



ADVISORY

TO : WHOLESale ELECTRICITy SPOT MARKET (WESM)
PARTICIPANTS

INDEPENDENT ELECTRICITy MARKET OPERATOR OF THE
PHILIPPINES (IEMOP)

PHILIPPINE ELECTRICITy MARKET CORPORATION (PEMC)

NATIONAL GRID CORPORATION OF THE PHILIPPINES
(NGCP)

CC : ENERGY REGULATORY COMMISSION (ERC)

SUBJECT : IMPLEMENTATION OF THE TRIAL OPERATIONS PROGRAM
FOR THE RESERVE MARKET

FROM : SECRETARY OF ENERGY

The Department of Energy (DOE), in coordination with the IEMOP and other relevant entities, is preparing for the commercial operations of the Reserve Market (RM) pursuant to Department Circular (DC) No. DC2019-12-0018¹. Among the conditions for the commercial operations of the RM is the ERC's approval of the Price Determination Methodology (PDM) and the successful conduct of Trial Operations Program (TOP) by the Market Operator (MO), System Operator (SO) and WESM Participants.

In its report dated 13 June 2023, the IEMOP indicated the completion of preparatory activities such as the readiness of its market systems which include the bid-to-bill processes that are already incorporated in the WESM Rules and Manuals for the commercial operations of the RM.

In anticipation of the eventual approval by the ERC of the PDM, the MO is directed to commence the TOP by 26 June 2023.

The TOP shall be a non-binding exercise for the RM participants to test all market systems for registration, scheduling, dispatch and pricing, metering, cost recovery, and settlement, including interfaces among the IEMOP, as the MO, the NGCP, as the SO, and the Ancillary Services (AS) Providers. For clarity, the non-binding exercise shall mean that the results of the TOP shall not be used commercially for scheduling, dispatch, settlement, and cost recovery.

¹ Titled, "Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid"

All generating units shall continue to adhere to the “Protocol for the Central Scheduling and Dispatch of Energy and Contracted Reserves” where AS shall continue to be scheduled, dispatched, and settled by the NGCP in accordance with its Ancillary Services Procurement Agreement (ASPA).

For the guidance of all participants, the MO, in consultation with the SO, as necessary, shall formulate the guidelines and procedures for the implementation of the TOP. For this purpose, IEMOP is directed to submit weekly reports to the DOE on the results of the TOP.

The PEMC is likewise directed to complete the audit of the software enhancements to the market systems as part of the readiness criteria for the commercial operation of the RM.

All Generation Companies accredited as AS Providers are mandated to register and fully participate in the TOP exercises. All Generation Companies registered as accredited AS Providers shall offer their Maximum Available Capacity for each dispatch interval in the co-optimized WESM for energy and reserves in accordance with the WESM Rules and corresponding Market Manuals.

In this regard, accredited AS Providers shall complete immediately the registration of their facility’s AS capabilities in the WESM. All AS Providers accredited beyond 26 June 2023 shall likewise register with the MO immediately upon NGCP’s issuance of the AS accreditation certificate.

Further, as prescribed under DOE DC No. DC2021-03-0009, all concerned participants are reminded to complete their respective preparations towards achieving readiness for the commercial operations of the RM.

For any concerns related to the RM-TOP, participants may e-mail IEMOP at reserve_top@iemop.ph.

For any 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.

Please be guided accordingly. Thank you.


RAPHAEL P.M. LOTILLA
Secretary



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