

WESM MINDANAO

FOCUS GROUP DISCUSSION

Open Forum Highlights

Independent Electricity Market Operator of the Philippines

06 January 2023

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WESM Mindanao FGD

The following are the questions of the attendees and the corresponding answers from the Open Forum Panelists:

No.	QUESTION	ANSWER
REGISTRATION		
1	If we opt to register the NET capacity, what supporting document is required if such is not indicated in the COC/ERC Certificate?	You should request either updated Annex B (technical specifications attachment) or a separate certification from the ERC indicating the Pmax which is net of station use. With that, the facility will be registered at net capacity, and the dispatch monitoring as well as submission of offers should also be based on the net capacity.
PRICING AND SCHEDULING		
1	What will be transfer capacity of the MVIP?	According to NGCP-SO, for the initial testing of MVIP, the capacity will be at 225 MW. Once operational, the transfer capacity will be at 450 MW, which may be expanded up to 900MW. We will coordinate continuously with NGCP regarding its testing profile because it may have an impact on your offer strategies.
2	Based on the Enhanced WESM Design, maintaining a stable dispatch especially of baseload plants (Pmin) will have to be managed via the offer price. How is the scheduling of dispatch when the combined Pmin + RE will be higher than the demand?	The existing procedure in the Dispatch Protocol on managing excess generation will have to be followed. If there is an expected excess generator, there is a merit order of which generator should ramp-down first.
3	Just to confirm, is the Real-time Monitoring mentioned during the discussion the MW/MVAR dispatch monitoring of the plant going to NGCP's SCADA?	That is correct - and it should be consistent with what is registered in the WESM (either gross or net). The value that that is registered in IEMOP will be used in the dispatch conformance monitoring.
4	Will the co-optimization of Reserve and Energy be implemented in WESM Mindanao?	There will be no reserve market yet. Once WESM commercially operates in Mindanao, the Central Scheduling of Energy and Contracted Reserves will apply. Another advisory will be issued regarding this.
5	What will be the basis of Administered Price (AP)?	Based on the PDM, during the first month, the methodology will use the average contract rates per fuel type. Once

No.	QUESTION	ANSWER
		historical prices become available, the approved formula for AP formula will be used.
6	May we know if the gross MW signal is the only one required for real-time monitoring by NGCP SCADA or also the net MW in the absence of gross? Is this also a WESM requirement for dispatch monitoring?	In the WESM, we only have one reference point for real-time monitoring – either gross or net. For NGCP, it may be something that they require when you interface with them.
7	Considering that Mindanao is heavily contracted, and assuming that all offers are declared at zero (0) or negative prices to cover the bilateral obligations, how will WESM operate?	<p>The WESM will still operate based on the approved methodologies and procedures. Generators must still comply with the schedule provided by the WESM. Additionally, the participants are also expected to comply with any instructions from the SO since these will be guided by the prevailing market rules and procedures.</p> <p>If the market results to negative or zero prices, it will be binding for settlement. We expect participants to also react to these market situations.</p>
METERING AND SETTLEMENT		
1	Can Coal Plants in Mindanao be allowed to file additional compensation during secondary price cap?	<p>As a general rule, based on the PDM, only oil-based plants are entitled to file Additional Compensation during secondary price cap imposition. However, per ERC directive, coal, natural gas, and geothermal plants may also apply for this. This provision being applied in Luzon and Visayas will likewise be applied to Mindanao.</p> <p>For generators filing for additional compensation, kindly ensure timely submission of the supporting documents.</p>
2	We still have an issue viewing our daily Metered Quantity (MQ) in the CRSS, even though one of our revenue meters is already replaced (same specs as indicated in our MIRF).	Kindly send your concern along with supporting document to IEMOP metering group via tod.mr@iemop.ph for us to better assist you.
COMPLIANCE		
1	For instances wherein the dispatch based on our plant monitoring is compliant but based on the tagging in the CPMS, it was tagged as non-compliant, what are the	If tagged as non-compliant, and it was later found out that there is a discrepancy, participants must provide the description, reason, and supporting document for such. Possible reason of “data variance” that will not be accepted

No.	QUESTION	ANSWER
	possible reasons that ECO will not accept this reason as "Data Variance"?	<p>will depend if there is no supporting document like logbook reports, screenshot of the Dispatch Conformance Standard (DCS) reading, or any scanned copy of the file that you have.</p> <p>For data variances, it is highly encouraged that participants check the Compliance Monitoring (CMON) module in the MMS. If there are observed possible discrepancies (data variances), kindly call IEMOP's Real-time Operations team to mitigate possible non-compliances.</p>
2	Will there also be a 3-month relaxation period for the Forecast Accuracy Standards (FAS)?	There is no specific relaxation procedure in the Department Circular (DC) regarding the FAS. But since the FAS is computed on an annual basis, the application of the pro-rated penalty will apply if a plant has been in WESM commercial operations for less than a year. If plant's participation is 3 months or less, it will be exempted (<i>based on the proposed urgent amendments</i>).
3	Will negative prices be a basis for the DCS?	The Dispatch Conformance Standard will only be based on your schedule vs your actual dispatch.
OTHERS		
1	Are you going to issue new sets of MPI/CRSS Digital Certificates and user credentials?	The MMS and CRSS credentials were already provided. Should you require additional DC, please send an email request to our registration team.

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As market operator, IEMOP is bound to strictly comply with the EPIRA, its Implementing Rules and Regulations, the WESM Rules and other related issuances of the Department of Energy (DOE).