



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

DEPARTMENT CIRCULAR NO. DC2021 - 12 - 0040

AMENDING CERTAIN PROVISIONS OF ANNEX "A" OF DEPARTMENT CIRCULAR NO. DC2021-06-0015 ENTITLED "*DECLARING THE COMMERCIAL OPERATIONS OF ENHANCED WHOLESALE ELECTRICITY SPOT MARKET (WESM) DESIGN AND PROVIDING FURTHER POLICIES*"

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

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

WHEREAS, on 04 May 2017, the DOE promulgated the policies for the launching of WESM in Mindanao including the transition guidelines through Department Circular No. DC2017-05-0009;

WHEREAS, on 25 June 2021, the DOE issued the Department Circular No. DC2021-06-0015 declaring the commercial operation of Enhanced WESM Design and Operations (EWDO) effective 26 June 2021;

WHEREAS, Annex "A" of DC2021-06-0015 specified that the WESM Central Scheduling (WCS) shall be used for the initial phase of the commercial operation of the EWDO in Mindanao grid until 25 July 2021;

WHEREAS, on 24 July 2021, the DOE issued an Advisory extending the implementation of WCS in Mindanao grid until further notice on the DOE's declaration of the actual commercial operations date of the WESM in Mindanao;

WHEREAS, on 10 September 2021, the DOE, during the 32nd WESM Mindanao Readiness Assessment, noted the Market Operator (MO) and System Operator's (SO) observations and concerns on the implementation of the WCS in Mindanao grid, advised the MO and SO to conduct a focused group discussion to determine and recommend solutions to the aforementioned concerns on WCS;

WHEREAS, on 17 September 2021, the DOE conducted the focused group discussion with the Market Operator, System Operator and Mindanao Trading Participants to discuss and propose a solution concerning the implementation of WCS in Mindanao grid;

WHEREAS, the MO submitted to the DOE the proposed amendments to the Guidelines on WCS as formulated in consultation with the market participants in Mindanao;

WHEREAS, on the basis of the recommendations submitted by MO, the DOE drafted a circular amending the WCS Guidelines and posted the same in the DOE website on 05 October 2021 to solicit comments from the market participants and other interested parties.

WHEREAS, the DOE, in consultation with the Market Operator and in consideration of the comments received on the same, reviewed and finalized the proposed amendments to the WCS Guidelines for the efficient implementation of the same;

NOW THEREFORE, in consideration of the foregoing and pursuant to its authority under the EPIRA and the WESM Rules, the DOE hereby issues and promulgates the following amendments to Annex "A", providing for the Guidelines on WCS under DC2021-06-0015:

Section 1. Amendments to the Guidelines on the WESM Central Scheduling in Mindanao (Annex "A"). The following provisions under Submission of Working Offers are hereby amended to read as:

3. PROCEDURE DURING WCS

3.1. xxx

3.2 Submission of Working Offers

"3.2.1 Scheduled Generators are expected to submit working offers in the Market Management System based on their Expected Day-Ahead Generation Output (DAGO).

3.2.1.1 If the generator's WESM registered capacity is based on its gross Megawatt (MW) output, then the DAGO shall be equal to the generator's Day-Ahead Generation Schedule (DAGS) plus its station use.

3.2.1.2 If the generator's WESM registered capacity is based on its MW output net of its station use, then the DAGO shall be equal to its DAGS.

3.2.1.3 The MW quantity block up to the technical Pmin shall be offered at the offer floor price (– P10,000.00/MWh).

3.2.1.4 The MW quantity block representing the quantity beyond the Pmin up to the DAGO shall be offered at P0.00/MWh.

3.2.1.5 Scheduled generators shall submit their preferred offer price for the MW quantity block beyond the DAGS up to their maximum available capacity.

Figure 1. Sample Offer Profile Based on DAGS

INFO		MW	OFFER PROFILE IN MMS-MPI		
			QUANTITY	PRICE	
PMIN		30	0	-10,000.00	Zero Break Quantity
DAGO		100	30	-10,000.00	Technical Pmin
MAX AVAILABILITY		120	100	0.00	Day-Ahead Generation Output (DAGO)
			120	4000.00*	Maximum Availability

*Based on TP input (e.g. production cost)

Section 2. Repealing Clause. All issuances inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

Provisions of the Department Circular No. DC2021-06-0015 not affected by this Circular shall remain in effect.

Section 3. 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 4. Effectivity. This Circular shall take effect immediately following its complete publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked. Copies thereof shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued on DEC 21 2021 at Energy Center, Bonifacio Global City, Taguig City.


ALFONSO G. CUSI
 Secretary

