| **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comment /** **Proposed Revision** | **Rationale** |
| --- | --- | --- | --- | --- | --- |
| Table 1-Frequency of Occurrence Matrix | Table 1 – Frequency of Occurrence Matrix (Below Section 4.5 of the Penalty Manual) | [NEW]See **Table 1** belowConsideration:No. of delay/default in the registration for Commercial OperationWith table for Level 1 – N/ALevel 2 – 4 to 30 Working Days DelayLevel 3 – 31 Working Days Delay or More | To include in the frequency of occurrence matrix the *“One-time requirement,”* such as the application for Commercial Operations Registration after receiving the Certificate of Compliance (COC) or the Provisional Authority to Operate (PAO)The inclusion in the frequency of occurrence table is necessary to determine the level of penalty. |  |  |
| Item 13 | [NEW]See **Table A** below | [NEW]See **Table 2** belowA pre-set amount is provided for a simpler computation and consideration. | To include the type of breach concerning the obligation of the plant on test and commissioning to register as commercial operation once all the registration documents are complete.To be covered by the enforcement action. |  |  |
| Item 14 | [NEW]See **Table A** below | [NEW]See **Table 2** belowA pre-set amount is provided for a simpler computation and consideration. | To include the type of breach concerning the prohibition on the part of plant on test and commissioning to generate output if the T&C period has expired.To be covered by the enforcement action. |  |  |
| Item 15 | 13Failure to comply with express mandatory provisions of the Market Rules, that are not otherwise covered in other identified breach but which expressly provide for imposition of penalties. | 1**~~3~~5**. Failure to comply with express mandatory provisions of the Market Rules, that are not otherwise covered in other identified breach but which expressly provide for imposition of penalties. | Renumbering (from 13 to 15) as a result of the proposed inserted provisions above |  |  |

**Table 1 - FREQUENCY OF OCCURENCE MATRIX**

|  |  |  |
| --- | --- | --- |
| **Frequency** | **Isolated Occurrence** | **Repetitive or Recurring Occurrence** |
| **Level 1** | **Level 2** | **Level 3** |
| By dispatch interval (i.e., 5- minute interval) | 24x or less over the billing month | 25x to 50x over the billing month | 51x or more over the billing month |
| Hourly (i.e., settlement interval) | 2x or less over the billing month | 3x to 5x over the billing month | 6x or more over the billing month |
| Daily | 3x over the previous 30-day period | More than 2x over the previous 7-day period, 2x or less over the previous 7- day period and more than 3x over the previous 30-day period | More than 2x over the previous 7- day period and more than 3x over the previous 30-day period |
| Weekly | 1x over the previous 12- month period | 1x over a 4-week period and more than 1x over the previous 12-month period | More than 1x over a 4-week period |
| Annual, semestral, quarterly, or monthly | First time occurrence | Every occurrence after the first time (since registration of the WESM Member or effectivity of the new Market Rule or Market Manual) | Breach occurs for more than two(2) successive periods. Level 3 penalty applies starting from the third consecutive occurrence. |
| Occasional (no prescribed period) | 6x or less over the previous 12-month period | More than 6x over the previous 12-month period | N/A |
| **One-time requirement with timeline set for compliance** | **N/A** | **Exceeding 3 business days but not more than 30 days unless a different time frame is provided in the relevant Market Rules or Manuals. In such case, the count of 30- day period shall be reckoned from lapse of the period****provided by the said Market Rules or Manuals.** | **Exceeding 30 business days unless a different time frame is expressly provided in the relevant Market Rules or Manuals.** |

**TABLE 2**

**SECTION 5 - SCHEDULE OF BREACH AND PENALTIES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Breach | Market Rule Breached & Associated Market Manual | Applicable Penalty | Level 2 - Financial Penalty |   Level 3 - Escalated Financial Penalty |
| **13** | **Failure of the registered WESM Member to apply for Commercial Operations Registration after receiving the Certificate of Compliance (COC) or the Provisional Authority to Operate (PAO), whichever is earlier.****The failure to apply for Commercial Operations Registration is considered without just cause when the inaction, deferment, or delay on the part the WESM Member has no basis in fact or in law, or the cause/s for such failure is/are not established to have been beyond its control.** | **Section 2.5.7.3 (g) and (h) of the Registration Manual** | * **Level 1- N/A**
* **Level 2 - Financial Penalties**
* **Level 3 – Escalated Financial Penalties**
* **Level 4 - Suspension/ Deregistration/ Disconnection**
 | **P10,000 for the first day of default/ delay plus P1,000 for each day of continuing breach/violation****The penalty computation will continue until compliance by the concerned WESM Member with respect to its commercial operation registration or the actual deregistration in the WESM (if Level 4 penalty is imposed), as the case may be.** | **Additional P2,000 for each day of continuing breach/violation****The penalty computation will continue until compliance by the concerned WESM Member with respect to its commercial operation registration or the actual deregistration in the WESM (if Level 4 penalty is imposed), as the case may be.** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Breach | Market Rule Breached & Associated Market Manual | Applicable Penalty | Level 2 - Financial Penalty | Level 3 - Escalated Financial Penalty |
| **14** | **Generation after expiry of authorized test and commissioning period unless otherwise authorized by law, relevant Market Rules and/or Market Manuals.** | **Section 2.5.7.3 (a) (c) and (h) of the Registration Manual** | * **Level 1- Non-Compliance Letter / Reprimand**
* **Level 2 - Financial Penalties**
* **Level 3 – Escalated Financial Penalties**
 | **For each count of breach: P100/MWh x GESQ (MWh)****P100 – pre-set penalty amount****GESQ – refers to the *gross energy settlement quantity* of *generating unit* as defined in Clause 3.13.6 of the *WESM Rules.*** | **For each breach: P200/MWh x GESQ (MWh)****P200 – pre-set penalty amount****GESQ – refers to the *gross energy settlement quantity* of *generating unit* as defined in Clause 3.13.6 of the *WESM Rules.*** |
| **~~13~~15** | Failure to comply with express mandatory provisions of the *Market Rules*, that are not otherwise covered in other identified *breach* but which expressly provide for imposition of *penalties*. |  |  |  |  |