



ADVISORY

**TO : MINDANAO ELECTRIC POWER INDUSTRY PARTICIPANTS
INDEPENDENT ELECTRICITY MARKET OF THE
PHILIPPINES (IEMOP)
ENERGY REGULATORY COMMISSION (ERC)**

FROM : SECRETARY OF ENERGY

DATE : 24 July 2021

**SUBJECT : CONTINUED IMPLEMENTATION OF WESM CENTRAL
SCHEDULING IN MINDANAO GRID**

Pursuant to Section 1.2 of Department Circular No. DC2021-06-0015 entitled “Declaring the Commercial Operations of Enhanced Wholesale Electricity Spot Market (WESM) Design and Providing Further Policies”, it provides that for the initial phase of the commercial operation of the Enhanced WESM Design and Operations (EWDO) in Mindanao, the WESM Central Scheduling (WCS) shall be implemented until 25 July 2021 and thereafter, the commercial operations and market settlement shall commence. However, upon evaluation of the report submitted by IEMOP recommending the deferment of the commercial operations of WESM in Mindanao, the DOE hereby directs the following:

1. WCS shall continue to be implemented until further notice on the DOE’s declaration of the actual commercial operations date of the WESM in Mindanao. During this period, All Mindanao Electric Power Industry Participants mandated to register in the WESM shall continue to participate in the WCS and shall comply with the guidelines, procedures, and instructions of the Market Operator and the System Operator in the implementation of the same;
2. All Mindanao Generator Trading Participants shall comply with the dispatch schedules generated from the Market Management System (MMS), and the re-dispatch instructions provided by the System Operator during the WCS period in accordance with the attached “Guidelines on the WESM Central Scheduling in Mindanao”;
3. The IEMOP shall submit a weekly report on the completion of pending requisites on the registration of the WESM Mindanao Trading Participants including its recommendations on the commercial operations date;
4. All the mandated participants shall complete their registration in the WESM during the WESM Central Scheduling period, otherwise appropriate sanctions

shall be imposed in accordance with the WESM Rules and applicable issuances of the ERC and the DOE; and

5. IEMOP shall submit to the ERC the list of non-complying participants for the latter's issuance of appropriate sanctions and penalties.

For other concerns and clarifications, please 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 e-mail at pmdd.wesm@doe.gov.ph.

This Advisory is effective immediately.

Please be guided accordingly. Thank you.



ALFONSO G. CUSI
Secretary



GUIDELINES ON THE WESM CENTRAL SCHEDULING IN MINDANAO

23 July 2021

1. BACKGROUND

All Mindanao Generator Trading Participants are expected to implement the 5-minute dispatch schedules generated from the Market Management System (MMS) during the WESM Central Scheduling (or WCS) period. Settlement shall be based on the existing contractual arrangements in Mindanao. There shall be no settlement of transactions in the WESM.

All Generators that are required to register in the WESM, including those that voluntarily registered, shall participate in the WCS. These shall include grid-connected and embedded generators.

2. RESPONSIBILITIES

2.1. Generators

- 2.1.1. Generators shall ensure that they have access to their generation resources in the User Interface of the MMS' Market Participant Interface (MPI). For this purpose, they shall have an updated Digital Certificate and valid user credentials.
- 2.1.2. Alternatively, Generators can transact in the MMS using the MPI's API Web Service (optional).
- 2.1.3. Trading Participants and their counterpart plant operators shall ensure that they have a communication protocol in place for the timely communication and coordination of dispatch targets.
- 2.1.4. Generators shall inform the Market Operator on any issues and/or concerns encountered during the WCS.

2.2. System Operator

- 2.2.1. The System Operator shall ensure that its Energy Management System (EMS) is available for the Market Operator to capture real-time data via the Inter-Control Center Communications Protocol (ICCP).
- 2.2.2. The System Operator shall submit the input constraints in the MMS (e.g. overriding constraints, outages, transmission limits, reserve requirements, etc.).
- 2.2.3. The System Operator shall submit information on all their re-dispatch instructions to the Market Operator.
- 2.2.4. The System Operator shall submit a report to the Market Operator on their observations on the WCS implementation.
- 2.2.5. The Metering Services Providers shall continue to submit metered quantity (MQ) data to the Central Registration and Settlement System (CRSS). It is provided, however, settlements during the WCS shall be in accordance with the current contracted arrangements in Mindanao.

2.3. Market Operator

- 2.3.1. The Market Operator shall regularly update regional demand forecasts for the market projections (WAP, DAP, and HAP) and for the real-time dispatch (RTD) market runs.
- 2.3.2. The Market Operator shall ensure that the MMS is available to provide accurate and timely dispatch schedules to the Generators and the System Operator.
- 2.3.3. The Market Operator shall ensure that the Market Participant Interface (MPI) is always available for access by the Market Participants.
- 2.3.4. The Market Operator shall submit to the DOE an evaluation of the WCS considering all inputs from the Generators and the System Operator.

3. PROCEDURES DURING WCS

3.1. Current Contractual Obligations and Implementation of Interim Mindanao Dispatch Protocol

- 3.1.1. All generators and customers shall still perform their existing processes in accordance with their contracts.
- 3.1.2. All generators and customers are still expected to perform their responsibilities as provided for in the Interim Mindanao Dispatch Protocol.

3.2. Submission of Working Offers

- 3.2.1. Scheduled Generators are expected to submit working offers in the MMS 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 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 DAGO should be offered at P0.00/MWh.
 - 3.2.1.4 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



- 3.2.2. Generators shall also consider the commitment of the technical Pmin of their generation units when submitting offers in the MMS (i.e. may revise offers to ensure commitment of schedules at least at technical Pmin).
 - 3.2.3. Generators shall revise their working offers in the MMS in consideration of their in-day re-nominations. Similar to the DAGO, in-day re-nominations shall similarly consider its station use in revising its offers if the generator's WESM registered capacity is based on its gross MW output.
 - 3.2.4. During tripping of their generation units, generators shall cancel their working offers in the MMS.
 - 3.2.5. Generators can only declare up to three (3) ramp rate break quantities for their generation unit's ramp rate profile.
- 3.3. Central Scheduling of Contracted Ancillary Services in the WESM
- 3.3.1. Scheduled Generators that obtained a Day-Ahead Ancillary Service Schedule (DAASS) from the System Operator shall update their working offers to include reserve offers.
 - 3.3.2. All reserve offers should contain two offer break quantities: the first MW should be zero, the next MW should be based on the DAASS (except for regulation reserve).
 - 3.3.2.1 Regulation reserve providers shall submit half of their DAASS for regulation up (RU), and another half for regulation down (RD).
 - 3.3.2.2 For contingency and dispatchable reserve providers, their reserve offers should be equal to their DAASS
 - 3.3.3. The two (2) reserve offer break quantities should be offered at P0.00/MWh.
 - 3.3.4. Generators may revise their reserve offers based on re-nominations with the System Operator.
- 3.4. Submission of Working Nominations
- 3.4.1. Must-Dispatch, Priority Dispatch, and Non-Scheduled Generators are expected to submit accurate 5-minute MW nominations in the MMS' MPI.
 - 3.4.2. Must-Dispatch, Priority Dispatch, and Non-Scheduled Generators shall amply revise their working nominations to reflect the best estimate of their generator's output in the immediate horizon.
 - 3.4.3. During tripping of their generation units, the Generators shall cancel their working nominations in the MMS.

3.5. Submission of Standing Offers and Nominations

- 3.5.1. Scheduled Generators shall submit Standing Offer Profiles in the MMS.
- 3.5.2. Must-Dispatch, Priority Dispatch, and Non-Scheduled submit Standing Nomination Profiles in the MMS.

3.6. Start-up and Shutdown Procedures

- 3.6.1. Generators whose generating units are scheduled to start-up or shutdown shall request clearance from the System Operator at least four (4) hours before scheduled start-up.
- 3.6.2. Once cleared by the System Operator, Generators shall manage the start-up and shutdown sequence of their generation facilities through their offers (e.g. reflect accurate ramp rate profiles, manage offer MW/price blocks, etc.).

3.7. Implementation of 5-minute Dispatch Schedules

- 3.7.1. Except for scheduled ancillary service providers, generators are expected to ramp to their target 5-minute dispatch schedules as generated from the MMS while considering their DAGO or in-day re-nominations.
 - 3.7.1.1 If the 5-minute dispatch schedule is greater than their DAGO or in-day re-nomination, then generators are expected to dispatch their generating facility up to their DAGO or in-day re-nomination.
- 3.7.2. The System Operator shall provide dispatch instructions to scheduled ancillary service providers.
- 3.7.3. The System Operator may re-dispatch generators based on the following.
 - 3.7.3.1 Available ancillary services; or
 - 3.7.3.2 Load Adjustment Notice.
- 3.7.4. Generators are expected to follow SO re-dispatch instructions.
 - 3.7.4.1 For compliance reporting purposes, Generators are expected to ask for the reason of SO's re-dispatch instruction: (i.e. ancillary service and Load Adjustment Notice)
 - 3.7.4.2 Generators should log reason provided by the System Operator in the MMS-MPI's Dispatch Conformance Display.
- 3.7.5. In cases where 5-minute RTD schedule is below Pmin:
 - 3.7.5.1 If expected to start-up/shutdown, ramp towards RTD schedule; or
 - 3.7.5.2 If currently online, ramp towards Pmin; or
 - 3.7.5.3 If currently offline, stay offline.
 - 3.7.5.4 Immediately revise offers to ensure generating unit is scheduled at intended MW level (e.g offline or at least at Pmin).
 - 3.7.5.5 The above guidelines may still be overridden by the System Operator for reliability reasons.

3.8. Settlement During WCS

- 3.8.1. Generators, Customers, the System Operator, and the Market Operator shall perform their responsibilities as provided for in the Interim Mindanao Dispatch Protocol.
- 3.8.2. Settlement shall be based on the existing contractual arrangements between Generators and Customers in Mindanao.
- 3.8.3. There is no settlement of WESM transactions.

3.9. Complying to the 5-minute Dispatch Schedules and Instructions

- 3.9.1. Generators are expected to follow the procedures of generation dispatch as provided in section 3.7 of this document.
- 3.9.2. Should Generators be unable to comply with the procedures of generation dispatch in section 3.7 of this document, they shall report the reasons for such non-compliances to PEMC's Enforcement and Compliance Office. They shall provide the same reason for non-compliance to the Market Operator near real-time through the Dispatch Conformance Standards (DCS) module of the Market Participant Interface.
- 3.9.3. The System Operator shall also report incidents where generators are unable to comply with the procedures of generation dispatch in section 3.7 of this document.