**Proposed Amendments to the WESM Rules and Various Manuals regarding Maximum Available Capacity**

| **WESM Rules** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Title** | **Clause** | **Original Provision** | **Proposed Amendments** | **Rationale** | **Comments/**  **Proposed Revision** | **Rationale** |
| Generation Offers and Data | 3.5.5.1 | Each *Generation Company* including *Generation Companies* with *bilateral contracts* shall submit a standing *market offer* for each of its *scheduled generating units, battery energy storage systems* and *pumped-storage units* for each *dispatch interval* in each *trading day* of the week in accordance with the *timetable*. The standing *market offer* shall apply until revised or updated by the *Generation Company*. | Each *Generation Company* including *Generation Companies* with *bilateral contracts* shall submit a standing *market offer* **equivalent to the *maximum stable load (Pmax)* or *available capacity,***for each of its *scheduled generating units, battery energy storage systems,* and *pumped-storage units* for each *dispatch interval* in each *trading day* of the week in accordance with the *timetable*. **If the submitted offer reflects a capacity that is less than the *maximum stable load (Pmax)*, the *Generation Company* shall include the reason for such in its standing offer**. The standing *market offer* shall apply until revised or updated by the *Generation Company*. | * To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. * To oblige Generation Companies to: (1) consider the “possible constraints”, as described in the proposed definition of available capacity, in submitting a standing market offer, and (2) provide justifications if they offer less than the required capacity. |  |  |
| Revision of Market Offers/Bids, Nomination of Loading Levels, and  Projected Outputs | 3.5.11.1 | Each *Trading Participant* which has submitted standing *offers* or bids for each of its *scheduled generating unit, battery energy storage system* and *pumped-storage unit* may revise any of its *market offers* or *market bids* for any *dispatch interval* in any trading day of the current week-ahead *market horizon* in accordance with the *timetable*, and subject to Clause 3.5.11.4 and each revised *market offer* or *market bid* submitted shall provide the information set out in Appendix A1. | Each *Trading Participant* which has submitted standing *offers* or bids for each of its *scheduled generating unit, battery energy storage system,* and *pumped-storage unit* may revise any of its *market offers* or *market bids* **equivalent to the *available capacity* and shall take into account the conditions under Clause 3.5.11.5 and Clause 3.5.11.6*,***for any *dispatch interval* in any trading day of the current week-ahead *market horizon***. Each revised *market offer* or *market bid* shall be submitted**in accordance with the *timetable*~~, and~~ subject to Clause 3.5.11.4**,** and ~~each revised~~ *~~market offer~~* ~~or~~ *~~market bid~~* ~~submitted~~ shall ~~provide the~~ **contain all the** information set out in Appendix A1. | * To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. * To ensure that the revised/updated market offer reflects the Trading Participant’s readily available capacity. * To require that Trading Participants must consider the conditions mentioned in WESM Rules Clauses 3.5.11.5 and 3.5.11.6 in revising/updating offers. |  |  |
| Revision of Market Offers/Bids, Nomination of Loading Levels, and  Projected Outputs | 3.5.11.5 | *Market bids or market offers* for any *dispatch interval* may be revised by *Trading Participants* prior to gate closure if they no longer represent a reasonable estimate of:  (a) the expected availability of the relevant *generating unit* or *scheduled load* for that *dispatch interval*; or  (b) the *demand bids* or *offers* likely to apply for the real-time *dispatch* optimization of that *dispatch interval*. | *Market bids* or *market offers* for any *dispatch interval* ~~may~~ **shall** be revised by *Trading Participants* prior to gate closure **in accordance with the *timetable*** if ~~they~~ **these offers** no longer represent a reasonable estimate of:   1. the ~~expected~~ *~~availability~~* ***status***of the relevant *generating unit* **(e.g., generator circuit breaker status, *outage*)**or *scheduled load* for that *dispatch interval*; or 2. **the capacity that can be attained taking into account the *ramp rate* limitations of the *generating unit* during the relevant *dispatch interval*; or** 3. the *demand bids* or *offers* likely to apply for the real-time *dispatch* optimization of that *dispatch interval*. | * To require Trading Participants to revise their offers if it does not represent a reasonable estimate of their “available capacity” within the WESM timetable. This is consistent with Dispatch Protocol Manual Section 6.1.8. * To provide conditions in revising/updating offers. Note that *status* (in item a) is a defined term (i.e. The actual operating condition of a generation unit or facility, including its current commitment state, generation level, and AGC activation status). |  |  |
| Glossary |  | (New/Transferred from the WESM Manual on Dispatch Protocol) | **Availability. The duration of time over a specified period that a plant unit is ready to be in service or operational.** | Transferred the definition from Dispatch Protocol Manual, as is, since this was already used in the WESM Rules |  |  |
| Glossary |  | (New/Transferred from the WESM Manual on Dispatch Protocol) | **~~Maximum~~ Available capacity. Equal to the registered maximum capacity (Pmax) of the (aggregate) unit less forced unit *outages*, scheduled unit *outages*, ~~de-rated capacity~~ derating, *generator technical constraints* and weather disturbance that cause damage to the unit or that would otherwise limit its ability to inject power to the *grid***. **~~For co-~~*~~generation~~* ~~systems, the~~ *~~maximum available capacity~~* ~~is further determined by taking into account the equivalent power of the thermal~~ *~~energy~~* ~~extraction by the~~ *~~energy~~* ~~host and~~ *~~technical constraints~~*~~.~~** | * Transferred the definition, with **proposed revisions**, from Dispatch Protocol Manual since this was already used in the WESM Rules. * To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. * To be consistent with the re-naming of the term “technical constraints” to “generator technical constraints” (see proposed amendment to the definition of “technical constraints” below). * Deletion of last sentence pertaining to co-generating systems: the condition is already specified in the definition of “generator technical constraints” (see item d) including other conditions plant types. |  |  |
| Glossary |  | (New/Transferred from the WESM Manual on Dispatch Protocol) | **Generator Technical Constraint. Refers to plant equipment related failure limitations encountered during *start up*/*shutdown* procedure, effects of ambient temperature and resource-related *constraints* due to the following:**  **(a) water elevation and diversion requirements for domestic or irrigation use for hydro plants;**  **(b) steam quality (chemical composition, condensable and non-condensable gases, steam pressure and temperature) for geothermal plants;**  **(c) unavailability of fuel resources that are not within the control of the *Generation Company* for biomass power plants; and**  **(d) steam flow limitations, station *load*, and electricity demand of its *energy* host, in the case of the co-generation systems.** | * Transferred the definition, with **proposed revision**, from Dispatch Protocol Manual since this was already used in the WESM Rules. * To clarify that the “technical constraints” in the definition specifically pertains to generators only, since “technical constraints” is a broad term. |  |  |
| Glossary |  | (As amended by PEM Board Resolution No. 2023-56-01 dated 25 January 2023 as Urgent Amendment)  **Projected Output.** The *loading level* nominated by a *Generation Company* for its *must dispatch generating units* or *priority dispatch generating units* indicating the forecasted output of its *must dispatch generating unit* or *priority dispatch generating unit* at the end of a *dispatch interval*. In the case of geothermal or impounding hydro plant which is classified as *priority dispatch generating unit*, *projected output* shall refer to its *maximum available capacity*, as defined in *WESM Rules* or *Market Manual.* | **Projected Output.** The *loading level* nominated by a *Generation Company* for its *must dispatch generating units* or *priority dispatch generating units* indicating the forecasted output of its *must dispatch generating unit* or *priority dispatch generating unit* at the end of a *dispatch interval*. In the case of geothermal or impounding hydro plant which is classified as *priority dispatch generating unit*, *projected output* shall refer to its *~~maximum~~ available capacity*, as defined in *WESM Rules* or *Market Manual*. | * To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. * Note: PEM Board Resolution No. 2023-56-01 dated 25 January 2023 is on the implementation of DOE policy on Preferential Dispatch |  |  |
| Information to be Supplied with Offers to Supply and to Buy Electricity | Appendix A1.1  Generation Offers | Generation offers:  (a) May include up to ten (10) *generation* offer blocks per (aggregate) unit, and the maximum combined capacity of *generation* and *reserve offers* must not be less than the maximum available capacity of the generator;  xxx | Generation offers:  (a) May include up to ten (10) *generation* offer blocks per (aggregate) unit, and the maximum combined capacity of *generation* and *reserve offers* must not be less than the ~~maximum~~ *available capacity* of the generator;  xxx | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |
| Information to be Supplied with Offers to Supply and to Buy Electricity | A1.4 Battery  Energy Storage System Offer | Battery Energy Storage System Offer:  xxx  c) May include up to ten (10) *energy offer* blocks per (aggregate) unit. The maximum combined capacity of *generation* and *reserve offers* must not be less than the maximum available capacity of the generator;  xxx | Battery Energy Storage System Offer:  xxx  c) May include up to ten (10) *energy offer* blocks per (aggregate) unit. The maximum combined capacity of *generation* and *reserve offers* must not be less than the ~~maximum~~ *available capacity* of the generator;  xxx | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |

| **WESM Manual on Dispatch Protocol** | | | | | | | | |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Title** | **Section** | | **Original Provision** | | | **Proposed Amendment** | **Rationale** | **Comments/Proposed Revisions** | **Rationale** |
| Definitions | | 2.1.2 | | The following words and phrases as used in this *Market Manual* shall have the following meaning:  xxx  d. **Availability.** The duration of time over a specified period that a plant/unit is ready to be in service or operational.  e. **Bid.** xxx  f. **Capability.** xxx  g. **Cascading Outages.** xxx  h. **Contingency**. xxx  i. **Contingency Reserve.** xxx  j. **Demand Control.** xxx  k. **Demand Control Imminent Warning.** xxx  l. **Dispatchable Reserve**. xxx  m. **Disturbance**. xxx  n. **Frequency control.** xxx  o. **Generator**. xxx  p. **Islanding Operation**. xxx  q. **Load shedding.** xxx  r. **Manual Load Dropping**. xxx  s. **Market Management System (MMS).** xxx  t. **Maximum available capacity.** Equal to the registered maximum capacity (Pmax) of the (aggregate) unit less forced unit *outages*, scheduled unit *outages*, de-rated capacity due to *technical constraints* and weather disturbance that cause damage to the unit or that would otherwise limit its ability to inject power to the *grid.* For co-*generation* systems, the *maximum available capacity* is further determined by taking into account the equivalent power of the thermal *energy* extraction by the *energy* host and *technical constraints*.  u. **MMS-Market Participant Interface (MPI).** xxx  v. **Multiple Outage Contingency.** xxx  w. **Normal State**. xxx  x. **Offer.** xxx  y. **Operating margin. x**xx  z. **Preferential Dispatch Units.** xxx  aa. **Real-Time Data.** xxx  bb. **Real-Time Dispatch.** xxx  cc. **Red Alert.** xxx  dd. **Regulating Reserve.** xxx  ee. **Security.** xxx  ff. **Self-scheduled nomination.** xxx  gg. **Shutdown.** xxx  hh. **Stability**. xxx  ii. **Start-up.** The synchronization of a *generating unit* to the *grid* from its *outage* state (closing of *generator* breakers).  jj. **System Integrity Protection Scheme (SIPS).** xxx  kk. **System Operator System Advisories.** xxx  ll. **Technical Constraint**. Refers to plant equipment-related failure, limitations encountered during *start-up*/*shutdown* procedure, effects of ambient temperature and resource-related *constraints* due to the following: (a) water elevation and diversion requirements for domestic or irrigation use for hydro plants; (b) steam quality (chemical composition, condensable and non-condensable gases, steam pressure and temperature) for geothermal plants; (c) unavailability of fuel resources that are not within the control of the *Generation Company* for biomass power plants; and (d) steam flow limitations, station *load*, and electricity demand of its *energy* host, in the case of the co-generation systems.  mm. **Voltage Control.** xxx  nn. **Voltage Instability.** xxx  oo. **Voltage Sag.** xxx | The following words and phrases as used in this *Market Manual* shall have the following meaning:  xxx  ~~d.~~ **~~Availability.~~** ~~The duration of time over a specified period that a plant/unit is ready to be in service or operational.~~  ~~e.~~ **d.** **Bid.** xxx  ~~f.~~ **e.** **Capability.** xxx  ~~g.~~ **f.** **Cascading Outages.** xxx  ~~h.~~ **g.** **Contingency**. xxx  ~~i.~~ **h.** **Contingency Reserve.** xxx  ~~j.~~ **i.** **Demand Control.** xxx  ~~k.~~ **j.** **Demand Control Imminent Warning.** xxx  ~~l.~~ **k.** **Dispatchable Reserve**. xxx  ~~m.~~ **l.** **Disturbance**. xxx  ~~n.~~ **m.** **Frequency control.** xxx  ~~o.~~ **n.** **Generator**. xxx  ~~p.~~ **o.** **Islanding Operation**. xxx  ~~q.~~ **p.** **Load shedding.** xxx  ~~r.~~ **q.** **Manual Load Dropping**. xxx  ~~s.~~ **r.** **Market Management System (MMS).** xxx  ~~t.~~ **~~Maximum available capacity.~~** ~~Equal to the registered maximum capacity (Pmax) of the (aggregate) unit less forced unit outages, scheduled unit outages, de-rated capacity due to technical constraints and weather disturbance that cause damage to the unit or that would otherwise limit its ability to inject power to the grid. For co-generation systems, the maximum available capacity is further determined by taking into account the equivalent power of the thermal energy extraction by the energy host and technical constraints.~~  ~~u.~~ **s.** **MMS-Market Participant Interface (MPI).** xxx  ~~v.~~ **t.** **Multiple Outage Contingency.** xxx  ~~w.~~ **u.** **Normal State**. xxx  ~~x.~~ **v.** **Offer.** xxx  ~~y.~~ **w.** **Operating margin. x**xx  ~~z.~~ **x.** **Preferential Dispatch Units.** xxx  ~~aa.~~ **y.** **Real-Time Data.** xxx  ~~bb.~~ **z.** **Real-Time Dispatch.** xxx  ~~cc.~~ **aa.** **Red Alert.** xxx  ~~dd.~~ **bb.** **Regulating Reserve.** xxx  ~~ee.~~ **cc.** **Security.** xxx  ~~ff.~~ **dd.** **Self-scheduled nomination.** xxx  ~~gg.~~ **ee.** **Shutdown.** xxx  ~~hh.~~ **ff.** **Stability**. xxx  ~~ii.~~ **gg.** **Start-up.** The synchronization of a *generating unit* to the *grid* from its *outage* state (closing of *generator* **circuit** breakers).  ~~jj.~~ **hh.** **System Integrity Protection Scheme (SIPS).** xxx  ~~kk.~~ **ii.** **System Operator System Advisories.** xxx  ~~ll.~~ **~~Technical Constraint~~**~~. Refers to plant equipment-related failure, limitations encountered during~~ *~~start-up~~*~~/~~*~~shutdown~~* ~~procedure, effects of ambient temperature and resource-related~~ *~~constraints~~* ~~due to the following: (a) water elevation and diversion requirements for domestic or irrigation use for hydro plants; (b) steam quality (chemical composition, condensable and non-condensable gases, steam pressure and temperature) for geothermal plants; (c) unavailability of fuel resources that are not within the control of the~~ *~~Generation Company~~* ~~for biomass power plants; and (d) steam flow limitations, station~~ *~~load~~*~~, and electricity demand of its~~ *~~energy~~* ~~host, in the case of the co-generation systems.~~  ~~mm.~~ **jj.** **Voltage Control.** xxx  ~~nn.~~ **kk.** **Voltage Instability.** xxx  ~~oo.~~ **ll.** **Voltage Sag.** xxx | | * The definitions for the term “availability”, “maximum available capacity”, and “technical constraints”, as revised, are transferred to the WESM Rules. * Re-numbering. * To use the technical and more accurate term for “generator breaker”. |  |  |
| BIDS, OFFERS AND DATA SUBMISSION AND PROCESSING | | 6.1.8 | | *WESM Rules* Clause 3.5.11.5 requires *Trading Participants* to revise their bids or offers if they no longer represent a reasonable estimate of either the expected *availability* for the *dispatch interval* of the relevant *generating unit* or *scheduled load* or *bids* or *offers* likely to apply in the *real-time dispatch* optimization for the *dispatch interval*. | *WESM Rules* Clause 3.5.11.5 requires *Trading Participants* to revise their bids or offers if they no longer represent a reasonable estimate of either the ~~expected~~ *~~availability~~* ***status*****(e.g., *generator* circuit breaker status*, outage*)**for the *dispatch interval* of the relevant *generating unit****,* the capacity that can be attained taking into account the *ramp rate* limitations of the *generating unit* during the relevant *dispatch interval,*** or *scheduled load* or *bids* or *offers* likely to apply in the *real-time dispatch* optimization for the *dispatch interval*. | | * To require Trading Participants to revise their offers if it does not represent a reasonable estimate their “available capacity” within the WESM timetable. * To provide conditions in revising/updating offers. |  |  |
| BIDS, OFFERS AND DATA SUBMISSION AND PROCESSING  Background | | 6.1.9 | | Pursuant to WESM Rules Clause 3.5.11.6, Trading Participants that cancel their bids or offers, or submit bids or offers less than the registered capacity or maximum available capacity of their facility or generating unit are required to provide information on the reasons or circumstances of such cancellation or submission. | Pursuant to *WESM Rules* Clause 3.5.11.6, *Trading Participants* that cancel their *bids* or *offers*, or submit *bids* or *offers* less than the ~~registered capacity~~ ***maximum stable load (Pmax)*** or *~~maximum~~ available capacity* of their *facility* or *generating unit* are required to provide ~~information on the~~ **justifiable** reasons or circumstances of such cancellation or submission. | | * To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. * To be consistent with WESM Rules Clauses 3.5.5.1 (as amended) and 3.5.11.6. |  |  |
| BIDS, OFFERS AND DATA SUBMISSION AND PROCESSING  Format and Contents of Submissions | | 6.9.2 | | *Trading Participants* shall provide the following information when submitting *market offers:*  a. May include up to ten (10) *market offer* blocks per (aggregate) unit. The maximum combined capacity of *generation* and *reserve offers* must not be less than the *maximum available capacity* of the *generator;*  xxx | *Trading Participants* shall provide the following information when submitting *market offers:*  a. May include up to ten (10) *market offer* blocks per (aggregate) unit. The maximum combined capacity of *generation* and *reserve offers* must not be less than the *~~maximum~~ available capacity* of the *generator;*  xxx | | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |
| BIDS, OFFERS AND DATA SUBMISSION AND PROCESSING  Format and Contents of Submissions | | 6.9.3 | | *Trading Participants* shall provide the following information when submitting *battery energy storage system offers:*  a. May include up to ten (10) *energy offer* blocks per (aggregate) unit. The maximum combined capacity of *generation* and *reserve offers* must not be less than the *maximum available capacity* of the *generator*;  xxx | *Trading Participants* shall provide the following information when submitting *battery energy storage system offers:*  a. May include up to ten (10) *energy offer* blocks per (aggregate) unit. The maximum combined capacity of *generation* and *reserve offers* must not be less than the *~~maximum~~ available capacity* of the *generator*;  xxx | | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |
| BIDS, OFFERS AND DATA SUBMISSION AND PROCESSING Revisions of Self-scheduled Nominations, Bids and Offers Based on Reasonable Estimates | | 6.13 | | *Trading Participants* shall revise their *self-scheduled nominations,* *bids,* or *offers*, if the *self-scheduled nominations,* *bids or offers* submitted no longer represent a reasonable estimate of either the following:  1. The expected *availability* for the *dispatch interval* of the relevant *generating unit* or *scheduled load*; or 2. The *loading level, projected output*, *bid* or *offer* likely to apply in the *real-time dispatch* optimization for the *dispatch interval*. | *Trading Participants* shall revise their *self-scheduled nominations,* *bids,* or *offers*, if the *self-scheduled nominations,* *bids or offers* submitted no longer represent a reasonable estimate of either the following: a. The ~~expected~~ *~~availability~~* ***status* (e.g., generator circuit breaker status*, outage*)**for the *dispatch interval* of the relevant *generating unit* or *scheduled load*; or  **b. the capacity that can be attained taking into account the *ramp rate* limitations of the *generating unit* during the relevant *dispatch interval*; or**  ~~b.~~ **c.** The *loading level, projected output*, *bid* or *offer* likely to apply in the *real-time dispatch* optimization for the *dispatch interval*.  egiste | | * To include the conditions in revising offers and cite samples. * To harmonize with the proposed amendment in WESM Rules Clause 3.5.11.5. |  |  |
| MONITORING THE EFFECTIVE PROVISION OF ANCILLARY SERVICES  Measuring REF based on Accuracy | | 21.4.2.1 | | The REF for a *Regulating Reserve* facility on GCM with respect to its accuracy shall be based on its static gain. The static gain shall be computed as such: xxx  Where:  xxx  *Capacity of the Generating Uniti*  refers to the *maximum available capacity* of the *reserve facility* at *dispatch interval* i  xxx | The REF for a *Regulating Reserve* facility on GCM with respect to its accuracy shall be based on its static gain. The static gain shall be computed as such: xxx  Where:  xxx  *Capacity of the Generating Uniti*  refers to the *~~maximum~~ available capacity* of the *reserve facility* at *dispatch interval* i xxx | | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |

| **WESM Manual on Registration, Suspension and De-registration Criteria and Procedures** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Title** | **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comments/Proposed Revisions** | **Rationale** |
| Modelling of Generating Unit’s Availability | 2.5.4.7 | Upon registration, *Trading Participants* shall specify if the availability of its *generating unit* shall be based on the real-time status of its generator breaker, or on the availability of its *market offers*. | Upon registration, *Trading Participants* shall specify if the availability of its *generating unit* shall be based on the real-time status of its generator **circuit**breaker, or on the availability of its *market offers*. | To use the technical and more accurate term for “generator breaker”. |  |  |

| **WESM Manual on Market Network Model Development and Maintenance – Criteria and Procedures** | | | | |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Title** | **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comments/Proposed Revisions** | **Rationale** |
| SYSTEM OPERATOR AND TRADING PARTICIPANTS | 3.2.2 | The *System Operator* and the *Generation Companies* shall ensure that their facilities for real-time monitoring are available and that they accurately reflect the state of their generation (i.e., MW/MVAR output and generator breaker status). | The *System Operator* and the *Generation Companies* shall ensure that their facilities for real-time monitoring are available and that they accurately reflect the state of their generation (i.e., MW/MVAR output and generator **circuit** breaker *status*). | To use the technical and more accurate term for “generator breaker”. |  |  |
| GENERATOR MARKET RESOURCE | 6.5.3 | During the registration of the generator resource, *Trading Participants* shall specify if its availability shall be based on the real-time status of its generator breaker, or on the availability of its *market offers*. | During the registration of the generator resource, *Trading Participants* shall specify if its availability shall be based on the real-time status of its generator **circuit** breaker, or on the availability of its *market offers*. | To use the technical and more accurate term for “generator breaker”. |  |  |

| **WESM Manual on Price Determination Methodology** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Title** | **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comments/Proposed Revisions** | **Rationale** |
| INTRODUCTION  Purpose | 1.2 | The price determination methodology and *settlement* formula in this *Market Manual* shall ensure that the following market design principles and characteristics of the *WESM* are achieved:    a. Gross pool, where each *Scheduled Generation Company* offers its *maximum available capacity*, *Non-Scheduled Generation Company* submits a standing nomination of *loading levels*, and *Generation Company,* with *must dispatch generating units* and *priority dispatch generating units,* submits projected outputs, for central scheduling and *dispatch* to ensure *system security* and a level playing field among *generators*;  xxx | The price determination methodology and *settlement* formula in this *Market Manual* shall ensure that the following market design principles and characteristics of the *WESM* are achieved:    a. Gross pool, where each *Scheduled Generation Company* offers its *~~maximum~~ available capacity*, *Non-Scheduled Generation Company* submits a standing nomination of *loading levels*, and *Generation Company,* with *must dispatch generating units* and *priority dispatch generating units,* submits projected outputs, for central scheduling and *dispatch* to ensure *system security* and a level playing field among *generators*;  xxx | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |

| **WESM Manual on Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserves** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Title** | **Section** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comments/Proposed Revisions** | **Rationale** |
| CENTRAL SCHEDULING OF RESERVE CAPACITIES | 4.4.2 | *Trading Participants* shall submit their *maximum available capacity* to the *WESM*, inclusive of *reserve offers* based on the approved day-ahead ancillary schedule. | *Trading Participants* shall submit their *~~maximum~~ available capacity* to the *WESM*, inclusive of *reserve offers* based on the approved day-ahead ancillary schedule. | To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |
| SUBMISSION OF GENERATION AND RESERVE OFFERS FOR THE REAL-TIME DISPATCH (RTD) | 4.5.1 | All *Trading Participants* shall submit *generation offers* that represent their maximum available capacity pursuant to the provisions of *WESM Rules* Clause 3.5.5.2. | All *Trading Participants* shall submit *generation offers* that represent their ~~maximum~~ *available capacity* pursuant to the provisions of *WESM Rules* Clause 3.5.5.2. |  |  |

| **WESM Penalty Manual** | | | | | |
| --- | --- | --- | --- | --- | --- |
| **Title** | **Original Provision** | **Proposed Amendment** | **Rationale** | **Comments/Proposed Revisions** | **Rationale** |
| SCHEDULE OF BREACH AND PENALTIES  NO. 1 COLUMN  BREACH | Failure of generation company to submit valid generation and/or reserve offers, or failure to submit valid generation and/or reserve offers that is equivalent to the registered maximum available capacity of their generating units at any dispatch interval;  xxx xxx xxx  The obligation is to submit offers equivalent to maximum available capacity, as defined in the WESM Rules. For purposes of determining breach, the constraints considered in determining maximum available capacity are considered as exempting circumstances. | Failure of generation company to submit valid generation and/or reserve offers, or failure to submit valid generation and/or reserve offers that is equivalent to the ~~registered~~ maximum **stable load (Pmax)** or ~~maximum~~ available capacity of their generating  units at any dispatch interval;  xxx xxx xxx  The obligation is to submit offers equivalent to ~~maximum~~ available capacity, as defined in the WESM ~~Dispatch Protocol~~ **Rules**. For purposes of determining breach, the constraints considered in determining maximum available capacity are considered as exempting circumstances. | To oblige Generation Companies to: (1) Consider the “possible constraints”, as described in the proposed definition of available capacity, in submitting a standing market offer; and (2) to submit offers equivalent to the required capacity.  To reflect global change of the term “maximum available capacity” to “available capacity” for clarity and for distinction from the same term found in the Philippine Grid Code. |  |  |