



WHOLESALE ELECTRICITY SPOT MARKET (WESM) MINDANAO READINESS ASSESSMENT

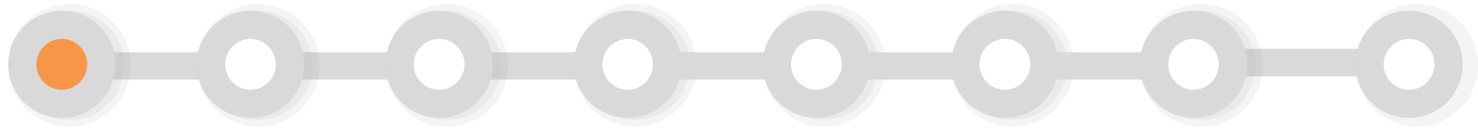
*30 October 2018
Butuan City*



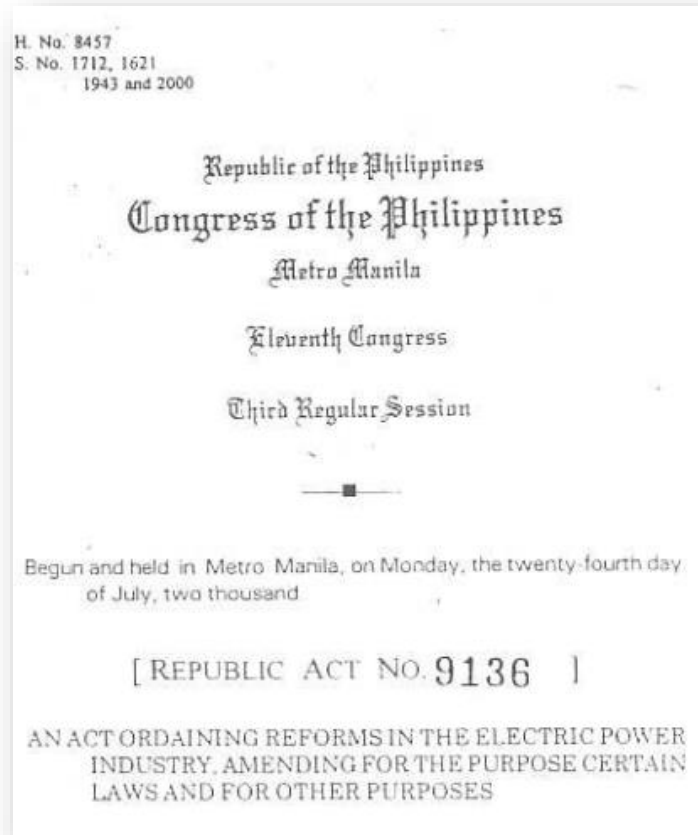
LOOKING BACK: MILESTONE EVENTS



LOOKING BACK: MILESTONE EVENTS



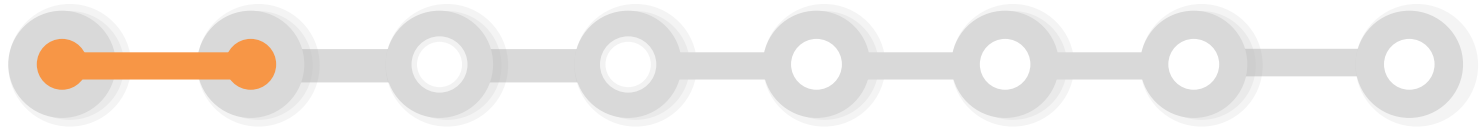
2001
Passage of
EPIRA



- The passage of the Electric Power Industry Reform Act of 2001 brought changes to the Philippine Electric Industry
- Among its salient features is the establishment of the Wholesale Electricity Spot Market (WESM)



LOOKING BACK: MILESTONE EVENTS



2006
Commercial
Operations of
WESM in Luzon



Republic of the Philippines
DEPARTMENT OF ENERGY

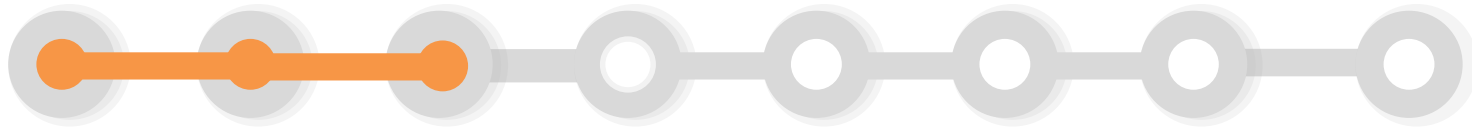
Department Circular 2006-06-0008

DECLARING THE LAUNCHING OF THE WHOLESALE ELECTRICITY SPOT MARKET (WESM) IN THE LUZON GRID AND THE TERMS AND CONDITIONS FOR THE COMMENCEMENT OF THE FULL COMMERCIAL OPERATIONS OF THE WESM

- Commencement of Commercial Operations in the Luzon Grid under DC 2006-06-0008 (21 June 2006)



LOOKING BACK: MILESTONE EVENTS



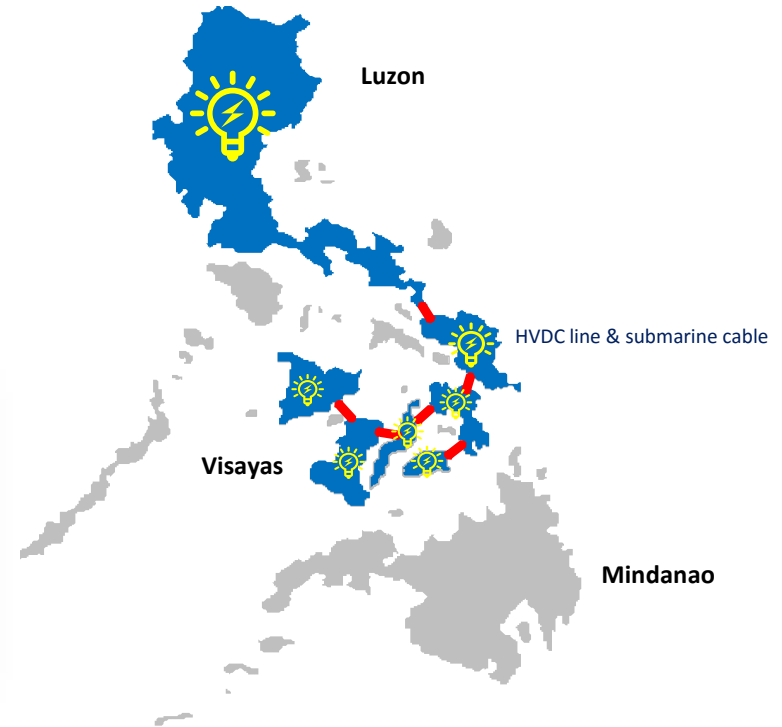
2010
Commercial
Operations of
WESM in Visayas



Republic of the Philippines
DEPARTMENT OF ENERGY

Department Circular No. DC 2010-11-0012

DECLARING THE COMMERCIAL OPERATION OF THE WHOLESALE
ELECTRICITY SPOT MARKET (WESM) IN THE VISAYAS GRID AND ITS
INTEGRATION WITH THE LUZON GRID



- Commencement of Commercial Operations in the Visayas Grid under DC 2010-11-0012 (26 November 2010)



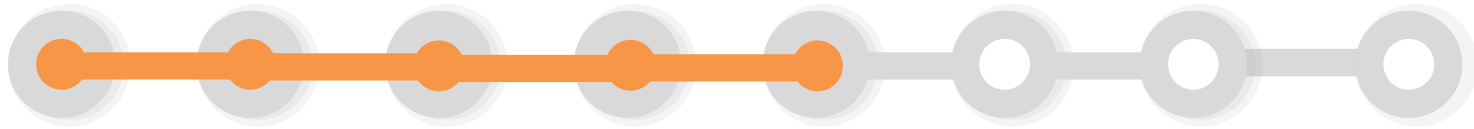
LOOKING BACK: MILESTONE EVENTS



CLIMATE EVENTS



LOOKING BACK: MILESTONE EVENTS



Coal

▪ Therma South Inc –	150 MW
▪ SEC Coal Fired –	118 MW
▪ FDC Misamis Coal –	270 MW
▪ <u>SMC Davao Power Plant –</u>	<u>150 MW</u>
TOTAL	688 MW

2016

Entry of new generation capacity

Diesel

▪ KEGI Camiguin –	4.4 MW
▪ BPC Fuel Power Plant –	4.8 MW
▪ <u>SPC Koronadal –</u>	<u>11.9 MW</u>
TOTAL	21.1 MW

Total Additional Capacity for 2016

▪ Coal –	688 MW
▪ Diesel –	21.1 MW
▪ <u>Solar –</u>	<u>39.1 MW</u>
TOTAL	748.2 MW

Solar

▪ Kibawe Solar –	10.5 MW
▪ <u>Digos Solar –</u>	<u>28.6 MW</u>
TOTAL	39.1 MW



LOOKING BACK: MILESTONE EVENTS



2015-2017

Consultation with Stakeholders on establishment of WESM in Mindanao

Conducted the following activities:

- Focused Group Discussions
- Workshops
- Public Consultations
- Writeshops



Public Consultation on the Draft Department Circular
"Declaring the Launch of the Wholesale Electricity Spot Market (WESM) Mindanao and Providing for Transition Arrangements"

07 March 2017
Greenleaf Hotel, General Santos City



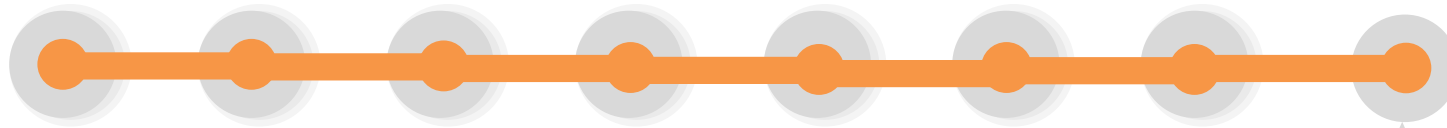
LOOKING BACK: MILESTONE EVENTS



17-
or
of



LOOKING BACK: MILESTONE EVENTS



2017-Present
Preparation for
Commercial
Operations



Ongoing activities

- Implementation of the Interim Mindanao Dispatch Protocol
- Workshops/Trainings for Participants
- Information, Education and Communication Campaigns
- Readiness Assessment Meetings



DETERMINING READINESS: CRITERIA FOR COMMERCIAL OPERATIONS



Section 4 of DC2017-05-0009

The DOE shall declare the Commercial Operations Date of the WESM in Mindanao, upon compliance with the following:



DETERMINING READINESS: CRITERIA FOR COMMERCIAL OPERATIONS

Systems and Procedures

All systems and procedures necessary for the operation of WESM in Mindanao Grid are in place

Trial Operations Program

The Trial Operations Program has been successfully implemented.

Operationalization

Operationalization of the forecasting, scheduling, dispatch, pricing, metering and settlement processes

Trainings

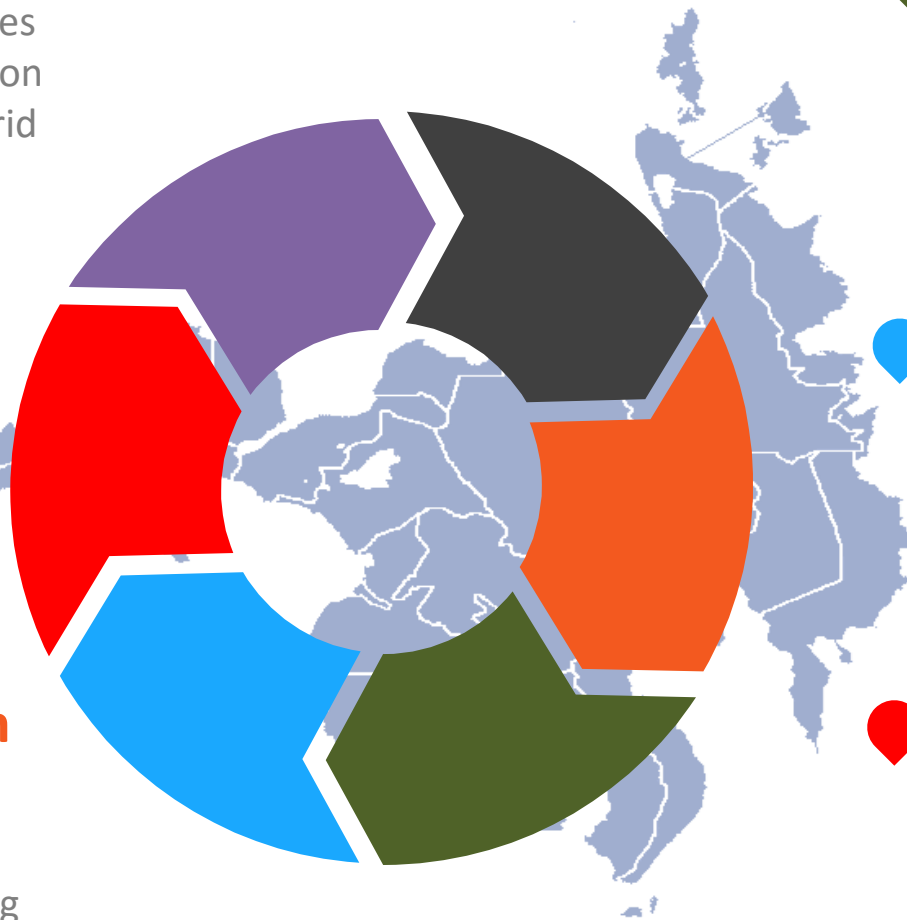
Conduct of Training Programs for WESM Mindanao Participants

Price Determination Methodology

ERC approval of the Price Determination Methodology

New Market Management System

Certification of the New Market Management System



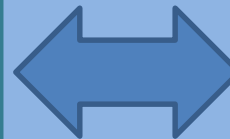
Systems and Procedures



All systems and procedures necessary for the operation of WESM in Mindanao Grid are in place

**CRSS – Central Registration and Settlement System*

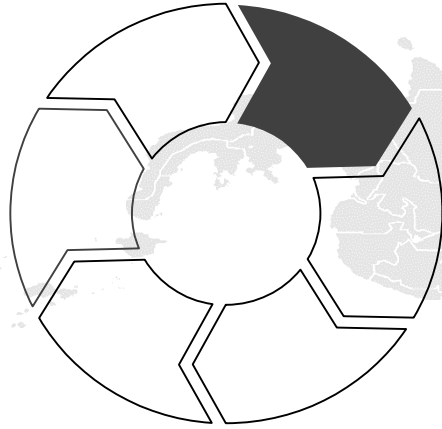
- ✓ Link between Market Operator and System Operator infrastructure established (ongoing testing)
- ✓ Existing meters have been reprogrammed from 15 min to 5 min interval configuration
- ✓ Mindanao Grid has been integrated to the Market Network Model and has passed consistency tests
- ✓ CRSS has been certified



- The DOE is continuously coordinating with participants to complete their registration.
- DOE continues to enjoin registration of Embedded Generators pursuant to Department Circular DC2017-05-009

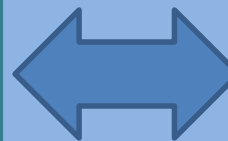


Trial Operations Program (TOP)



**The TOP has been
successfully implemented**

- ✓ 83% of the Trading Participants have already registered to the TOP
- ✓ There is an increase in the number of Trading Participants with access to the NMMS



- There are TPs yet to be registered.
- Not all registered TPs executing test cases

**NMMS – New Market
Management System*



Operationalization



Operationalization of the forecasting, scheduling, dispatch, pricing, metering and settlement processes

- Current WESM Rules is sufficient to operationalize forecasting, scheduling, dispatch, pricing, metering processes for WESM in Mindanao
- DOE already promulgated Department Circular No. DC2018-06-0017 containing the Transitory Provisions for the Implementation of WESM in Mindanao



- DOE is currently drafting an Advisory to WESM Mindanao Participants to guide them in the transition to the Commercial Operations.



Trainings

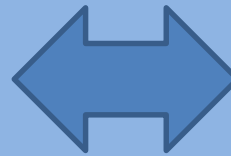


Training programs shall have been conducted for the Mindanao WESM Participants.

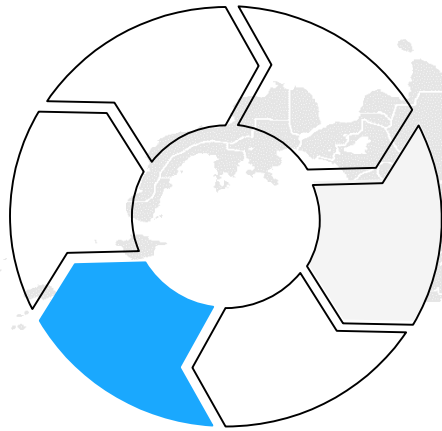
- DOE hosted series of WESM Trainings for participants
- 91% of the Trading Participants have attended trainings



- Some of the expected participants have not yet attended trainings.
- Additional hands-on and Basic WESM trainings will be conducted.



Price Determination Methodology (PDM)



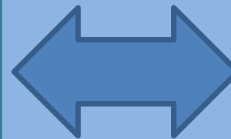
ERC Approval of the Price Determination Methodology

**NMMS – New Market Management System*

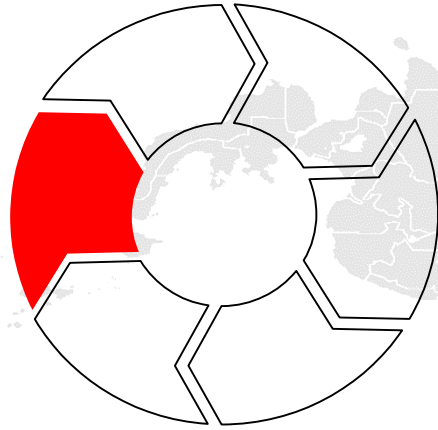
- Revised PDM filed last 17 May 2017
- Already Completed 5 Expository Presentations
- Already Completed 5 Evidentiary Hearings



- PDM approval is contingent on the testimony of the Independent Auditor of the NMMS
- Another Evidentiary Hearing is scheduled on 08 November 2018
- Independent Auditor testimony will be scheduled on 7 December 2018



New Market Management System (NMMS)

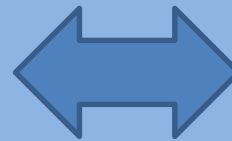


Certification of the New Market Management System

- NMMS passed Factory Acceptance and Software Acceptance Tests



- Target Completion of Software Certification Audit is on November 2018
- Any material audit findings will need to be addressed, which may affect commercial operations date of the NMMS.



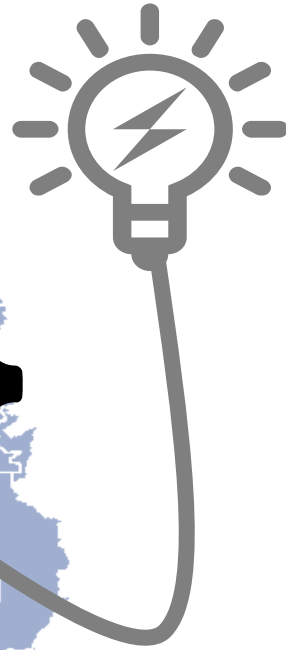
READINESS ASSESSMENT



READINESS ASSESSMENT

Operationalization of the forecasting, scheduling, dispatch, pricing, metering and settlement processes

The PDM for the enhanced WESM design has been approved by the ERC and duly published



All Systems and procedures necessary for the operation in Mindanao Grid are in place

Certification of the New Market Management System

The Trial Operations Program has been successfully implemented

Conduct of Training for WESM Mindanao Participants



WHAT'S NEXT: UPCOMING ACTIVITIES



WHAT'S NEXT: UPCOMING ACTIVITIES

TARGET: JUNE 2019

Readiness
Certification from
PEMC

WESM Mindanao
Commercial
Operations

Trainings for Trading
Participants

Creation of WESM
Mindanao Transition
Committee

Continuous
Conduct of
the TOP

Coordination
Meetings, Conduct of
IECs and Plant Visits





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