



Republic of the Philippines  
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC2018-04-0010 *N*

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY  
SPOT MARKET (WESM) RULES, RETAIL RULES AND RETAIL MARKET  
MANUAL ON METERING FOR CLARIFICATIONS ON RETAIL MARKET  
INTEGRATION**

**WHEREAS**, Sections 30 and 37(f) of the Electric Power Industry Reform Act (EPIRA) provides that the 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 09 January 2013, following series of public consultations with stakeholders of the electric power industry, the DOE promulgated the Retail Rules through Department Circular No. DC2013-01-0002, entitled "Promulgating the Retail Rules for the Integration of Retail Competition and Open Access in the Wholesale Electricity Spot Market";

**WHEREAS**, on 09 July 2013, after due consideration of the comments and suggestion solicited from the stakeholders, the DOE adopted and promulgated the Retail Market Manuals through Department Circular No. DC2013-07-0014;

**WHEREAS**, on 14 October 2016, the DOE promulgated the amended WESM Rules for the enhancements of WESM design and operations through Department Circular DC2016-10-0014;

**WHEREAS**, any changes, amendments, and modifications to the WESM Rules including its Market Manuals shall be undertaken in accordance with the provisions of Chapter 8 thereof;

**WHEREAS**, on 06 July 2017, the Philippine Electricity Market Corporation (PEMC) submitted to the Rules Change Committee (RCC) its Proposed Amendments to the WESM Rules, Retail Rules and Retail Market Manual on Metering Standards and Procedures for Clarifications on Retail Market Integration;

**WHEREAS**, PEMC's proposal aims to clarify the application and treatment of retail market participants under the WESM Rules, and to specify that the standards under the Philippine Distribution Code shall apply to contestable customers within the Distribution Utilities;

**WHEREAS**, on 07 July 2017, the RCC during its 131<sup>st</sup> RCC Meeting, discussed the said proposal, which thereafter approved its publication in the WESM website to solicit comments from market participants and other interested parties;

**WHEREAS**, on 14 September 2017, the RCC during its 133<sup>rd</sup> RCC Meeting, deliberated on the proposal giving due course to the comments and recommendations received from the market participants;

**WHEREAS**, on 06 October 2017, the RCC during its 134<sup>th</sup> RCC Meeting, deliberated further the proposal to ensure consistency with the other RCC-approved proposal to amend the WESM Market Manual on Metering Standards, and thereafter, finalized and approved the proposal for endorsement to the PEM Board;

**WHEREAS**, on 06 December 2017, after due evaluation and deliberation, the PEM Board during its 129<sup>th</sup> PEM Board Meeting approved for endorsement to the DOE the above stated RCC proposal;

**WHEREAS**, on 27 December 2017, the PEM Board-approved amendments to the WESM Rules, Retail Rules and Retail Market Manual on Metering Standards and Procedures were submitted to the DOE for final approval, in compliance with Chapter 8 of the WESM Rules;

**WHEREAS**, the DOE considered the said PEM Board-approved proposal consistent with the objectives of the WESM, Retail Competition and Open Access and the DOE policies on the enhancements of WESM design and operations;

**WHEREAS**, minor modifications were made on the proposed amendments for consistency;

**NOW THEREFORE**, pursuant to its authority under the EPIRA, WESM Rules, and the Retail Rules, the DOE hereby adopts, issues, and promulgates the following amendments to the WESM Rules, Retail Rules and Retail Market Manual on Metering Standards and Procedures:

**Section 1. Amendments to the WESM Rules.** The following provisions of the WESM Rules are hereby amended for the implementation of enhancements to WESM design and operations:

(a) New Clause 3.2.2.6 under Market Trading Nodes is amended to read as –

“3.2.2.6 A *connection point* of a *Contestable Customer* and is directly connected to a *distribution system* shall be represented in the *market network model* by the *market trading node* of its *grid off-take metering point*.”

(b) Clause 3.13.11.1 under Settlement Amounts for Trading Participants is amended to read as –

“3.13.11.1 Subject to *WESM Rules* Clause 3.13.11.4, for each *billing period*, the *Market Operator* shall determine the *settlement amount* for each *Trading Participant* as the sum of the aggregate trading amounts for the *settlement*

*intervals* in that *billing period*, determined in accordance with clause 3.13.11.2:  
plus

xxx    xxx            xxxx”

- (c) New Clause 3.13.13.4 under Settlement Amounts for Trading Participants is added to read as –

“3.13.13.4 *Settlement amounts of contestable customers or suppliers* shall be determined in accordance with *Retail Rules Clause 3.3.9.*”

- (d) Clause 4.2 under Metering is amended to read as –

#### “4.2 APPLICATION OF CHAPTER

This chapter 4 applies to:

xxx    xxx            xxxx

- (d) *All WESM members as far as applicable.*

This Chapter 4 does not apply to *contestable customers* directly connected to *distribution systems*. Obligations, requirements, and procedures related to the metering of *contestable customers* directly connected to *distribution systems* are provided under Section 4 of the *Retail Rules.*”

- (f) The definition of the term “Customer” under Glossary Chapter 11 is amended to read as –

“Customer. A person who:

- (a) engages in the activity of purchasing electricity supplied through a transmission or distribution system, and
- (b) registers with the *Market Operator* in that capacity under clause 2.3.2.”

- (g) The following definition of terms are hereby added under Glossary Chapter 11  
–

*Contestable Customer.* An electricity end user that has met the demand threshold for contestability as set out in the Act. Collectively, these end users make up the contestable market.

*Grid Off-take Metering Point.* Metering point at a grid at which the settlement quantity of a Contestable Customer connected to a distribution system shall be determined.

*Retail Rules.* The Rules promulgated by the DOE governing the integration of retail competition in the operations and governance processes of the WESM and the management of the transactions of Suppliers and Contestable Customers in the WESM, and the operations of the Central Registration Body.”

**Section 2. Amendments to the Retail Rules.** The following provisions in the Retail Rules are hereby amended:

- (a) Clause 4.3.1.2 under Provision of Metering Installations is amended to read as –

“4.3.1.2 Comply in all respects with the requirements of Chapter 8 of the *Distribution Code* relating to unbundled service, to the *WESM Rules*, relevant regulatory issuances and relevant *Market Manual* being implemented by the *Central Registration Body*.”

- (b) Clause 4.3.3 under Provision of Metering Installations is amended to read as –

“4.3.3 Meter Accuracy

The class of *metering installation* and the accuracy requirements for a metering point shall be as set out in the relevant *Market Manual* and in accordance with the *Philippine Distribution Code*.”

- (c) Clause 4.3.5 under Provision of Metering Installations is amended to read as –

“4.3.5 Security of Metering Equipment

The *Retail Metering Services Provider* shall comply with the *Philippine Distribution Code* with regard to the security of metering equipment.”

- (d) Clause 4.3.6 under Provision of Metering Installations is amended to read as –

“4.3.6 Security of *Metering Data* Held in a *Metering Installation*

The *Retail Metering Services Provider* shall comply with the *Philippine Distribution Code* with regard to the security of *metering data*.”

- (e) Clause 4.3.7.1 under Performance of Metering Installations is amended to read as –

“4.3.7.1 The *Retail Metering Services Provider* shall use all reasonable endeavors to ensure that *metering data* is capable of being transmitted to the metering database from its *metering installations*:

- a) Within the applicable accuracy parameters described in the *Philippine Distribution Code* and relevant *Market Manual*; and

xxx    xxx            xxxx”

- (f) Clause 4.4.2.3 under Data Transfer and Collection is amended to read as –  
“4.4.2.3 The *Retail Metering Services Provider* must be capable of sending *metering data* in the required format to the *Central Registration Body*.”

- (g) Clause 4.9.1 under Formulation and Publication of Market Manual is amended to read as –

“4.9.1. Describes the class and accuracy requirements of metering installations consistent with the *Philippine Distribution Code* and relevant regulatory issuances;”

**Section 3. Amendments to the Retail Market Manual on Metering Standards and Procedures.** The following provisions in the Retail Market Manual on Metering Standards and Procedures are hereby amended:

- (a) Section 1.1 under Introduction is amended to read as –

“1.1 PURPOSE

Pursuant to Clause 4.9 of the *Retail Rules*, the *Central Registration Body* shall formulate and *publish a market manual* that:

- a) Describes the class and accuracy requirements of *meters metering installations* consistent with the *Philippine Distribution Code* and relevant regulatory issuances;
- b) Defines the procedures that *Retail Metering Services Providers* must undertake to validate, estimate, correct or substitute erroneous meter data;

xxx    xxx            xxxx”

- (b) Section 2.2 under Metering Installation Standards is amended to read as –

“2.2 OVERVIEW

- a) A *metering installation* shall be accurate in accordance with the *Retail Rules*, the *Philippine Distribution Code*, the *WESM Rules* and this Manual. For this purpose, the market may adopt new technical standards for *metering installation* if necessary, subject to the approval of the DOE.
- b) A *metering installation* shall have electronic data recording facilities such that all *metering data* can be measured and recorded in each *dispatch interval*.”

- (c) Section 2.4.2 under Meters is amended to read as –

“2.4.2 Technical Requirements

*Meters*, both installed as the main revenue *meter* and backup revenue *meter*, shall meet the minimum requirements provided under the *Philippine Distribution Code*.”

- (d) Section 2.4.3 (Communication Links) under Meters is hereby deleted.

- (e) Section 2.5 and its sub-sections under Metering Installation Standards are renumbered and amended to read as –

#### “2.5 INSTRUMENT TRANSFORMERS

*Voltage transformers and current transformers within the metering installations shall meet the minimum requirements provided under the Philippine Distribution Code.*

##### 2.5.1 Maintenance for Metering Instrument Transformers

Condition-based maintenance shall be regularly conducted by the *Retail Metering Services Provider* such as Phase Angle Test including thermal scanning. The frequency of test shall be based on the utility's Maintenance Policy. If found with abnormal test results, the *instrument transformers* shall be isolated (de-energized) and tested for accuracy.

##### 2.5.2 Safety Requirements and Grounding System

*A metering installation shall conform to the safety and grounding system requirements of the Philippine Distribution Code.”*

- (f) Section 2.6 and its sub-sections under Metering Installation Standards are amended to read as –

#### “2.6 SECURITY OF METERING INSTALLATIONS AND DATA

*Metering installations shall meet the minimum security requirements listed in the Philippine Distribution Code.”*

- (g) Original Section 2.7 (Redundant Metering Installation) under Metering Installation Standards is hereby deleted.

- (h) Original Section 2.8 under Metering Installation Standards is renumbered and amended to read as -

#### 2.7 Existing Metering Installations

An existing *metering installation* that does not fully comply with the requirements of this Manual shall be permitted by the *Central Registration Body* to remain in service subject to the following conditions:

- a) The *meter* has a mass memory capable of recording 5-minute demand interval and have communication ports for remote and manual data retrieval;

xxx    xxx            xxxx”

**Section 4. Transitory Provisions.** The foregoing amendments to the WESM Rules and Market Manuals as set forth in this Circular shall be used for the development of the WESM's New Market Management System (NMMS) and the implementation of the enhancements to WESM design and operations.

**Section 5. 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 6. Effectivity.** This Circular shall take effect upon its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this \_\_\_\_ March 2018 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

  
ALFONSO G. CUSI  
Secretary



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