

## ANNEX “A”

RCC Proposed Amendments to the WESM Rules regarding Standing Offers and proposed amendments to the WESM Rules and the Billing and Settlements Manual and the Dispute Resolution Manual regarding MRU Verification

<b>General</b>	
<b>RCC Summary of Proposed Amendments</b>	<b>Comment</b>
<p>If a generator fails to update its standing offers, then the Market Operator shall treat the submission for the same hour, same day, same month of the <u>previous year as the generator's standing offer for the current year with the same price submitted for the same period.</u></p>	<p><i>If the basis to be used is the previous year’s offer, we suggest that the such offer should be escalated using the Consumer Price Index (CPI) as published by the National Statistical Coordination Board (NSCB).</i></p>
<p>Generators shall endeavor to validate all System Operator (SO) reports of Must-Run Unit (MRU) events <u>within two weeks</u> after the Market Operator publishes these reports. Failure by the Generator to report any discrepancy within the period defined herein <u>shall render the MRU data relative to the Generator final.</u></p>	<p><i>Considering that Generators will only be given two weeks to validate the report, it is important that the MO/SO should give proper notice to the Generators of the posting, either through email, fax or even a telephone call no later than the end of business hours on day of publication. Notice to Generators of the publication should be officially confirmed and/or received by the Generator and as such, MO should also provide a confirmation of receipt of the Generator since there is a significant reduction of the prescriptive period from 12 months to 2 weeks.</i></p>

SPECIFIC COMMENTS FROM MEMBER GENERATORS				
No.	Section & Title	Proposed Amendment (as published by the RCC)	Proposed Amendment	Comments
3.5.5 Generation Offers and Data	3.5.5.1	Each Scheduled Generation Company including Generation Companies with bilateral contracts shall submit a standing generation offer for each of its scheduled generating units for each trading interval in each trading day of the week in accordance with the timetable. <b><u>The standing generation offer shall apply until revised or updated by the Scheduled Generation Company.</u></b>	Each Scheduled Generation Company including Generation Companies with bilateral contracts shall submit a standing generation offer for each of its scheduled generating units for each trading interval in each trading day of the week in accordance with the timetable. <b><u>The standing generation offer shall apply until revised, updated, or cancelled by the Scheduled Generation Company.</u></b>	To ensure that standing offers from scheduled generating units are available in the WESM for each trading interval in each trading day of the week in accordance with the timetable.  To ensure a more accurate generation forecast, cancellation of standing offers should be considered specifically during times when hydro plants have no/zero irrigation requirement or when a generating unit (any technology) is on maintenance shutdown
	3.5.5.4	Each Non-Scheduled Generation Company shall submit a standing	Each Non-Scheduled Generation Company shall submit a standing	To ensure that standing offers from non-scheduled generating units are

<b>SPECIFIC COMMENTS FROM MEMBER GENERATORS</b>				
		<p>schedule of loading levels for each of its non-scheduled generating units for each trading interval in each trading day of the week in accordance with the timetable. <b><u>The standing schedule shall apply until revised or updated by the Non-Scheduled Generation Company</u></b></p>	<p>schedule of loading levels for each of its non-scheduled generating units for each trading interval in each trading day of the week in accordance with the timetable. <b><u>The standing schedule shall apply until revised, updated, or cancelled by the Non-Scheduled Generation Company</u></b></p>	<p>available in the WESM for each trading interval in each trading day of the week in accordance with the timetable.</p> <p>To ensure a more accurate generation forecast, cancellation of standing offers should be considered specifically during times when hydro plants have no/zero irrigation requirement or when a generating unit (any technology) is on maintenance shutdown</p>
<p><b>3.5.7.2 Generation Company Reserve Offers</b></p>	<p>3.5.7.2</p>	<p>When applicable, subject to clause 3.3.4.2, each Scheduled Generator registered as an Ancillary Services Provider in respect of a reserve facility in a particular reserve region shall submit a standing reserve offer for each of its relevant reserve facilities in respect of that reserve region for each trading interval for each day of the week in accordance</p>	<p>When applicable, subject to clause 3.3.4.2, each Scheduled Generator registered as an Ancillary Services Provider in respect of a reserve facility in a particular reserve region shall submit a standing reserve offer for each of its relevant reserve facilities in respect of that reserve region for each trading interval for each day of the week in accordance</p>	<p>To ensure that standing offers from scheduled generating units registered as A/S provider are available in the WESM for each trading interval in each trading day of the week in accordance with the timetable.</p> <p>To ensure a more accurate generation forecast, cancellation of</p>

SPECIFIC COMMENTS FROM MEMBER GENERATORS				
		with the timetable. <b><u>The standing reserve offer shall apply until revised or updated by the Scheduled Generator registered as an Ancillary Services Provider</u></b>	with the timetable. <b><u>The standing reserve offer shall apply until revised, updated, or cancelled by the Scheduled Generator registered as an Ancillary Services Provider</u></b>	standing offers should be considered specifically during times when hydro plants have no/zero irrigation requirement or when a generating unit (any technology) is on maintenance shutdown

**MRU/MSU Manual**

SPECIFIC COMMENTS FROM MEMBER GENERATORS			
Title	Section	Proposed Provision of RCC	Comments/Recommendations
Settlement of Amounts due to Displaced Generators	10.2	<p><b>Must Stop Units (MSUs)</b> will pay the displaced Generators, on a pro-rata basis with respect to EAQ-MQ. <b>The quantity of energy they displaced considering their Meter and RTU locations</b></p> <p><b>In formula:</b></p>	<p>We would like to kindly clarify if there will be an instance when the total energy variance of displaced generators is not equal to the total energy variance of must stop units? If so, what will happen if the total energy variance of must stop units is less than that of the displaced generators? Is it fair for the must stop unit to pay for the higher variance of the displaced generator? Or should it be assumed that the excess displaced energy is caused by something else?</p> <p>We kindly propose that one of the pre-requisite is that the energy should be equal, or else, it may be assumed that variance is caused by something else.</p>

		$MSU_{TA_j} = \begin{cases} \frac{MSU_{E_j}}{\sum_{i=1}^m MSU_{E_i}} \sum_{i=1}^m DG_{TA_i}, & \text{if } \sum_{j=1}^n MSU_{Q_j} \neq 0 \\ \frac{b_j * MQ_j}{\sum_{i=1}^m (b_i * MQ_i)} \sum_{i=1}^m DG_{TA_i}, & \text{if } \sum_{j=1}^n MSU_{Q_j} = 0 \end{cases}$ $MSU_{E_j} = \begin{cases} b_j * MQ_j - EAQ_j, & \text{if } b_j * MQ_j - EAQ_j \geq 0 \\ 0, & \text{if } b_j * MQ_j - EAQ_j < 0 \end{cases}$ <p>where</p> <p><math>MSU_{TA_j}</math> Total amount to be paid by the Must Stop Unit <math>j</math></p> <p><math>EAQ_j</math> Ex-Ante Quantity of the Must Stop Unit <math>j</math></p> <p><math>MQ_j</math> Metered Quantity of the Must Stop Unit <math>j</math></p> <p><math>MSU_{Q_j}</math> The energy displaced of the Must Stop Unit <math>j</math> or Must Stop Unit Quantity</p> <hr/> <p><math>n</math> Number of Must Stop Units</p> <p><math>m</math> Number of Displaced Generators</p> <p><math>\sum_{i=1}^m DG_{TA_i}</math> Grand total of the amounts that will be paid to the Displaced Generators</p> <p><math>b_j</math> is the factor multiplied to the metered quantity of the Generator <math>j</math> to account the difference between location of its RTU and Meter.</p>	<p>How about if NGCP is the cause of the displacement? Why should constrained-off generators have a different treatment from displaced generators? Isn't it that they are both "displaced"?</p>
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Billing and Settlements Manual, and the Dispute Resolution Manual re: **Exemption of the System Operator Must-Run Unit Report on the prescriptive period of 12 months within which to raise disputes in respect of Financial Statements**

SPECIFIC COMMENTS FROM MEMBER GENERATORS			
Title	Section	Proposed Provision of RCC	Comments/Recommendations
3.14.8 Disputes	3.14.8.1	<u>....However, for supporting data pertaining to System Operator reports on must-run unit events the Generation Company shall endeavor to validate all System Operator reports of must-run unit events within two weeks after the Market Operator publishes these reports. Failure by the Generation Company to report to the Market Operator any discrepancy within the period defined herein shall render the must-run unit events data relative to the Generation Company final.</u>	<p>We agree that it will not take a long time for generators to verify the MRU events. However, they should be properly notified of the MRU reports to be validated.</p> <p>However, for supporting data pertaining to System Operator reports on must-run unit events the Generation Company shall endeavor to validate all System Operator reports of must-run unit events within two weeks after the Market Operator publishes these reports <b>and properly notifies the Generator Company with must run unit events of such publication.</b> Failure by the Generation Company to report to the Market Operator any discrepancy within the period defined herein shall render the must-run unit events data relative to the Generation Company final.</p>
	3.14.8.2	<u>...However, disputes in relation to System Operator reports of must-run unit events must be raised by Generation Company within two weeks after the publication by the Market Operator, otherwise the reports shall be</u>	<u>...However, disputes in relation to System Operator reports of must-run unit events must be raised by Generation Company within two weeks after the publication <b>and proper notification</b> by the Market Operator, otherwise the reports shall be deemed as final.</u>

		<u>deemed as final.</u>	
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**Billing and Settlement Manuals Issue 3.0**

<b>SPECIFIC COMMENTS FROM MEMBER GENERATORS</b>			
<b>Title</b>	<b>Section</b>	<b>Proposed Provision of RCC</b>	<b>Comments/Recommendations</b>
Table 1: Billing and Settlement Timetable (page 3 of 36)	2.3.1	<u>Likewise, market participants shall validate the System Operator report on must run unit events within two weeks after publication by the Market Operator otherwise the reports shall be deemed as final. The Market Operator shall reflect any adjustments arising from the validation of the System Operator report on must-run unit events by the Market Participant to the Preliminary Settlement, if these are validated and concurred by the System Operator and the Market Participant within the billing cutoff period. Otherwise, adjustments shall be reflected in the Final Statements or incorporated in the settlement statements of the next billing cycle</u>	Likewise, market participants shall validate the System Operator report on must run unit events within two weeks after publication <b>and proper notification</b> by the Market Operator otherwise the reports shall be deemed as final. The Market Operator shall reflect any adjustments arising from the validation of the System Operator report on must-run unit events by the Market Participant to the Preliminary Settlement, if these are validated and concurred by the System Operator and the Market Participant within the billing cutoff period. Otherwise, adjustments shall be reflected in the Final Statements or incorporated in the settlement statements of the next billing cycle
Disputes with the MO on Settlement and Payments	7.2.1	<u>Other than must-run unit event report prepared by the System Operator which are deemed final if no discrepancy are</u>	Other than must-run unit event report prepared by the System Operator which are deemed final if no discrepancy are reported by a WESM

		<b><u>reported by a WESM Member within the prescribed two-week period after publication by the Market Operator.</u></b>	Member within the prescribed two-week period after publication <b>and proper notification</b> by the Market Operator.
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