**Proposed General Amendments to the WESM Rules and FAS Manual on Matters Relating to Enforcement Proceedings and Actions**

| 1. **WESM Rules**
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| **Title** | **Clause** | **Original Provision** | **Proposed Amendments** | **Rationale** | **Comments/****Proposed Revision** | **Rationale** |
| GenerationOffers andData | 3.5.5.10 | A *Trading Participant* who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 in respect of *projected outputs* for a *must dispatch generating unit* submitted under Clause 3.5.5.5 may be liable for sanctions imposed under Clause 7.2. | A *Trading Participant* who fails to meet the requisite forecast accuracy standards set out in accordance with Clause 3.5.5.8 **based on an annual assessment and results** ~~in respect of~~ *~~projected outputs~~* ~~for a~~ *~~must dispatch generating unit~~* ~~submitted under Clause 3.5.5.5 may~~ **shall** be liable for sanctions imposed under Clause 7.2 **and the *WESM Penalty Manual****.* | * For clarity. ECO monitors monthly and annually. Only the failed **annual** rating shall be subject to sanctions.
* Deleted part – redundant; it is already stated in the referred clause 3.5.5.8
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| GenerationOffers andData | 3.5.5.11 | The *Enforcement and Compliance Office* shall report to the *PEM Board* and the *DOE* the monthly and annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to its *projected outputs*. | The *Enforcement and Compliance Office* shall report to the *PEM Board****, the Compliance Committee,*** and the *DOE* the monthly and annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to its *projected outputs*. | To include CC to whom ECO reports as part of the Committee’s oversight functions. |  |  |
| Generation Offers and Data | 3.5.5.12 | The *Market Operator* shall report to the *PEM Board* and the *DOE* the monthly and annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to its *projected outputs.* | ~~The~~ *~~Market Operator~~* ~~shall~~ ~~report to the~~ *~~PEM Board~~* ~~and the~~ *~~DOE~~* ~~the monthly and annual~~ ~~compliance of each~~ *~~must~~ ~~dispatch generating unit~~* ~~to the~~ ~~forecast accuracy standards~~ ~~with respect to its~~ *~~projected outputs.~~* | Redundant provision. Under Clause 3.5.5.11, ECO shall perform this task. |  |  |
| Exemption | 7.2.10 | All *WESM Member* shall be exempted from an investigation and imposition of sanctions for probable *breach* that are committed –1. Within the first one (1) month of membership in the *WESM* by said *WESM Member;* or
2. Within the first one (1) month of the issuance of a new provision of the *WESM Rules* or a new *Market Manual*, or an amendment thereto, with respect to such new provisions, *Market Manual* or amendment, if non-compliance with the same amounts to a *breach.*

Notwithstanding, the *DOE* may issue a longer exemption period as it may deem necessary, to ensure the readiness of the *WESM Members* and in the implementation of a new policy or program that directly impacts the enforcement of the *WESM Rules* and its *Market Manuals*. For this purpose, the *DOE* shall issue an advisory to the *Governance Arm* providing such details of exemption as necessary. | **Unless otherwise provided in the relevant *Market Manual*,** ~~A~~**a**ll *WESM Member****s*** shall be exempted from an investigation and imposition of sanctions for probable *breach* that are committed –1. Within the first one (1) month of membership in the *WESM* by said *WESM Member;* or
2. Within the first one (1) month of the issuance of a new provision of the *WESM Rules* or a new *Market Manual*, or an amendment thereto, with respect to such new provisions, *Market Manual* or amendment, if non-compliance with the same amounts to a *breach****;* or**
3. **Within the period prescribed in other Market Manual.**

Notwithstanding, the *DOE* may issue a longer exemption period as it may deem necessary, to ensure the readiness of the *WESM Members* and in the implementation of a new policy or program that directly impacts the enforcement of the *WESM Rules* and its *Market Manuals*. For this purpose, the *DOE* shall issue an advisory to the *Governance Arm* providing such details of exemption as necessary. | * To allow flexibility in setting a different exemption period when the Market Manual provides for a more practicable provision or consideration.

Note: Please s*ee* related proposal under FAS Manual Section 4.6.2 [b], where exemption is provided if the plant is in operation for 3 months or less prior to the end of the covered monitoring year.To include the other prescribed period from other market manuals. In this case, under the FAS Manual. |  |  |
| Chapter 11 GLOSSARY |  | Must Dispatch Generating Unit. A *Generating Unit* or *Generating System* so designated by the *Market Operator* under Clause 2.3.1.5 and is provided *Must Dispatch.* | Must Dispatch Generating Unit. A *Generating Unit* or *Generating System* ~~so~~ ~~designated by the~~ *~~Market~~ ~~Operator~~* **certified by the DOE as must dispatch generating unit** under Clause 2.3.1.5 and is ~~provided~~ *~~Must Dispatch~~* **registered as such in the WESM by the *Market Operator****.* | Use of more appropriate terms.Section 2.3.1.5 speaks of certification by the DOE rather than designation by the Market Operator. |  |  |

| 1. **WESM Manual on Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units (FAS Manual)**
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| **Title** | **Clause** | **Original Provision** | **Proposed Amendments** | **Rationale** | **Comments/****Proposed Revision** | **Rationale** |
| SECTION 1 INTRODUCTION1.1. Background | – | [NEW] | **1.1.3 A *Generation Company* that has secured a Final Certificate of Approval to Connect for completing the conduct of *test and commissioning* but with pending issuance of Certificate of Compliance from the ERC for its *must dispatch generating unit* shall comply with the *forecast accuracy standards* in respect of its *projected outputs.[[1]](#footnote-2)*** | To reflect the provisions of DOE DC 2022-05-0015 as regards the obligation of must dispatch generating units (MDGUs) to comply with forecast accuracy standards |  |  |
| SECTION 1 INTRODUCTION1.1. Background | – | [NEW] | **1.1.4 A *Generation Company* that has an *expansion unit* shall likewise comply with the forecast accuracy standards following the parameters set forth in Section 4.2.8 of this Manual.** | To consider the monitoring of a MDGU with expansion unit, i.e., facility with same plant substation and revenue meter; and to comply with the requirements under DOE No. DC2022-05-0015[[2]](#footnote-3) |  |  |
| SECTION 1INTRODUCTION1.1. Background | 1.1.3 | A *Trading Participant* who fails to meet the requisite forecast accuracy standards in respect of *projected outputs* for a must *dispatch generating unit* may be liable for sanctions imposed under Clause 7.2 of the *WESM Rules.* | ~~1.1.3~~ **1.1.5** A Trading Participant **referred to in Sections 1.1.2, 1.1.3, and 1.1.4 hereof**, ~~who~~ **which** fails to meet the requisite forecast accuracy standards ~~in respect of~~ *~~projected outputs~~* ~~for a~~ *~~must dispatch generating unit~~* ~~may~~ **based on an annual assessment and results, shall** be liable for sanctions imposed under Clause 7.2 of the WESM Rules and the WESM Penalty Manual. | * Renumbered to **1.1.5** with modifications for clarity. MDGUs with FCATC are already liable for sanctions in case of violations / breach of FAS.
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| SECTION 1 – INTRODUCTION1.1. Background | 1.1.4 | Moreover, the *Enforcement and Compliance Office* is required by the *WESM Rules* report to the *PEM Board* and the *DOE* the annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to its *projected outputs.* | ~~1.1.4~~ **1.1.6** Moreover, the *Enforcement and Compliance Office* is required by the *WESM Rules* **to** report to the *PEM Board***, the *Compliance Committee*,** and the *DOE* the annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to its projected outputs. | * Renumbered to

**1.1.6*** To include CC’s oversight functions similar to proposed amendments to WESM Rules Clause 3.5.5.11
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| SECTION 2DEFINITIONS, REFERENCES, AND INTERPRETATION2.1 Definitions | 2.1.2 | (new) | **a) Expansion Unit. It shall refer to the expanded capacity of a must-dispatch generating unit or that built in phases and is designed to have the same plant substation and revenue meter as the existing capacity unit.** | * To clarify the term used to describe the expanded unit in the assessment of the FAS compliance of the MDGUs.
 |  |  |
| SECTION 2DEFINITIONS, REFERENCES, AND INTERPRETATION2.1 Definitions | 2.1.2 | (new) | **b) Forecast Accuracy Standards Report. Reports which are prepared and issued by the *Enforcement and Compliance Office*, as prescribed in Section 4.4 of this Manual.** | * For reference to the type/s of report that ECO needs to prepare/issue in compliance with FAS Manual.
 |  |  |
| SECTION 2DEFINITIONS, REFERENCES, AND INTERPRETATION2.1 Definitions | 2.1.2 | a) Forecast percentage error. Error (in %) of the *projected output* submitted by a *must dispatch generating unit* with respect to its maximum *metered quantity* over a *billing period* as dependable capacity and calculated in accordance with Section 4.2.3. | ~~a)~~ **c)** Forecast percentage error **(FPE)**. Error (in %) of the *projected output* submitted by a *must dispatch generating unit* with respect to its maximum *metered quantity* over a *billing period* as dependable capacity and calculated in accordance with Section 4.2.3. | * Renumbered to **c** and included the abbreviation
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|  | 2.1.2 | b) Initial loading. Loading (in MW) for the beginning of the *dispatch interval* assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that *dispatch interval.* | ~~b)~~ **d)** Initial loading. Loading (in MW) for the beginning of the *dispatch interval* assumed in, or estimated by, the dispatch optimization performed prior to the beginning of that *dispatch interval.* | Renumbered to **d*** Note: The RCC decided to retain the original provision considering it is still applicable.
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|  | 2.1.2 | c) MAPE. Abbreviation of *mean absolute percentage error.* | ~~c) MAPE. x x x~~ | Deleted since abbreviation is proposed to be included in the spelled out MAPE |  |  |
|  | 2.1.2 | d) Mean absolute percentage error. Mean of the *forecast percentage errors* of a *must dispatch generating unit* over a certain period calculated in accordance with Section 4.2.1. | ~~d)~~ **e)** Mean **~~a~~A**bsolute **~~p~~P**ercentage **~~e~~Error (MAPE).** x x x | * Renumbered to **e)** and clerical correction. Included the abbreviation
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|  | 2.1.2 | e) Must dispatch generating unit. A g*enerating unit* so designated by the *Market Operator* under clause 2.3.1.5 of the *WESM Rules* and is provided *Must Dispatch*. For brevity and when the context applies, this also refers to a *generation company* that operates a *must dispatch generating unit* in this *Market Manual*. | ~~e) Must dispatch generating~~ ~~unit. A g~~*~~enerating unit~~* ~~so~~ ~~designated by the~~ *~~Market~~ ~~Operator~~* ~~under clause 2.3.1.5~~ ~~of the~~ *~~WESM Rules~~* ~~and is~~ ~~provided~~ *~~Must Dispatch~~*~~. For~~ ~~brevity and when the context~~ ~~applies, this also refers to a~~ *~~generation company~~* ~~that~~ ~~operates a~~ *~~must dispatch~~ ~~generating unit~~* ~~in this~~ *~~Market Manual~~*~~.~~ | Deleted since this is already defined in WESM Rules |  |  |
|  | 2.1.2 | f) PERC95. Abbreviation of *percentile 95 of the forecasting error.* | ~~f) PERC95~~**~~.~~** ~~Abbreviation of~~ *~~percentile 95 of the~~ ~~forecasting error.~~* | Deleted since abbreviation is proposed to be included in the spelled out PERC95 |  |  |
|  | 2.1.2 | g) Percentile 95 of the forecasting error. The value (in %) not exceeding 95% of the *forecast percentage errors* of the *must dispatch generating unit* during a certain period (see Section 6, Appendix A of this Manual). | ~~g)~~ **f)** Percentile 95 of the forecasting error **(PERC95).** ~~The value (in %) not exceeding 95% of the~~ *~~forecast percentage errors~~* ~~of the~~ *~~must~~ ~~dispatch generating unit~~* ~~during a certain period (see~~ ~~Section 6, Appendix A of this~~ ~~Manual).~~ **It shall mean that 95% of all the *FPEs* during the period should not exceed the standard set forth in Section 4.1.1 of this Manual.** | * Provide clarity on the definition of PERC95
* Included the abbreviation
* Renumbered to **f**
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|  | 2.1.2 | h) Projected quantity. Estimated *generation* of a *must dispatch generating unit* over a *dispatch interval* based on its submitted *projected output* assuming linear ramping calculated in accordance with Section 4.2.4. | ~~h)~~ **g)** Projected quantity. x x x | Renumbered to **g** |  |  |
|  | 2.1.2 | i) Transition Period. The period specified by the *DOE* wherein the provisions under Section 4.5 shall apply. | ~~i)~~ **h)** Transition Period. The period ~~specified by the~~ *~~DOE~~* ~~wherein the provisions under~~ ~~4.5 shall apply~~ **referred to in Section 4.5 of this Manual.** | * Provide for the specific duration of transition for clarity.

Section 4.5 – 6 months from implementation of the EWDO.* Renumbered to **h**
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| SECTION 3 – RESPONSIBILITIES3.1 Enforcement and Compliance Office | 3.1.1 | The *Enforcement and Compliance Office* shall evaluate annually the compliance of each *must dispatch generating unit* to the forecast accuracy standards in this *Market Manual* | The *Enforcement and Compliance Office* shall **assess,** evaluate ~~annually~~ **and issue** the **cumulative results of *MAPE* and *PERC95* to** ~~compliance of~~ each *must dispatch generating unit* ~~to the forecast~~ ~~accuracy standards~~ ~~in this~~ *~~Market Manual~~*~~.~~ **on a monthly and annual basis in accordance with the procedures set forth in Section 4.4 hereof.****The *Enforcement and Compliance Office* shall, for this purpose, establish a detailed process or procedure of compliance monitoring and assessment and prescribe a reply format or template that may be accomplished by the *Generation Company* as part of the monitoring process.** | * For consistency with Section 4.4.2 (renumbered to 4.4.5) of this Manual -requiring monthly reporting; and Section 4.4.1 (renumbered to 4.4.6) -requiring annual reporting
* 2nd paragraph – to integrate current process as would allow ECO to efficiently gather adequate data, information, or evidence from the trading participants.
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|  | 3.1.2 | The *Enforcement and Compliance Office* shall report to the *PEM Board* and the *DOE* its evaluation on the annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to each *must dispatch generating unit’s* projected *outputs* | The *Enforcement and Compliance Office* shall report to the *PEM Board,* **the *Compliance Committee,*** and the *DOE* its evaluation on the annual compliance of each *must dispatch generating unit* to the forecast accuracy standards **as set forth in Section 4.4.6 of this Manual**. ~~with respect to each~~ *~~must~~ ~~dispatch generating unit’s~~* ~~projected~~ *~~outputs~~* | * Included Compliance Committee in view of its oversight functions.
* Reference to Section 4.4.6, as renumbered (previously Section 4.4.1)
 |  |  |
| 3.4 Generation Companies |  | [NEW] | **3.4.3 *Generation companies* shall coordinate with the *Enforcement and Compliance Office* for matters, data, or information necessary to establish, validate, and verify the incidents or circumstances referred to in Section 4.3, and such other matters, data, or information relative to the calculation of *MAPE* and *PERC95.*** | * To integrate the current process; to ensure that all the data/ information used in the calculation of FAS results are verified/ validated. This requires active participation of the trading participants.
* Provision supports the process requirement in the validation and verification in the recalculation of MAPE and Per95 in Section 4.3.
 |  |  |
| 3.5 Market Operator |  | [NEW] | **3.5.2 The *Market Operator* shall provide to the *Enforcement and Compliance Office* all the market data and information, including the SO-validated individual and aggregated forecast data, necessary for the calculation of *MAPE* and *PERC95* and for verification or validation of data, when necessary.** | * To integrate the current practice. All market data used in the calculation of FAS by ECO are obtained from IEMOP.
* The inclusion of SO- validated individual aggregated forecasts may be helpful in the validation/ verification process.

Note/s: This is also to ensure that the SO-validated individual forecasts returned to the MDGU day- ahead are considered in the latter’s projected output submission for RTD. This also ensures that the MDGUs’ submissions to the MO does not significantly deviate from the aggregated VRE forecast generation unless there are valid circumstances. |  |  |
| SECTION 4 – FORECAST ACCURACY STANDARDS AND PROCEDURES |  |  | SECTION 4 – FORECAST ACCURACY STANDARDS, ~~AND~~ PROCEDURES**, AND SANCTIONS** | To align the title with the additional proposed sub- section on sanctions (Section 4.6) |  |  |
| **4.1 Standards** | 4.1.2 | The *MAPE* and *PERC95* of each *must dispatch generating unit* shall be calculated over the period starting on the 26th of December of a year and ending on the 25th of December of the succeeding year. | The *MAPE* and *PERC95* of each *must dispatch generating unit* shall be calculated **every *billing period* in cumulative results and shall be reported to each *Generation Company* within the timeline prescribed in Section 4.4 hereof. Subject to the provisions of Section 4.6 of this Manual, ~~T~~the annual cumulative results covering** ~~over~~ the period ~~starting on the~~ 26th of December of a year and ending on the 25th of December of the succeeding year **shall be determined with finality by the *Enforcement and Compliance Office* within the period prescribed in Section 4.4.6 of this Manual** | To integrate the current procedure (due process requirement):Monthly FASR is issued to afford the Generation Companies the opportunity to see the results, provide relevant data as basis for recalculation, if any, and be able to catch up by improving its performance in the succeeding months. |  |  |
|  | 4.1.3 | Subject to Section 4.5 of this *Market Manual*, *must dispatch generating units* who fail to meet the requisite forecast accuracy standards set out in Section 4.1.1 of this *Market Manual* may be liable for sanctions imposed under Clause 7.2 of the *WESM Rules,* and in accordance with the *WESM Penalty Manual*. | Subject to Section**s** 4.5 **and 4.6** of this *Market Manual*, **the *Generation Companies*** of the must dispatch generating units ~~who~~ **which** fail to meet the requisite forecast accuracy standards **based on the annual Forecast Accuracy Standards Report shall be considered in breach of** ~~set~~ ~~out in~~ Section 4.1.1 of this *Market Manual* **and** ~~may~~ **shall** be liable for sanctions imposed under Clause 7.2 of the *WESM Rules*, and in accordance with the *WESM Penalty Manual.* | For clarity – only the breach based on annual (final) FAS results shall be subject to sanctions per WESM Penalty Manual. |  |  |
| 4.2 Calculations | 4.2.6 | A one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output. | A one hundred (100) percent FPE shall be imposed to a must dispatch generating unit for non-submission of projected output. **The non-submission of projected output referred to in this section shall exclude submission of zero (0) MW nomination or cancellation of nomination based on the zero projection or load profile of the *must dispatch generating unit.*** | To distinguish active nomination of zero (0) MW or cancellation of nomination due to unavailability of the plant, from the non- submission at all. |  |  |
| 4.2 Calculations |  | [NEW] | **4.2.8 For generating plants with *expansion unit* that is either on test and commissioning or in actual operation, as may be allowed by the rules, but is awaiting the issuance of the *Certificate of Compliance* or the Provisional Authority to Operate, the calculation set forth in Appendix B of this Manual shall apply.** | * To address changes and possible constraints in the nominations, meter readings of the existing unit, and additional unit while the latter is on test and commissioning stage or before the commercial operation registration.
* The FPE Computation for MDGU with Expansion Unit is proposed to be added as Appendix in lieu of the enumerations in the PEM Board- approved Urgent Amendments. Said Appendix is based on the Annex C of WESM Compliance Bulletin 16.1.[[3]](#footnote-4)
 |  |  |
| 4.3 Exclusions |  | 4.3 Exclusions | 4.3 Exclusions **and Other Basis for Recalculation** | Align the title with the additional provisions under this Sub-section |  |  |
|  |  | [NEW] | **4.3.2 Any variance in the market data used in the calculation of *MAPE* and/or *PERC95* that may be discovered during the monitoring and assessment must be properly addressed, validated, and verified within the prescribed timeline. The *Generation Company* shall provide adequate supporting documents to substantiate any claim of data variance. Only those data that have been proven and verified to be inaccurate, inconsistent, or erroneous shall be Considered in the recalculation of the results.** | * To address the recurring problem on data inconsistency, non- updating, or variance.

Provides basis for the process requirements from Generation Companies. |  |  |
| 4.4. Monitoring, Reporting, and Review |  | [NEW] | **4.4.1The *Enforcement and Compliance Office* shall monitor the compliance of the *Generation Company* of each *must dispatch generating unit,* calculate the MAPE and PERC95 and issue the Preliminary *Forecast Accuracy Standards Reports* including the data used in the calculation within 30 business days from the end of the calendar month of the covered monitoring period. For instance, the Preliminary *Forecast Accuracy Standards Report* for September billing period shall be issued not later than 30 October.** | To provide general provision on monitoring and issuance of preliminary results to the trading participants. |  |  |
|  |  | [NEW] | **4.4.2 The *Generation Company* shall provide a reply or confirmation of the MAPE and PERC95 results, as the case may be, to the *Enforcement and Compliance Office* within fifteen (15) *business days* from receipt of the Preliminary *Forecast Accuracy Standards Report*. If any of the circumstances fall within the exclusions and data variance under Section 4.3 of this *Market Manual,* the *Generation Company* shall likewise provide and submit the documents or proof thereof as basis for recalculation of the results.** | * To afford the participants the opportunity to check the results and provide adequate basis for recalculation of the results, as may be allowed under Section 4.3 of the Manual

Provision supports the process requirement in the validation and verification in the recalculation of MAPE and Per95 in Section 4.3. |  |  |
|  |  | [NEW] | **4.4.3 The *Enforcement and Compliance Office* shall assess, validate, and verify the responses and documents submitted by the *Generation Company*. It may also consult the *Market Operator,* the S*ystem Operator,* or the *Metering Service Provider*, as necessary, to ascertain the truthfulness of the claim or allegations of the *Generation Company.* The *Enforcement and Compliance Office* shall perform the recalculation, as may be appropriate.** | To ensure that there is adequate basis for recalculation. |  |  |
|  |  | [NEW] | **4.4.4 The *Enforcement and Compliance Office* shall issue the Final *Forecast Accuracy Standards Report* within seventy (70) business days from the end of the calendar month of the covered monitoring period regardless of whether a reply or confirmation is submitted by the concerned *Generation Company* or whether a recalculation of the results was performed for a particular *must dispatch generating unit.***  | To issue the final monthly results after recalculation. The ECO is mandated to issue the Final monthly reports – with or without change from preliminary results as official reference for the monthly performance or compliance of the MDGU. |  |  |
|  | 4.4.2 | 4.4.2 The *Enforcement and Compliance Office* shall report to the *PEM Board* and the *DOE* the status of the compliance of each *must dispatch generating unit* to the *forecast accuracy standards* as of the most recent *Billing Period* with a *final statement* on a monthly basis. | ~~4.4.2~~ **4.4.5** The *Enforcement and Compliance Office* shall **submit a consolidated monthly** report to the *PEM Board***, *the Compliance Committee,*** and the *DOE* **containing** the status of the compliance of each *must dispatch generating unit* to the *forecast accuracy standards* as of the most recent *Billing Period* ~~with a~~ *~~final statement~~* ~~on a monthly basis~~ **based on the Final *Forecast Accuracy Standards Report* within the same timeline provided in Section 4.4.4 of this Manual.**. | * Re-arranged for coherence. Previously Section 4.4.2 with modification
* Renumbered to **4.4.5**
* Included Compliance Committee in view of its oversight functions.
 |  |  |
|  | 4.4.1 | 4.4.1 The *Enforcement and Compliance Office* shall report to the *PEM Board* and the *DOE* the annual compliance of each *must dispatch generating unit* to the forecast accuracy standards with respect to its *projected outputs* within two (2) calendar months after the end of the period specified in Section 4.1.2. | ~~4.4.1~~ **4.4.6** The *Enforcement and Compliance Office* shall **likewise submit an annual consolidated** report to the *PEM Board* **the *Compliance Committee*,** and the *DOE* ~~the~~ ~~annual compliance of each~~ *~~must dispatch generating unit~~* ~~to the forecast accuracy~~ ~~standards with respect to its~~ *~~projected outputs~~* ~~within two~~ ~~(2) calendar months after the~~ ~~end of the period specified in~~ ~~Section 4.1.2.~~ **on or before 31 March of the year following the covered monitoring period.** | * Re-arranged for coherence. Previously Section 4.4.1 with modification
* Renumbered to **4.4.6**
* Provide a more definitive period for compliance
* Proposed period based on the calculated period to process one whole year of data.
* Included Compliance Committee in view of its oversight functions.
 |  |  |
|  | 4.4.3 | 4.4.3 The *Market Operator* shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the *PEM Board* and the *DOE.* | ~~4.4.3~~ **4.4.7** The *Market Operator* **or the *Enforcement and Compliance Office,* in consultation with the System Operator,** shall review annually the forecast accuracy standards set in Section 4.1 and shall provide recommendation to the *PEM Board* and the *DOE.* | * Renumbered to **4.4.7**
* To include ECO, being the office in charge of the monitoring of FAS.
* To include the ECO as one of the parties responsible in reviewing the FAS annually in consultation with SO
 |  |  |
| 4.5 Transition Period | 4.5.1 | A *transition period* covering the period specified by the *DOE* shall be implemented. The sanction on the non-compliance with the forecast accuracy standards shall be implemented upon the commercial operation of the enhanced *WESM* design and operations. | A *transition period* **shall be six (6) months** ~~covering the~~ ~~period specified by the~~ *~~DOE~~* ~~shall be implemented. The sanction on the non- compliance with the forecast~~ ~~accuracy standards shall be~~ ~~implemented upon~~ **from** the commercial operation of the enhanced *WESM* design and operations **unless extended by the DOE through appropriate issuance.** | To reflect the current practice (as consulted with DOE – DOE will no longer issue formal issuance re: lifting of transition period; and the monitoring officially starts in January 2022 billing period).Given that the annual FAS rating is reckoned from 26 December of the year until 25 December of the succeeding year, the annual FAS rating could NOT be computed for 2021 as the EWDO commenced only on 26 June 2021 (or short of 6 months for annual rating).The annual FAS rating (Jan to Dec billing period) could be computed beginning January 2022 |  |  |
|  | 4.5.3 | Before the end of the *transition period*, the *Market Operator* shall submit to the *DOE* and other concerned government agencies a report on the compliance of *must dispatch generating units* to the forecast accuracy standards, and it shall inform the *must dispatch generating units* on their performance with respect to the forecast accuracy standards. | Before the end of the *transition period*, the *~~Market Operator~~* ***Enforcement and Compliance Office*** shall submit to the *DOE* and other Concerned government agencies a report on the compliance of *must dispatch generating units* to the forecast accuracy standards, and it shall inform the *must dispatch generating units* on their performance with respect to the forecast accuracy standards. | For consistency with Responsibilities of ECO under Section 3.1 of this Manual. |  |  |
|  |  | [NEW] | **4.6 PENALTIES AND SANCTIONS** | For clarity of the application of the penalty based on possible sets of circumstances. |  |  |
|  |  | [NEW] | **4.6.1 One *breach* is counted for each category of forecast accuracy standard that was not complied with based on the Annual *Forecast Accuracy Standards Report*. The breach of *MAPE* and *PERC95* shall be counted as separate breach even if they occur on the same period subject to penalty under Clause 7.2 of the *WESM Rules* and the relevant provisions of *WESM Penalty Manual.*** | To clarity the separate findings and separate penalty imposition for MAPE and PERC95 consistent with the provisions of the WESM Penalty Manual. |  |  |
|  |  | [NEW] | **4.6.2 The *Generation Company* with *must dispatch generating unit* that is in operation for less than a year and is found in breach of *MAPE* or *PERC95,* shall be:**1. **imposed a penalty in proportion to the number of months in operation during the covered monitoring year. For instance, the plant commenced operation on 26 March, the financial penalty to be imposed shall be in proportion to the nine (9) billing months over the twelve (12) month-period.**
2. **exempted from liability, if it commences operation within three (3) months prior to the end of the covered monitoring year.**

**A *must dispatch generating unit* shall be considered in operation, for purposes of this Section, upon commencement of its operation or participation in the *WESM* either by virtue of the Final Certificate of Approval to Connect or the commercial operation registration in the WESM, whichever is applicable.** | To consider situation where the duration of commercial operation is less than one year.For (a): duration of commercial operation within the year is 9 months and above. Proportionate penalty.For (b): duration is less 3 months or less. MDGUs which commenced operation in October, November, and December billing period – exempted. This is in consideration of the adjustments during the initial period of operation.Reckoning of operation: Issuance of FCATC (if plant opts to operate already) or commercial operation registration, as the case may be. |  |  |
| SECTION 5 – AMENDMENT, PUBLICATION, AND EFFECTIVITY5.3 Effectivity |  | [NEW] | **5.3.2 The amendments made herein and approved pursuant to the *Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals* shall have a retroactive effect from the beginning of the year that the said amendments are approved, unless the application thereof becomes inequitable and impracticable under the circumstances. For avoidance of doubt, the amended provisions that are given retroactive effect shall be indicated in the PEM Board resolution and/or DOE issuance approving or promulgating them.** | The final FAS results are cumulative in nature and are determined on annual basis. It would be impractical to have different sets of the governing rule in different months in one year. Thus, to always ensure uniformity and practicality in the application of the rules/provisions, the same should be applied for the whole year.For instance, the amendment is approved in July 2023, it shall be applied from January to December 2023 billing period.*“unless the application thereof becomes inequitable and impracticable under the circumstances”* –to consider the prospective application of the amendment in the event that it would become unjust or affect the vested rights of the generation company *(e.g. stricter rule).* |  |  |
| Section 6Appendices |  | [NEW] | **Appendix B**(see attached Annex B) | * Related to proposed Section 4.2.8
* The FPE Computation for MDGU with Expansion Unit is proposed to be added as Appendix based on the Annex C of WESM Compliance Bulletin 16.1.
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1. Section 4.4.5 of the DOE DC2022-05-0015 “Supplementing Department Circular No. DC2021-06-0013 on the Framework Governing Test and Commissioning of Generation Facilities for Ensuring Readiness to Deliver Energy to the Grid or Distribution Network” Published in June 2022 [↑](#footnote-ref-2)
2. To include the Must-Dispatch Generating Units (MDGUs) with Final Certificate of Approval to Connect (FCATC) in the coverage of FAS monitoring [↑](#footnote-ref-3)
3. https://[www.wesm.ph/market-governance/enforcement-and-compliance/eco-advisories/wesm-compliance-bulletin](http://www.wesm.ph/market-governance/enforcement-and-compliance/eco-advisories/wesm-compliance-bulletin) [↑](#footnote-ref-4)