

# IMEM Rules

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## Interim Mindanao Electricity Market

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# Chapter 1 – Introduction

## 1.1 OVERVIEW

### 1.1.1 About the Interim Mindanao Electricity Market Rules

- 1.1.1.1 This document shall be known as the *Interim Mindanao Electricity Market Rules* ("IMEM Rules") and also as the *IMEM Implementing Rules*.
- 1.1.1.2 The *IMEM Rules* establish the basic rules, requirements and procedures that govern the operation of the *Interim Mindanao Electricity Market* ("IMEM"). In particular, the *IMEM Rules* seek to:
  - (a) Facilitate the efficient operation of the *IMEM*;
  - (b) Specify the terms and conditions to which entities may be authorized to participate in the *IMEM*;
  - (c) Specify the authority and governance framework for the *IMEM*;
  - (d) Provide for adequate sanctions in cases of breaches of the *IMEM Rules*; and
  - (e) Provide a timely and cost-effective framework for resolution of disputes among *IMEM Members*, the *Mindanao System Operator* and the *IMEM Operator*.
- 1.1.1.3 The *IMEM Rules* were formulated in consultation with electric power industry participants;
- 1.1.1.4 The *IMEM Rules* shall be interpreted in accordance with the provisions of Chapter 9, with the objectives of the *EPIRA*, and with other provisions of law.
- 1.1.1.5 In the *IMEM Rules*, words and phrases that are capitalized and italicized are defined in Chapter 10.

### 1.1.2 The Regulatory Framework

- 1.1.2.1 The *Department of Energy* ("DOE") is mandated under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 ("*EPIRA*"), to exercise supervision and control over all government activities relative to energy projects to attain the goals provided for in Republic Act No. 7638, as amended, otherwise known as the Department of Energy Act of 1992. It is likewise mandated to formulate rules and regulations as may be necessary to implement the objectives set forth in Republic Act No. 7638.
- 1.1.2.2 The *Energy Regulatory Commission* ("*ERC*") is the independent, quasi-judicial body created under *EPIRA* with the mandate to promote competition, encourage market development, ensure customer choice and penalize abuse of market power in the restructured electricity industry. Under *EPIRA*, the *ERC* is mandated to act on applications for cost recovery and return on demand-side management projects, as well as to establish and enforce a methodology for setting transmission and distribution wheeling and retail rates for the captive market of a distribution utility, taking into account all relevant considerations, including the efficiency or inefficiency of regulated entities. In addition, it also has the specific mandate to monitor the activities in the generation and supply of electric power industry with the end view of promoting free market competition and ensuring that the allocation or pass through of bulk purchase cost by distributors is transparent and non-discriminatory.
- 1.1.2.3 Pursuant to their other respective functions and authorities, the *DOE* approves and promulgates the *IMEM Rules* and *IMEM Manuals* while the *ERC* approves the *IMEM Price Determination Methodology* and the *IMEM Cost Recovery Mechanism*.

### 1.1.3 Description of the IMEM

- 1.1.3.1 The *IMEM* is an interim wholesale electricity market for the trading of electricity in the *Mindanao Power System*.
- 1.1.3.2 Registration in the *IMEM* is mandatory for all generation capacities connected to the *Mindanao Power System*, all *Mindanao Distribution Utilities* and all *End-Users* that are directly connected to the *Mindanao Grid*.
- 1.1.3.3 The *IMEM* allows for the participation of *End-Users* willing to curtail their consumption of electricity from the *Mindanao Power System* in the provision of supply.
- 1.1.3.4 The *IMEM* is based on a binding day-ahead market.
- 1.1.3.5 The *IMEM* provides real-time imbalance correction through the use of a merit order table.
- 1.1.3.6 The *IMEM* is an energy-only market and does not include the procurement of *Ancillary Services*.
- 1.1.3.7 The *IMEM* is a single-price market and does not account for network constraints.

### 1.1.4 Objectives of the IMEM

The objectives of the *IMEM* (collectively the "*IMEM Objectives*") are:

- 1.1.4.1 To facilitate the transparent and efficient utilization of all available capacities in Mindanao in order to minimize shortages;
- 1.1.4.2 To reflect the true cost of electric power in order to attract investment in new generating capacities in Mindanao; and
- 1.1.4.3 To ensure free and fair competition and public accountability.

## 1.2 IMEM OPERATOR AND MINDANAO SYSTEM OPERATOR

### 1.2.1 The IMEM Operator

- 1.2.1.1 The *IMEM* will be administered and conducted by the *IMEM Operator*.
- 1.2.1.2 The *IMEM Operator* shall, generally and non-restrictively:
  - (a) Administer the operation of the *IMEM* in accordance with the *IMEM Rules*;
  - (b) Allocate resources to enable it to operate and administer the *IMEM* on a non-profit basis;
  - (c) Carry out the development, improvement and maintenance of systems, processes and procedures to be used in the operation of the *IMEM*.
  - (d) Administer the registration, suspension and de-registration of *IMEM Members*;
  - (e) Maintain and publish an up-to-date register of all *IMEM Members*;
  - (f) Determine the *Day-Ahead IMEM Schedule* of all *IMEM Resources* in accordance with the *IMEM Rules*;
  - (g) Determine the *IMEM Merit Order Table* for use by the *Mindanao System Operator* in correcting real-time imbalances;
  - (h) Coordinate with the *Mindanao System Operator* in the implementation of the *Day-Ahead IMEM Schedule* of all *IMEM Resources* and the *IMEM Merit Order Table* to help ensure the reliability of the *Mindanao Power System* if necessary;



- (i) Conduct transaction billing and settlement procedures;
- (j) Publish and make available to the *IMEM Trading Participants* relevant information on the *Day-Ahead IMEM Schedule* and *IMEM Prices* in accordance with Chapter 6 of the *IMEM Rules*;
- (k) Monitor and report on trading activities in the *IMEM*; and
- (l) Comply with each of the requirements and obligations imposed on it under the *IMEM Rules* and other applicable laws or regulations.

1.2.1.3 In exercising its discretions and performing its obligations under the *IMEM Rules*, the *IMEM Operator* shall:

- (a) Act in accordance with any standard of performance provided for by any statute, regulation or authorization condition to which the *IMEM Operator* is subject;
- (b) Act in a reasonable, ethical and prudent manner;
- (c) Act in good faith;
- (d) Take into consideration, act consistently with, and use its reasonable endeavours to contribute towards the achievement of the *IMEM Objectives*; and
- (e) Ensure an audit trail of documentation that is fully adequate to substantiate and reconstruct all relevant actions performed.

## 1.2.2 The Mindanao System Operator

1.2.2.1 The *Mindanao System Operator* shall implement the *Day-Ahead IMEM Schedule* produced by the *IMEM Operator*.

1.2.2.2 The *Mindanao System Operator* shall, generally and non-restrictively:

- (a) Be responsible for and operate the *Mindanao Grid* in accordance with the *IMEM Rules*, the *Grid Code* and any legal and valid instruction issued by the *IMEM Operator*, the *DOE* or the *ERC*;
- (b) Prepare system demand forecasts in accordance with Chapter 3 of the *IMEM Rules*;
- (c) Provide all necessary information that will allow the *IMEM Operator* to prepare the *Day-Ahead IMEM Schedule* of all *IMEM Resources* in accordance with the *IMEM Rules*;
- (d) Provide central dispatch to all generation facilities in the *Mindanao Power System* and shall implement the *IMEM Merit Order Table* submitted by the *IMEM Operator*;
- (e) Continuously monitor the *Mindanao Power System* to ensure compliance with *In-Day Dispatch Instructions* by *IMEM Generators*;
- (f) Monitor all generation resources connected to the *Mindanao Power System* as regards to their *Available Capacity* and technical ability to comply with *In-Day Dispatch Instructions*;
- (g) Assist the *IMEM Operator* in enabling it to perform its obligations under the *IMEM Rules*;
- (h) Contribute towards the development, improvement and maintenance of procedures, processes or systems, and assist with any aspect of the operation of the *IMEM*, in coordination with the *IMEM Operator*; and
- (i) Comply with each of the requirements and obligations imposed on it under the *IMEM Rules*, *Grid Code*, and other applicable laws or regulations.

1.2.2.3 In exercising its discretions and performing its obligations under the *IMEM Rules*, the *Mindanao System Operator* shall:

- (a) Act in accordance with any standard of performance provided for by any statute, regulation or authorization condition to which the *Mindanao System Operator* is subject;
- (b) Act in a reasonable, ethical and prudent manner;
- (c) Act in good faith;
- (d) Take into consideration, act consistently with and use its reasonable endeavours to contribute towards the achievement of the *IMEM Objectives*; and
- (e) Ensure an audit trail of documentation that is fully adequate to substantiate and reconstruct all relevant actions performed.

### **1.3 MARKET FEES**

#### **1.3.1 Basis for Market Fees**

- 1.3.1.1 The cost of administering and operating the *IMEM* shall be recovered by the *IMEM Operator* through a charge imposed on *IMEM Trading Participants* and/or *IMEM* transactions.
- 1.3.1.2 To the extent practicable, the structure of *Market Fees* shall be transparent.
- 1.3.1.3 To the extent practicable, *Market Fees* shall consider the budgeted revenue requirements for the *IMEM Operator* and the *IGC*
- 1.3.1.4 To the extent practicable, the structure and level of *Market Fees* should not favour or discriminate against a category or categories of *IMEM Members*.
- 1.3.1.5 The components of *Market Fees* shall take into consideration all costs necessary for the *IMEM Operator* to perform their functions under the *IMEM Rules*.

#### **1.3.2 Preparation and Publication of Structure and Level of Market Fees**

- 1.3.2.1 The *IMEM Operator* shall develop the structure and level of *Market Fees*.
- 1.3.2.2 Upon the approval of the *IGC*, the *IMEM Operator* shall file the proposed structure and level of *Market Fees* with the *ERC* for approval.
- 1.3.2.3 Upon the approval of the *ERC*, the *IMEM Operator* shall publish the structure and level of *Market Fees* and the methods used in determining the structure.

### **1.4 GOVERNANCE OF THE IMEM**

#### **1.4.1 Definition and responsibilities**

- 1.4.1.1 *IMEM* governance is the process by which decisions are made and implemented within the *IMEM* to ensure attainment of the *IMEM Objectives*.
- 1.4.1.2 The ultimate governance of the *IMEM* is the responsibility of the *PEM Board*. The majority of governance functions will be carried out by the *IMEM Governance Committee* ("*IGC*") under the oversight of the *PEM Board*, provided that the functions and responsibilities of the *IGC* and the *PEM Board* under the *IMEM Rules* shall be assumed by the Independent Market Operator (*IMO*) as defined under the *EPIRA* and its Implementing Rules, once the *IMO* is established.

#### **1.4.2 Composition of the IMEM Governance Committee**

- 1.4.2.1 The *IGC* shall be made up of five (5) members, consisting of
  - (a) One representative from the *IMEM Operator*;
  - (b) One representative from the *DOE*; and
  - (c) Three members independent of the Philippine electric power industry and the Philippine Government.
- 1.4.2.2 The members of the *IGC* shall be appointed by the *DOE* from the members of the *PEM Board*, in accordance with the required composition of the *IGC* as set out in Clause 1.4.2.1, having regard to the expertise necessary for the *IGC* to carry out its functions.
- 1.4.2.3 The *DOE* shall designate one *IGC* member as *IGC* Chairperson.

#### **1.4.3 Voting and Quorum of the IMEM Governance Committee**

- 1.4.3.1 A majority of the total number of members, each having one vote shall constitute a quorum for the transaction of business of the *IGC*.
- 1.4.3.2 Every decision of at least a majority of votes of members present at any meeting shall be valid as an *IGC* act. If voting is equal, the *IGC* Chairperson has a casting vote.
- 1.4.3.3 Members may attend or vote by proxy at *IGC* meetings.

#### **1.4.4 Activities of the IMEM Governance Committee**

- 1.4.4.1 The *IGC* shall, generally and non-restrictively:
  - (a) Oversee and monitor the activities of the *IMEM Operator* and the *Mindanao System Operator* with regard to *IMEM* processes to ensure that they fulfil their responsibilities under the *IMEM Rules*;
  - (b) Establish working groups to perform the tasks set out in Clause 1.4.4.4;
  - (c) Oversee and monitor the activities of the working groups established under Clause 1.4.4(b) to ensure that they fulfil their responsibilities under the *IMEM Rules*;
  - (d) Oversee and monitor the activities of *IMEM Members* to ascertain and determine compliance or non-compliance with the *IMEM Rules*;
  - (e) Pursuant to its oversight and monitoring functions, require any *IMEM Member* or the *Mindanao System Operator* to submit information as may be necessary to fulfil its mandate;
  - (f) Refer any suspected incidents of non-compliance with the *IMEM Rules* to the *Enforcement and Compliance Officer* for investigation under Clause 8.1.2;
  - (g) Impose penalties or exempt the imposition of the same for breaches of the *IMEM Rules* or *IMEM Manuals* based on the investigation findings of the *Enforcement and Compliance Officer* in accordance with Section 8.2; and
  - (h) Issue resolutions or advisories on any matter related to the *IMEM*.
- 1.4.4.2 The *IGC* shall perform the functions set out in Clause 1.4.4 under the oversight of the *PEM Board*, regularly reporting to the *PEM Board* in all matters and abiding by all legal and valid directions issued to them by the *PEM Board*.
- 1.4.4.3 In exercising its discretions and performing its obligations under the *IMEM Rules*, the *IGC* shall:
  - (a) Act in accordance with any standard of performance provided for by any statute, regulation or authorization condition to which the *IGC* is subject;

- (b) Act in a reasonable, ethical and prudent manner;
- (c) Act in good faith;
- (d) Take into consideration, act consistently with and use its reasonable endeavours to contribute towards the achievement of the *IMEM Objectives*; and
- (e) Ensure an audit trail of documentation that is fully adequate to substantiate and reconstruct all relevant actions performed.

1.4.4.4 The *IGC* may appoint appropriate persons to form working groups to:

- (a) Monitor activities conducted by *IMEM Members* in the *IMEM*;
- (b) Monitor technical matters relating to the operation of the *IMEM*;
- (c) Report to the *IGC* on the activities of *IMEM Members* in the *IMEM*, and matters concerning the operation of the *IMEM* generally;
- (d) Report to the *IGC* on apparent or suspected incidents of anti-competitive behaviour by any *IMEM Member*;
- (e) Report to the *IGC* on any matter of a technical nature which causes or appears to cause unintended or distortionary effects to the operation of the *IMEM*; and
- (f) Propose, assess and prepare for *DOE* approval any changes to these *IMEM Rules*.

1.4.4.5 The *PEM Board*, *IGC* or their respective members shall not be liable for any damage or loss suffered by any *IMEM Member*, or any other entity or person, save if the same was due to bad faith, manifest partiality or gross negligence.

## **1.5 TRANSITION TO THE WHOLESALE ELECTRICITY SPOT MARKET**

The *DOE*, in consultation with the *IGC*, shall declare when the *IMEM* shall cease and the manner of its transition into a *Wholesale Electricity Spot Market*.

# Chapter 2 – Membership and Registration

## 2.1 PARTICIPATION IN THE IMEM

### 2.1.1 Mandatory and Voluntary Participants

- 2.1.1.1 Entities with *Generating Units* directly connected to the *Mindanao Power System*, *Mindanao Distribution Utilities*, and *End-Users* directly connected to the *Mindanao Grid* shall register in the *IMEM* under the *IMEM Member* category or categories specified in Section 2.3.
- 2.1.1.2 An *End-User* directly connected to a *Mindanao Distribution System* may register in the *IMEM* as an *IMEM Load Curtailment Resource* if it satisfies the qualifications in Clause 2.3.2.3.
- 2.1.1.3 Participation in the *IMEM*, including trading and provision of services, is restricted to entities that have successfully registered as *IMEM Members*, provided that such registration has not ceased.

### 2.1.2 Registration of IMEM Members

- 2.1.2.1 *IMEM Members* and *Pending IMEM Members* shall register with the *IMEM Operator* under the categories listed under Section 2.2.
- 2.1.2.2 If a person or entity undertakes activities in two or more of the categories listed under Section 2.2 and registration in each of those categories does not violate any provision of the *EPIRA*, that person or entity shall register in each of those categories in accordance with the procedures in Section 2.5.
- 2.1.2.3 The *IMEM Operator* shall maintain and publish an updated list of registered *IMEM Members* indicating the categories in which they are registered and their membership status, as well as the status of pending applications in accordance with the provisions of Chapter 6.

## 2.2 IMEM MEMBER CATEGORIES

### 2.2.1 IMEM Resources

- 2.2.1.1 An entity capable of providing generation or curtailing load in the *Mindanao Power System* and is registering in the *IMEM* to provide such services shall register each of its facilities under one of the following *IMEM Resource* sub-categories:
  - (a) *IMEM Grid Generator*;
  - (b) *IMEM Embedded Generator*; or
  - (c) *IMEM Load Curtailment Resource*.
- 2.2.1.2 Facilities that register as *IMEM Grid Generators* and those that register as *IMEM Embedded Generators*, collectively referred to as *IMEM Generators*, shall be designated at time of registration as either:
  - (a) A *Dispatchable IMEM Generator*; or
  - (b) A *Non-Dispatchable IMEM Generator*.

### 2.2.2 IMEM Customers

2.2.2.1 An entity that sources electric power directly from the *Mindanao Grid* and is registering in the *IMEM* to perform such activities shall register under one of the following *IMEM Customer* sub-categories:

- (a) *Mindanao Distribution Utility*; or
- (b) *Grid-Connected End-User*.

2.2.2.2 For clarity, facilities that source electric power directly from the *Mindanao Grid* and intend to act as an *IMEM Load Curtailment Resource* shall also register as a *Grid-Connected End-User*.

### **2.2.3 IMEM Service Providers**

2.2.3.1 An entity that provides technical services required for operating the *IMEM* and is registering in the *IMEM* to provide such services shall register under one or more of the following *IMEM Service Provider* sub-categories:

- (a) *IMEM Network Service Provider*; and
- (b) *IMEM Metering Services Provider*.

## **2.3 QUALIFICATIONS OF IMEM MEMBERS**

### **2.3.1 General Qualifications**

To qualify as an *IMEM Member*, an entity must:

- (a) Have facilities connected to the *Mindanao Power System*;
- (b) Exhibit that its facilities are compliant with the technical and legal requirements in these *IMEM Rules*, the *Grid Code*, and the *Distribution Code*.
- (c) Be a resident in, or is permanently established in, the Philippines;
- (d) Not be under liquidation, receivership or corporate rehabilitation under Republic Act No. 10142 otherwise known as the Financial Rehabilitation and Insolvency Act of 2010, or under a similar form of administration under any laws applicable to that person or entity in any jurisdiction;
- (e) Not be immune from suit in respect of the obligations of an *IMEM Member* under these *IMEM Rules*;
- (f) Be capable of being sued in its own name in a court of the Philippines;
- (g) Satisfy the *Prudential Security Requirements*; and
- (h) Be qualified to be registered under no less than one (1) *IMEM Member* category.

### **2.3.2 Qualifications of IMEM Resources**

2.3.2.1 A *Generating Unit* or a group of *Generating Units* connected at a common *Connection Point* in the *Mindanao Grid* shall be registered in the *IMEM* as an *IMEM Grid Generator* if it meets the following requirements:

- (a) It has a total rated capacity of not less than one (1) MW; and
- (b) It is capable of synchronizing with the *Mindanao Grid*.

2.3.2.2 A *Generating Unit* or a group of *Generating Units* connected at a common *Connection Point* in a system other than the *Mindanao Grid* shall be registered in the *IMEM* as an *IMEM Embedded Generator* if it meets the following requirements:

- (a) It has a total rated capacity of not less than one (1) MW; and

(b) It is capable of synchronizing with the system it is directly connected to.

2.3.2.3 An *End-User* willing to curtail its consumption of electricity from the *Mindanao Power System* may register as an *IMEM Load Curtailment Resource* if it meets the following requirements:

(a) It has a daily average peak demand for the last twelve (12) months of not less than one (1) MW; and

(b) It is capable of curtailing its demand within thirty (30) minutes starting from the receipt of an *In-Day Dispatch Instruction*.

### **2.3.3 Qualifications of IMEM Customers**

2.3.3.1 An *Electric Cooperative*, private corporation, government-owned utility, or existing local government unit that has an exclusive franchise to operate a *Mindanao Distribution System* in accordance with its franchise and the *EPIRA* shall register as a *Mindanao Distribution Utility*.

2.3.3.2 A person or entity directly connected to the *Mindanao Grid* requiring the supply and delivery of electricity for its own use shall register as a *Grid-Connected End-User*.

### **2.3.4 Qualifications of IMEM Service Providers**

2.3.4.1 A person who engages in the activity of owning, controlling, or operating a transmission or distribution system with at least one (1) *IMEM Trading Participant* directly connected to it shall register as an *IMEM Network Service Provider*.

2.3.4.2 A person or entity performing metering services for an *IMEM Trading Participant* shall register as an *IMEM Metering Services Provider*.

## **2.4 RESPONSIBILITIES OF IMEM MEMBERS**

### **2.4.1 General Responsibilities**

Each *IMEM Member*:

(a) Shall perform all its rights, duties and obligations under the *IMEM Rules*, and other relevant issuances, decisions and resolutions of the *DOE* and *ERC*, in good faith and with the degree of care and to the standard expected of a prudent public utility, *End-User* or generator;

(b) Shall at all times procure compliance with and maintain all consents, permissions and licenses required to be obtained and maintained to participate in the *IMEM* for each category in which it is registered under;

(c) Shall promptly pay all fees, charges and other payments arising under the *IMEM Rules* as they become due;

(d) Shall ensure that, save as expressly permitted otherwise, any information or data it is required to submit to the *IMEM Operator*, *Mindanao System Operator* or any other entity or to maintain, as required by virtue of being an *IMEM Member*, shall, to the best of its knowledge and belief, be true, valid, correct, complete and accurate at the time it is given and, save as expressly provided otherwise, while it is maintained and where appropriate, it shall keep the *IMEM Operator* informed of any mistakes or omissions in and corrections or updates to any information or data which it has submitted to the *IMEM Operator*, the *Mindanao System Operator* or any other entity under the *IMEM Rules*;

- (e) Shall ensure that any information or data it is required to submit to the *IMEM Operator*, *Mindanao System Operator*, or any person as required by under the *IMEM Rules* will be submitted in a timely manner to enable the *IMEM Operator*, *Mindanao System Operator* or such other person to perform their obligations and functions arising under the *IMEM Rules*; and
- (f) Shall co-operate with and provide all reasonable assistance to the *IMEM Operator* on request for the purposes of the *IMEM Operator* performing its functions and obligations under the *IMEM Rules*.

#### **2.4.2 Additional Responsibilities of IMEM Resources**

In addition to the responsibilities in Section 2.4.1, an *IMEM Resource* shall be responsible for:

- (a) Dispatching its facilities according to the *Day-Ahead IMEM Schedule* generated by the *IMEM Operator*;
- (b) Informing the *IMEM Operator* and *Mindanao System Operator* of any event that would result or have resulted in its non-compliance with the *Day-Ahead IMEM Schedule* generated by the *IMEM Operator*; and
- (c) In the presence of an event resulting to its non-compliance with the *Day-Ahead IMEM Schedule*, reporting the mitigating measures it has implemented to minimize its non-compliance.

#### **2.4.3 Additional Responsibilities of IMEM Service Providers**

2.4.3.1 In addition to the responsibilities in Section 2.4.1, an *IMEM Network Service Provider* shall be responsible for:

- (a) Relaying *In-Day Dispatch Instructions* from the *Mindanao System Operator* to embedded *IMEM Load Curtailment Resources* directly connected to its power system;
- (b) Where practical, monitoring the compliance of *IMEM Resources* directly connected to its power system to the *Day-Ahead IMEM Schedule* generated by the *IMEM Operator* and the *In-Day Dispatch Instructions* from the *Mindanao System Operator*; and
- (c) Reporting any system constraints resulting to the non-compliance of an *IMEM Resource* directly connected to its power system to the *Day-Ahead IMEM Schedule* or *In-Day Dispatch Instruction*.

2.4.3.2 In addition to the responsibilities in Section 2.4.1, an *IMEM Metering Services Provider* shall be responsible for:

- (a) Collecting and retrieving *Metering Data* from the *Metering Installations* of *IMEM Trading Participants* it is responsible for; and
- (b) Submitting settlement-ready *Metering Data* to the *IMEM Operator* in accordance with these *IMEM Rules*.

### **2.5 APPLICATION AND REGISTRATION**

#### **2.5.1 Registration Process**

2.5.1.1 Entities which meet the qualifications under Section 2.3 shall register with the *IMEM Operator* through the submission of an application form, the registration fee and such other documents and requirements which the *IMEM Operator* shall determine as necessary.

2.5.1.2 The *IMEM Operator* shall maintain and publish an *IMEM Manual* which shall set out the requirements and procedures which will guide the applicants in the registration process in the *IMEM*.



## **2.5.2 Assessment**

- 2.5.2.1 The *IMEM Operator* shall assess the application submitted and may require additional documentation or information from the applicant which it considers reasonably necessary to aid the assessment of the application.
- 2.5.2.2 The *IMEM Operator* shall advise the applicant of any further information requirements within five (5) *Business Days* of receiving the application.
- 2.5.2.3 If the applicant does not provide the requested information within fifteen (15) *Business Days* of the request, the *IMEM Operator* may treat the application as being withdrawn.

## **2.5.3 Approval or Disapproval of Application**

- 2.5.3.1 If after assessment, the *IMEM Operator* determines that the applicant meets all the qualifications and the requirements, the *IMEM Operator* shall approve the application within fifteen (15) *Business Days* of receipt of all requirements from the applicant. The applicant shall be notified of the approval in writing. The date of effectivity of the registration shall be stated in the notice.
- 2.5.3.2 If after assessment, the *IMEM Operator* determines that the applicant cannot meet the qualifications and requirements, the *IMEM Operator* shall disapprove the application and provide written notice to the applicant, stating the reasons for the disapproval. The *IMEM Operator* shall provide a copy of the notice to both the *DOE* and *ERC* within five (5) *Business Days* of issuance to the applicant.

## **2.6 CESSATION, SUSPENSION, DISCONNECTION AND DEREGISTRATION**

### **2.6.1 Cessation of Registration**

- 2.6.1.1 An entity that ceases its operations related any *IMEM Member* category for which it is registered shall send written notice to the *IMEM Operator* to cease its registration under that category.
- 2.6.1.2 A facility may choose to stop acting as an *IMEM Load Curtailment Resource* by providing written notice to the *IMEM Operator* to cease its registration under that category.
- 2.6.1.3 Such notice sent to the *IMEM Operator* under Clauses 2.6.1.1 or 2.6.1.2 shall include:
  - (a) The date upon which it wishes to cease to be registered, which date should not be less than thirty (30) *business days* from the *IMEM Operator's* receipt of the said notice; and
  - (b) The category or categories in which the *IMEM Member* no longer wishes to be registered.
- 2.6.1.4 On said effective date, the entity shall be deregistered in accordance with Section 2.6.3.

### **2.6.2 Suspension and Disconnection**

- 2.6.2.1 An *IMEM Member* may be suspended from the *IMEM* for the following grounds:
  - (a) Breaches of any provision of the *IMEM Rules* or *IMEM Manuals* as determined by the *Enforcement and Compliance Officer* in accordance with Section 8.1;
  - (b) Default in payment or any grounds provided for under Chapter 5;
  - (c) Disconnection of *IMEM Member* from the *Mindanao Grid* or the *Mindanao Distribution Utility*; or

- (d) Failure to maintain or satisfy the requirements under the *IMEM Rules* or *IMEM Manuals*.
- 2.6.2.2 When the *IMEM Operator* determines that any of the grounds for suspension under Clause 2.6.2.1 has occurred, the *IMEM Operator* shall provide written notice to the *IMEM Member* of its suspension, stating the reasons thereof and the effective date and hour of the suspension. Thereafter, the *IMEM Member* may no longer participate in the *IMEM* under the categories for which the suspension applies.
- 2.6.2.3 Such suspended *IMEM Member* shall continue to be liable for any obligations incurred prior to its suspension or disconnection provided under Clause 2.6.2.5.
- 2.6.2.4 As soon as practicable after a *Suspension Notice* is issued by the *IMEM Operator* under these *IMEM Rules*, the *IMEM Operator* shall publish the *Suspension Notice* in the *Market Information Website*.
- 2.6.2.5 After serving a *Suspension Notice* in accordance with Clause 2.6.2.2, the *IMEM Operator* shall send a written request for disconnection to the *Mindanao System Operator* for the disconnection of the *Mindanao Grid-connected IMEM Member*, together with a copy of the *Suspension Notice* provided under the preceding Clause. A copy of the written request shall be furnished to the *DOE*.
- 2.6.2.6 When a disconnection request made under Cause 2.6.2.5, the *Mindanao System Operator* shall thereafter disconnect the suspended *IMEM Member* within five (5) *Business Days* from receipt of the request.
- 2.6.2.7 If the grounds for suspension have been remedied or rectified, the *IMEM Operator* shall lift the suspension by providing written notice to the suspended member of the same indicating the date and hour it will take effect, and send a written request to the *Mindanao System Operator* to reconnect the suspended *IMEM Member*.
- 2.6.2.8 When a reconnection request made under Cause 2.6.2.7, the *Mindanao System Operator* shall thereafter disconnect the suspended *IMEM Member* on the specified effective date or as soon as possible thereafter.
- 2.6.2.9 If a suspension is revoked, the *IMEM Operator* shall publicize that fact by publishing revocation notice in the *Market Information Website*.

### **2.6.3 Deregistration**

- 2.6.3.1 The *IMEM Operator* shall deregister an *IMEM Member* if:
- (a) The *IMEM Member* has provided a notice of cessation of registration under Section 2.6.1; or
  - (b) The *IMEM Member* has been suspended and disconnected under Section 2.6.2 and the suspension has not been lifted and the *IMEM Member* has not been reconnected within sixty (60) days from its disconnection.
- 2.6.3.2 Any *IMEM Member* that is deregistered shall no longer be allowed to participate in the *IMEM* in the category from which they were deregistered, provided however that such entity shall continue to be liable for any obligations incurred prior to its suspension or disconnection.
- 2.6.3.3 An *IMEM Member* that is deregistered may only be allowed to re-register upon remedying the grounds for its deregistration from the *IMEM Member* category.

# Chapter 3 – Market Operation

## 3.1 IMEM INTERVALS AND TIMETABLE

### 3.1.1 Intervals and Trading Intervals

- 3.1.1.1 The *IMEM* shall operate on the basis of one hour *IMEM Intervals*, ending on the hour.
- 3.1.1.2 *IMEM Intervals* in which a non-zero *IMEM Demand* is determined shall be designated as *IMEM Trading Intervals*.
- 3.1.1.3 In addition, *IMEM Intervals* in which any *In-Day Dispatch Instruction* is issued to an *IMEM Resource* in relation to capacity covered in its *Offered Capacity* shall also be designated as *IMEM Trading Intervals*.

### 3.1.2 Timetable for operation of the *IMEM*

- 3.1.2.1 Each day by 0900H, each *IMEM Customer* shall submit to the *Mindanao System Operator* their *Week-Ahead Customer Demand Forecast* for the following seven (7) days.
- 3.1.2.2 Each day by 0900H, each *Mindanao Distribution Utility* shall submit to the *Mindanao System Operator* their *Week-Ahead Distribution Network Information Report* for the following (7) seven days.
- 3.1.2.3 Each day by 1000H, the *Mindanao System Operator* shall prepare the *Week-Ahead System Demand Forecast* based on the submissions in Clauses 3.1.2.1 and 3.1.2.2 for the following seven (7) days and submit the same to the *IMEM Operator*.
- 3.1.2.4 Each day by 1000H, the *Mindanao System Operator* shall submit the *Week-Ahead Power System Information Report* for the following seven (7) days to the *IMEM Operator*.
- 3.1.2.5 Each day by 1000H, the *IMEM Operator* shall publish the *Week-Ahead System Demand Forecast* and the *Week-Ahead Power System Information Report* in the *Market Information Website*.
- 3.1.2.6 Each day by 1100H, each *IMEM Generator* shall submit to the *Mindanao System Operator* their *Week-Ahead Generator Contract Allocations* with each *IMEM Customer* in each *IMEM Interval* for the following seven (7) days.
- 3.1.2.7 Each day by 1200H, the *Mindanao System Operator* shall submit to the *IMEM Operator* the *Week-Ahead Contract Allocations Report* for the following seven (7) days.
- 3.1.2.8 Each day by 1200H, the *Mindanao System Operator* shall submit to each *IMEM Customer* their *Week-Ahead Contract Allocations* for the following seven days.
- 3.1.2.9 Each day by 1300H, each *Mindanao Distribution Utility* shall submit to the *Mindanao System Operator* and to the *IMEM Operator* their *Week-Ahead Customer IMEM Demand* for the following seven days.
- 3.1.2.10 Each day by 1330H, the *IMEM Operator* shall calculate and publish the *Week-Ahead IMEM Demand Report* for the following seven days.
- 3.1.2.11 Each day by 1500H, the *IMEM Operator* shall cease receiving *IMEM Offers* from *IMEM Resources* for each *IMEM Interval* in the following day.
- 3.1.2.12 Each day by 1600H, the *IMEM Operator* shall publish the *Day-Ahead IMEM Schedule* and the *IMEM Day-Ahead Price* for each *IMEM Trading Interval* in the following day.

- 3.1.2.13 Each day by 1600H, the *IMEM Operator* shall transmit the *IMEM Merit Order Table* for each *IMEM Interval* to the *Mindanao System Operator* in the following day.
- 3.1.2.14 Up to one (1) hour before the start of each *IMEM Interval*, the *Mindanao System Operator* may perform *In-Day Dispatch* of *IMEM Resources* in accordance with Section 3.5.1.

## **3.2 SYSTEM INFORMATION AND DETERMINATION OF IMEM DEMAND**

### **3.2.1 The Week-Ahead Customer Demand Forecasts**

- 3.2.1.1 The *Week-Ahead Customer Demand Forecast* shall include an estimate of the *IMEM Customer's* demand for each *IMEM Interval* in the seven-day period commencing immediately after 2400H on the day of submission.
- 3.2.1.2 The demand estimates shall be an estimate of the instantaneous demand at the end of each *IMEM Interval*.
- 3.2.1.3 The demand estimates shall be made as at the *IMEM Customer's Connection Point*.
- 3.2.1.4 The demand estimates shall not take into account any supply from embedded generation, or reduced load from either voluntary or involuntary load curtailment; they shall be calculated on the basis of zero contribution from these sources.
- 3.2.1.5 For clarity, Clause 3.2.1.4 means that the demand estimates are not estimates of what the *IMEM Customer's* off-take will actually be, but of what it would be if all demand within its system were to be met without curtailment and with all energy sourced from the *Mindanao Grid*.
- 3.2.1.6 The demand estimates shall not take into account any outages or limitations of equipment within the *Mindanao Transmission System*.
- 3.2.1.7 The demand estimates shall take into account any known outages or limitations of equipment within the *IMEM Customer's* network or facility.
- 3.2.1.8 The demand estimates shall be in megawatts (MW) expressed to a precision of one decimal place (0.1MW, or 100kW).
- 3.2.1.9 The demand estimates shall take into account the forecast weather conditions.
- 3.2.1.10 The demand estimates shall take into account any known events, holidays or other situations that are likely to impact demand.
- 3.2.1.11 *IMEM Customers* shall undertake all reasonable endeavours to achieve the highest possible accuracy of the demand estimates and shall adopt a target of being within 3% of the actual demand.
- 3.2.1.12 The *Week-Ahead Customer Demand Forecast* shall include a description of any abnormal conditions for which the *IMEM Customer* adjusted its demand estimates, including but not limited to those conditions described in this Section 3.2.1.

### **3.2.2 The Week-Ahead System Demand Forecast**

- 3.2.2.1 The *Week-Ahead System Demand Forecast* shall include all of the information specified in Section 3.2.1 for each *IMEM Customer*.
- 3.2.2.2 The *Week-Ahead System Demand Forecast* shall also include an estimate of total generation required to meet demand in the *Mindanao Power System* for each *IMEM*

*Interval* in the seven-day period based on the information specified in Section 3.2.1 commencing immediately after 2400H of the day of publication.

- 3.2.2.3 At all times, the valid demand forecast for an *IMEM Interval* shall be that in the most recently published Week-Ahead System Demand Forecast which includes that *IMEM Interval*.

### **3.2.3 The Week-Ahead Distribution Network Information Reports**

3.2.3.1 The *Week-Ahead Distribution Network Information Reports* submitted by each *IMEM Network Service Provider*, excluding the *IMEM Network Service Provider* of the *Mindanao Grid*, to the *Mindanao System Operator* shall include:

- (a) Information on any planned outage of distribution network equipment for the following seven (7) days;
- (b) Information on any forced outages of distribution network equipment during the previous day; and
- (c) Any other distribution network information requested by the *IMEM Operator* or the *Mindanao System Operator*.

3.2.3.2 *IMEM Network Service Providers*, excluding the *IMEM Network Service Provider* of the *Mindanao Grid*, shall undertake all reasonable endeavours to ensure the completeness of the *Week-Ahead Distribution Network Information Reports*.

### **3.2.4 The Week-Ahead Power System Information Report**

3.2.4.1 The *Week-Ahead Power System Information Report* submitted by the *Mindanao System Operator* to the *IMEM Operator* shall include:

- (a) Information on any planned outage of *Mindanao Grid* equipment for the following seven (7) days;
- (b) Information on any forced outages of *Mindanao Grid* equipment during the previous day; and
- (c) Any other *Mindanao Grid* information requested by the *IMEM Operator* or the *Mindanao System Operator*.

3.2.4.2 The *Week-Ahead Power System Information Report* submitted by the *Mindanao System Operator* to the *IMEM Operator* shall also include all *Week-Ahead Distribution Network Information Reports* submitted by *IMEM Network Service Providers* to the *Mindanao System Operator* on the same day.

3.2.4.3 The *Mindanao System Operator* shall undertake all reasonable endeavours to ensure the completeness of the *Week-Ahead Power System Information Report*.

### **3.2.5 The Week-Ahead Generator Contract Allocations**

3.2.5.1 The *Week-Ahead Generator Contract Allocations* submitted by each *IMEM Generator* shall include the Ex-Ante Contract Allocation to each *IMEM Customer* for each *IMEM Interval* in the seven-day period commencing immediately after 2400H on the day of submission.

3.2.5.2 The *Ex-Ante Contract Allocations* shall be in megawatts (MW) expressed to a precision of one decimal place (0.1MW, or 100kW).

3.2.5.3 The *Ex-Ante Contract Allocations* shall be specified as an instantaneous megawatt quantity at the end of the *IMEM Interval*.

- 3.2.5.4 To incorporate the impact of losses in the *Mindanao Transmission System*, the *Ex-Ante Contract Allocations* shall be specified as both:
- (a) The megawatt capacity of the *IMEM Generator* reserved for supplying the contracted energy; and
  - (b) The megawatt off-take quantity at the *IMEM Customer's Connection Point* that is intended to be covered by the contracted energy.
- 3.2.5.5 *IMEM Generators* shall undertake all reasonable endeavours to ensure the *Ex-Ante Contract Allocation* to each *IMEM Customer* is amenable to that *IMEM Customer*.

### **3.2.6 The Week-Ahead Contract Allocations Report**

- 3.2.6.1 The *Week-Ahead Generator Contract Allocations Report* shall include all of the information provided under Section 3.2.5 as well as the following for each *IMEM Interval*:
- (a) The total *Ex-Ante Contract Allocation* for each *IMEM Generator*;
  - (b) The uncontracted capacity for each *IMEM Generator*;
  - (c) The total *Ex-Ante Contract Allocation* for each *IMEM Customer*; and
  - (d) The *Uncontracted Demand* for each *IMEM Customer*.
- 3.2.6.2 If only one of the quantities in Clause 3.2.5.2 is specified, the *Mindanao System Operator* shall calculate the missing quantity based on:
- (a) Losses of 2% if the *IMEM Generator* is an *IMEM Embedded Generator* located in the *IMEM Customer's Distribution Network*, and
  - (b) Losses of 4.35% otherwise.
- 3.2.6.3 The contract data shall be in megawatts (MW) expressed to a precision of one decimal place (0.1MW, or 100kW).
- 3.2.6.4 The contract data shall be specified as an instantaneous megawatt quantity at the end of the *IMEM Interval*.
- 3.2.6.5 For *IMEM Generators*, the total *Ex-Ante Contract Allocation* shall be the capacity of the *IMEM Generator* reserved for supplying contracted energy.
- 3.2.6.6 For *IMEM Customers*, the total *Ex-Ante Contract Allocation* shall be the total off-take quantity at the *IMEM Customer's Connection Point* that is covered by contracts.
- 3.2.6.7 At all times, the valid contract data for an *IMEM Interval* shall be that in the most recently submitted *Week-Ahead Contract Allocations Report* that include that hour.

### **3.2.7 Submission of Week-Ahead Customer IMEM Demand**

- 3.2.7.1 For each *IMEM Interval*, each *IMEM Customer* shall, based on its demand estimate submitted to the *Mindanao System Operator* and their total *Contract Allocation*, determine the quantity they intend to purchase from the *IMEM* and submit the same to the *IMEM Operator* as its *Customer IMEM Demand*.
- 3.2.7.2 If an *IMEM Customer* has zero *Uncontracted Demand* in an *IMEM Interval*, its *Customer IMEM Demand* shall be zero.

### **3.2.8 The Week-Ahead IMEM Demand Report**

- 3.2.8.1 The *Week-Ahead IMEM Demand Report* shall include the following information for each hour in the seven-day period commencing immediately after 2400H on the day of publication:
- (a) The total generation required to meet demand, as per Clause 3.2.2.2;
  - (b) Total system demand covered by *Ex-Ante Contract Allocations*; and
  - (c) The total *IMEM Demand*.
- 3.2.8.2 The total *IMEM Demand* shall be the sum of the *Customer IMEM Demand* quantities submitted for that *IMEM Interval*.
- 3.2.8.3 The quantities shall be in megawatts (MW) expressed to a precision of one decimal place (0.1MW, or 100kW).
- 3.2.8.4 The *IMEM Operator* shall undertake all reasonable endeavours to ensure accuracy in the calculation of the reported quantities.
- 3.2.8.5 At all times, the valid *IMEM Demand* for an *IMEM Interval* shall be that in the most recently published *Week-Ahead IMEM Demand Report* which includes that hour.

### **3.3 SUBMISSION AND VALIDATION OF IMEM OFFERS**

#### **3.3.1 Form of Offers**

- 3.3.1.1 A valid *IMEM Offer* for an *IMEM Resource* in an *IMEM Interval* shall consist of the following information:
- (a) The *Offer Type*;
  - (b) The *Contracted Capacity*, if applicable;
  - (c) The *Unavailable Capacity*, if any, including a reason for the unavailability;
  - (d) The *Offered Capacity*; and
  - (e) The *Offer Price*.
- 3.3.1.2 The *Offer Type* shall be either:
- (a) *Standard Offer Type*; or
  - (b) *All-Or-Nothing Offer Type*.
- 3.3.1.3 An *IMEM Offer* with the *All-Or-Nothing Offer Type* will be scheduled in full or not at all.
- 3.3.1.4 For *IMEM Generators*, the *Offer Type* shall be the *Standard Offer Type*.
- 3.3.1.5 Only *IMEM Load Curtailment Resources* that have the appropriate approval on their *IMEM Registration* are permitted to use the *All-Or-Nothing Offer Type*.
- 3.3.1.6 The *Contracted Capacity* shall equal the sum of the all the *Ex-Ante Contract Allocations*, if any, made to that *IMEM Resource* under Section 3.2.5.
- 3.3.1.7 The *Unavailable Capacity* is applicable only to *IMEM Generators* and must be accompanied by a justifiable reason for being unavailable.
- 3.3.1.8 The *Offered Capacity* shall be a single megawatt amount, not split out into blocks.
- 3.3.1.9 For *IMEM Generators*, the *Contracted Capacity* plus the *Offered Capacity* plus the *Unavailable Capacity* shall equal the total *Registered Capacity* for the *IMEM Resource*.

- 3.3.1.10 For *IMEM Load Curtailment Resources*, the *Offered Capacity* shall be no more than the *Expected Demand Quantity* for that *IMEM Resource* in the relevant *IMEM Trading Interval*.
- 3.3.1.11 The *Expected Demand Quantity* is the instantaneous MW quantity which an *IMEM Load Curtailment Resource* is forecast to consume at the end of the *IMEM Interval*, calculated in accordance with the relevant *IMEM Manual*.
- 3.3.1.12 The *Offered Capacity*, *Contracted Capacity* and *Unavailable Capacity* shall be in megawatts (MW) expressed to a precision of one decimal place (0.1MW, or 100kW).
- 3.3.1.13 The *Offer Price* shall be in Philippine Pesos per megawatt-hour (PHP/MWh) and shall be made in whole Philippine Pesos.
- 3.3.1.14 The *Offer Price* shall not be greater than any limit that may be imposed by the *DOE* or the *ERC*.

### **3.3.2 Standing Offers**

- 3.3.2.1 Each *IMEM Generator* shall submit a *Standing IMEM Offer* for each hour of each day of the week.
- 3.3.2.2 Each *IMEM Load Curtailment Resource* may submit a *Standing IMEM Offer* for each for each hour of each day of the week.
- 3.3.2.3 Each *Standing IMEM Offer* shall specify the day of the week and hour of the day to which it applies.
- 3.3.2.4 Each *Standing IMEM Offer* shall include all of the information specified in Clause 3.3.1.1. If any of this information changes, the *IMEM Resource* shall address this either by submitting a revised *Standing IMEM Offer* or by submitting a one-off *IMEM Offer* for each *IMEM Interval* in which the information differs from its current valid *Standing IMEM Offer*.
- 3.3.2.5 A *Standing IMEM Offer* may be revised by the relevant *IMEM Resource* at any time.
- 3.3.2.6 A *Standing IMEM Offer* which is revised under Clause 3.3.2.5 may specify a date that it will become effective, in which case it shall become effective at 1500H on the specified date; provided that the effective date specified is at least one (1) day after the date on which the revised *Standing IMEM Offer* is submitted.
- 3.3.2.7 A *Standing IMEM Offer* which does not specify an effective date:
  - (a) Shall, if submitted before 1500H, take effect at 1500H on the day of submission;
  - (b) Shall, if submitted at or after 1500H, take effect at 1500H on the day following submission; and
  - (c) Shall not affect any *Day-Ahead IMEM Schedule* which has already been published, or whose preparation has already been initiated at the time when the revised offer is accepted.
- 3.3.2.8 A *Standing IMEM Offer* shall remain in effect until such time as it is revised under Clause 3.3.2.5, or until the *IMEM Resource* is de-registered from the *IMEM*.
- 3.3.2.9 When the *IMEM Operator* determines the *Day-Ahead IMEM Schedule*, the *IMEM Day-Ahead Price* or the *IMEM Merit Order Table*, the *Standing IMEM Offer* shall be effective in the absence of any revision or one-off *IMEM Offer* for the corresponding *IMEM Trading Interval*.

### **3.3.3 Submission of Offers**



- 3.3.3.1 When submitting an *IMEM Offer* or *IMEM Standing Offer* for a specified *IMEM Interval*, the *IMEM Resource* shall provide to the *IMEM Operator* the information required under Section 3.3.1 in accordance with the electronic communication procedures in Section 6.1.2.
- 3.3.3.2 An *IMEM Offer* submitted after the deadline specified in Clause 3.1.2.11 will be rejected by the *IMEM Operator* and the current valid *IMEM Standing Offer* shall apply.
- 3.3.3.3 The *IMEM Operator* shall, upon receipt of a valid *IMEM Offer* or *IMEM Standing Offer* from an *IMEM Resource*, issue an electronic confirmation of receipt.
- 3.3.3.4 If an *IMEM Resource* does not receive confirmation of receipt under Clause 3.3.3.2 from the *IMEM Operator*, the *IMEM Resource* shall contact the *IMEM Operator* to determine whether or not the offer was received.

### **3.3.4 Validation of Offers**

- 3.3.4.1 To be valid, *IMEM Offers* and *IMEM Standing Offers* shall be submitted by the relevant *IMEM Resource*:
  - (a) Prior to any relevant deadline;
  - (b) Inclusive of the information specified in, and consistent with the requirements of, Section 3.3.1; and
  - (c) Consistent with registered technical capabilities of the *IMEM Resource*;
- 3.3.4.2 The *IMEM Operator* shall, upon receipt of a valid *IMEM Offer* or *IMEM Standing Offer* from an *IMEM Resource*, verify whether the offer is valid in accordance with Clause 3.3.4.1 and shall issue an electronic notification to the *IMEM Resource* indicating the validity.
- 3.3.4.3 The *IMEM Operator* shall, if an Offer is determined not to be valid, include in the electronic notification sent under Clause 3.3.4.2 the reason or reasons that the *IMEM Offer* is not valid so that the *IMEM Resource* may correct and resubmit the *IMEM Offer*.

## **3.4 THE MERIT ORDER TABLE AND SCHEDULE**

### **3.4.1 Day-Ahead IMEM Schedule**

- 3.4.1.1 For each *IMEM Trading Interval*, the *IMEM Operator* shall determine the *Day-Ahead IMEM Schedule* in accordance with the *IMEM Schedule Optimization Model* described in the *IMEM Price Determination Methodology* approved by the ERC.
- 3.4.1.2 The *IMEM Schedule Optimization Model* shall be a Mixed-Integer Programming mathematical optimization that determined the *IMEM Offers*, or part thereof, that will be included in the *Day-Ahead IMEM Schedule*.
- 3.4.1.3 The *IMEM Schedule Optimization Model* shall have an objective function that minimizes the total cost of purchasing energy from *IMEM Offers* in order to meet the *IMEM Demand*.
- 3.4.1.4 If there is insufficient capacity across all *IMEM Offers* to meet the *IMEM Demand*, the *IMEM Schedule Optimization Model* shall include all *IMEM Offers* in the *Day-Ahead IMEM Schedule*.
- 3.4.1.5 The *Scheduled Target* for each *IMEM Resource* in an *IMEM Interval* is the quantity included in the *Day-Ahead IMEM Schedule* from that *IMEM Resource's IMEM Offer* in that *IMEM Interval*, plus its *Contracted Capacity*.

### 3.4.2 IMEM Day-Ahead Price

- 3.4.2.1 The *IMEM Day-Ahead Price* for an *IMEM Trading Interval* shall be the highest *Offer Price* of all the *IMEM Offers* selected or partially selected by the *IMEM Schedule Optimization Model* for that *IMEM Trading Interval*.
- 3.4.2.2 The *IMEM Day-Ahead Price* is the price that applies to the settlement of *IMEM Resources* in accordance with Chapter 5 of these *IMEM Rules*.

### 3.4.3 IMEM Merit Order Table

- 3.4.3.1 For each *IMEM Interval* the *IMEM Operator* shall construct the *IMEM Merit Order Table*, which shall consist of:
  - (a) The *IMEM Offers* submitted for that *IMEM Interval* ranked in descending order of *Offer Price*, with the first row containing the highest priced *IMEM Offer*; and
  - (b) Below the lowest priced *IMEM Offer* and in alphabetical order, the contracted generation capacity of each *IMEM Generator*.
- 3.4.3.2 The *IMEM Merit Order Table* shall include columns identifying the following for each *IMEM Offer*:
  - (a) The *IMEM Resource*;
  - (b) The *Offer Type*;
  - (c) Whether or not the *Offered Capacity* can be used for *Upward Dispatch*; and
  - (d) Whether or not the *Offered Capacity* can be used for *Downward Dispatch*.
- 3.4.3.3 The *IMEM Merit Order Table* shall also include a column specifying the *Cumulative Offered Capacity* that is the sum of all *Offer Quantities* and *Contracted Quantities* below that point.
- 3.4.3.4 The *IMEM Merit Order Table* shall also include columns indicating whether the *IMEM Offer* has, in accordance with Section 3.4.1, been scheduled and the megawatt quantity that has been scheduled.
- 3.4.3.5 In the case of *IMEM Offers* with equal *Offer Prices*, they shall be ordered based on a *Random Daily Priority* which is generated and assigned to all *IMEM Resources* on a daily basis.

### 3.4.4 Implementation of the Day-Ahead IMEM Schedule

- 3.4.4.1 Each day, all *IMEM Resources* shall review the *Day-Ahead IMEM Schedule* determined by the *IMEM Operator* for the following day.
- 3.4.4.2 If an *IMEM Resource* has a non-zero *Scheduled Target* for any *IMEM Interval* in the following day, it shall take all necessary actions to prepare for meeting its *Scheduled Target* in each *IMEM Interval*.
- 3.4.4.3 In each *IMEM Interval* that an *IMEM Resource* has a *Scheduled Target*, it shall use reasonable endeavours to achieve a linear ramp rate over the *IMEM Interval* to reach the *Scheduled Target* at the end of the *IMEM Interval*.
- 3.4.4.4 If an *IMEM Resource* is not technically capable of maintaining a linear ramp rate over the *IMEM Trading Interval*, it shall endeavour to inject or withdraw a quantity of energy consistent with the quantity that would have been injected or withdrawn if a linear ramp rate had been maintained.

- 3.4.4.5 If for any reason an *IMEM Resource* foresees that it will not be able to meet the *Scheduled Target* by the end of an *IMEM Interval*, it shall inform the *Mindanao System Operator* at the earliest possible time.

### **3.5 IN-DAY DISPATCH OF IMEM RESOURCES**

#### **3.5.1 In-Day Dispatch Instructions**

- 3.5.1.1 Up until one (1) hour prior to the start of each *IMEM Interval*, the *Mindanao System Operator* shall, in accordance with this Section 3.5, issue *In-Day Dispatch Instructions* to *IMEM Resources* to meet any changes in system requirements.
- 3.5.1.2 *In-Day Dispatch Instructions* may be issued via the relevant *IMEM Network Service Provider* if established procedures exist for such.
- 3.5.1.3 In issuing *In-Day Dispatch Instructions*, the *Mindanao System Operator* shall follow the *IMEM Merit Order Table* received from the *IMEM Operator*.
- 3.5.1.4 *In-Day Dispatch Instructions* shall be either:
- (a) An *Upward Dispatch Instruction* to provide additional supply in excess of the *IMEM Resource's Scheduled Target* to meet an increase in system requirements; or
  - (b) A *Downward Dispatch Instruction* to reduce supply below the *IMEM Resource's Scheduled Target* due to a decrease in system requirements.
- 3.5.1.5 An *In-Day Dispatch Instruction* shall specify the gross instantaneous MW value to be provided by the *IMEM Resource* at the end of the relevant *IMEM Interval* (the "*Dispatch Target*").
- 3.5.1.6 For clarity, an *Upward Dispatch Instruction* to an *IMEM Load Curtailment Resource* is an instruction to curtail load that was not scheduled in the *Day-Ahead IMEM Schedule*, and a *Downward Dispatch Instruction* to an *IMEM Load Curtailment Resource* is an instruction to not curtail load that was scheduled to be curtailed in the *Day-Ahead IMEM Schedule*.
- 3.5.1.7 *In-Day Dispatch Instructions* may be issued for any *IMEM Interval* for which the *Mindanao System Operator* has received an *IMEM Merit Order Table*, including *IMEM Intervals* that are not *IMEM Trading Intervals* and so do not have an *IMEM Demand* or a *Day-Ahead IMEM Schedule*.

#### **3.5.2 In-Day Dispatch in exceptional circumstances**

- 3.5.2.1 The *Mindanao System Operator*, in consultation with the *IMEM Operator* shall maintain and publish an *IMEM Manual* setting forth the grounds and procedures for departing from the provisions of Section 3.5.1.
- 3.5.2.2 When necessary for the secure and reliable operation of the *Mindanao Power System*, the *Mindanao System Operator* may, in accordance with the relevant *IMEM Manual*, depart from the provisions of Section 3.5.1 by:
- (a) Issuing an *In-Day Dispatch Instruction* that deviates from the order specified in the *IMEM Merit Order Table*; or by
  - (b) Issuing an *In-Day Dispatch Instruction* after the deadline set in Clause 3.5.1.1, including within the *IMEM Interval* for which the *In-Day Dispatch Instruction* applies.
- 3.5.2.3 For each *In-Day Dispatch Instruction* issued under Clause 3.5.2.1, the *Mindanao System Operator* shall submit a brief report providing its reasons for departing from the provisions

of Sections 3.5.1 to the effected *IMEM Resources*, the *IMEM Operator*, the *DOE* and the *ERC*.

- 3.5.2.4 If a situation requires departure from the provisions of Section 3.5.1 that will impact the dispatch and operation of a significant number of *IMEM Resources*, the *Mindanao System Operator* shall, rather than operate under the provisions of this Section 3.5.2, opt to operate under the provisions of Chapter 7 of these *IMEM Rules* by declaring an *IMEM Emergency*.

### **3.5.3 Recording and reporting on In-Day Dispatch events**

- 3.5.3.1 The *Mindanao System Operator* shall keep a log that includes, at a minimum, all *In-Day Dispatch Instructions* issued to *IMEM Resources* within the preceding six (6) months.
- 3.5.3.2 Each day by 1200H the *Mindanao System Operator* shall submit a report to the *IMEM Operator* specifying the *In-Day Dispatch Instructions* that it issued on the preceding day.

### **3.5.4 Implementation of In-Day Dispatch Instructions**

- 3.5.4.1 If an *IMEM Resource* is issued an *In-Day Dispatch instruction* by the *Mindanao System Operator*, it shall take all necessary actions to prepare for implementing the instruction in the specified *IMEM Interval*.
- 3.5.4.2 In each *IMEM Interval* that an *IMEM Resource* has been issued an *In-Day Dispatch Instruction*, it shall use reasonable endeavours to achieve a linear ramp rate over the *IMEM Interval* to reach the *Dispatch Target* at the end of the *IMEM Interval*.
- 3.5.4.3 If an *IMEM Resource* is not technically capable of maintaining a linear ramp rate over the *IMEM Interval*, it shall endeavour to inject or withdraw a quantity of energy consistent with the quantity that would have been injected or withdrawn if a linear ramp rate had been maintained.
- 3.5.4.4 If for any reason an *IMEM Resource* is unable to meet the *Dispatch Target* by the end of the specified *IMEM Interval*, it shall inform the *Mindanao System Operator* at the earliest possible time.

### **3.5.5 Forced outages**

- 3.5.5.1 If an *IMEM Resource* suffers a *Forced Outage* which reduces its available capacity, it shall, as soon as possible, make a *Forced Outage Declaration* to the *Mindanao System Operator*, including a statement of the updated available capacity for that *IMEM Resource* excluding any capacity affected by the *Forced Outage*.
- 3.5.5.2 Upon receipt of a *Forced Outage Declaration*, the *Mindanao System Operator* shall issue an *In-Day Dispatch Instruction* to the effected *IMEM Resource* in any *IMEM Interval* for which the *Forced Outage* impacts the *IMEM Resource's* capability to meet its *Scheduled Target*.

## **3.6 IMEM TRADING INTERVALS WITH INSUFFICIENT SUPPLY**

### **3.6.1 Insufficient Supply Condition**

- 3.6.1.1 In any *IMEM Trading Interval* for which the total contracted capacity plus the total capacity included in the *Day-Ahead IMEM Schedule* is insufficient to meet the *System Demand Forecast* in that *IMEM Trading interval*, the *IMEM Trading Interval* shall be declared by the *IMEM Operator* as having an *Insufficient Supply Condition*.

- 3.6.1.2 The *Day-Ahead IMEM Schedule* shall include notification of any *IMEM Trading Intervals* that have an *Insufficient Supply Condition*.
- 3.6.1.3 For clarity, in an *IMEM Trading Interval* with *Insufficient Supply Condition*, the *IMEM Day-Ahead Price* shall still be determined in accordance with Clause 3.4.2.1.

### **3.6.2 Load-To-Maintain**

- 3.6.2.1 In any *IMEM Trading Interval* for which an *Insufficient Supply Condition* has been declared, the *IMEM Operator* shall calculate a *Load-To-Maintain (LTM)* level for each *IMEM Customer*, which it shall submit to the *Mindanao System Operator* together with the *Day-Ahead IMEM Schedule*.
- 3.6.2.2 The *Load-To-Maintain* values shall be in megawatts (MW) expressed to a precision of one decimal place (0.1MW, or 100kW).
- 3.6.2.3 If an *IMEM Customer's* nominated *Customer IMEM Demand* is zero (0) then its *Load-To-Maintain* shall equal its total *Ex-Ante Contract Allocation*.
- 3.6.2.4 The *IMEM Operator* shall calculate each *IMEM Customer's Load-To-Maintain* by distributing the total capacity included in the *Day-Ahead IMEM Schedule* across all *IMEM Customers* on a pro rata basis and adding the same to each *IMEM Customer's Ex-Ante Contract Allocation*.

# Chapter 4 – Metering

## 4.1 METERING SERVICES

### 4.1.1 Provision of Metering Services

- 4.1.1.1 *Metering Services* for a facility of an *IMEM Trading Participant* that is directly connected to the *Mindanao Grid* will be provided by the *Metering Services Provider* of the *Mindanao Grid* duly authorized by the *ERC*.
- 4.1.1.2 *Metering Services* for a facility of an *IMEM Trading Participant* not directly connected to the *Mindanao Grid* will be provided by the owner of the system that the facility of the *IMEM Trading Participant* is directly connected to.

### 4.1.2 Registration of IMEM Metering Services Providers

An entity identified to provide *Metering Services* in accordance with Section 4.1.1 shall register with the *IMEM* as an *IMEM Metering Services Provider* in accordance with Chapter 2 of these *IMEM Rules* before being allowed to provide metering services for *IMEM* settlement purposes.

## 4.2 OBLIGATIONS RELATED TO METERING SERVICES

### 4.2.1 IMEM Metering Services Providers

- 4.2.1.1 *IMEM Metering Services Providers* shall be responsible for ensuring that registered *Metering Installations* directly connected to their system are compliant with the provisions in this Chapter and relevant *IMEM Manual*.
- 4.2.1.2 *IMEM Metering Services Providers* shall be responsible for the retrieval, collection and validation of *Metering Data* from the *Metering Installations* they are responsible for.
- 4.2.1.3 *IMEM Metering Services Providers* shall be responsible for supplying settlement-ready *Metering Data* to the *IMEM Operator* and, in case of *Metering Data* error, shall be responsible for the substitution of the affected *Metering Data* in accordance with this Chapter.
- 4.2.1.4 *IMEM Metering Services Providers* shall not make, cause or allow any alteration to the original stored data in a *Metering Installation*; and shall use reasonable endeavours to ensure that no other person or entity does the same.

### 4.2.2 IMEM Operator

- 4.2.2.1 The *IMEM Operator* shall be responsible for ensuring that facilities of *IMEM Trading Participants* have valid *Metering Data* for all *IMEM Trading Intervals* for the purposes of billing and settlement.
- 4.2.2.2 The *IMEM Operator* shall maintain and publish an *IMEM Manual* that:
  - (a) Describes the class and accuracy requirements of *Metering Installations*;
  - (b) Defines the procedures that *IMEM Metering Services Providers* and the *IMEM Operator* must undertake to validate, estimate, correct or substitute erroneous *Metering Data*;
  - (c) Defines the information that must be contained in the *Metering Services Provider Database* of the *IMEM Metering Services Provider* and the *Metering Database* of the *IMEM Operator*; and

- (d) Other relevant procedures to implement the provisions of this Chapter.

### 4.3 METERING INSTALLATIONS

#### 4.3.1 Registration of Metering Installations

- 4.3.1.1 A *Metering Installation* located at the *Connection Point* of a facility of an *IMEM Trading Participant* to its *IMEM Network Service Provider* shall be registered with the *IMEM Operator* by the *IMEM Member* in accordance with the relevant *IMEM Manual*.
- 4.3.1.2 The *IMEM Operator* shall deregister *Metering Installations* from the *IMEM* in accordance with the grounds and procedures in the relevant *IMEM Manual*.

#### 4.3.2 Metering Installation Requirements

- 4.3.2.1 A registered *Metering Installation* shall comply in all respects with the requirements of the *Grid Code* for facilities directly connected to the *Mindanao Grid* or the *Distribution Code* for facilities directly connected to a *Mindanao Distribution System* and the relevant *IMEM Manual* being implemented by the *IMEM Operator*.
- 4.3.2.2 A registered *Metering Installation* shall:
- (a) Be accurate in accordance with this Chapter, the *Grid Code*, the *Distribution Code* and relevant *IMEM Manual*;
  - (b) Contain a device which has a visible or an equivalently accessible display of *Metering Data* and which allows *Metering Data* to be accessed and read at the same time by portable computer or other equipment of a type or specification reasonably acceptable to all entities who are entitled to have access to that *Metering Data*;
  - (c) Have electronic data recording facilities such that all *Metering Data* can be measured and recorded in all *IMEM Intervals*;
  - (d) Where bi-directional active energy flows occur, be capable of separately registering and recording flows in each direction;
  - (e) Have a *Meter* having an internal data logger capable of storing the *Metering Data* for at least sixty (60) days and have a back-up storage facility enabling *Metering Data* to be stored for forty-eight (48) hours in the event of external power failure;
  - (f) Have an active energy meter, and, if required in accordance with the *Grid Code* or *Distribution Code*, a reactive energy meter having an internal data logger;
  - (g) Have protection from unauthorized interference, both intentional and inadvertent, by having a secure housing for metering equipment or have the security at its *Metering Point* be adequate to protect against such interference; and
  - (h) Have protection of its *Metering Data* from local or remote electronic access or manipulation of data by having suitable security electronic access controls.

#### 4.3.3 Use of Meters

- 4.3.3.1 A registered *Metering Installation* shall be used by the *IMEM Operator* as the primary source of *Metering Data* for the settlement of the transactions of *IMEM Trading Participants*.
- 4.3.3.2 Notwithstanding any other provision of this Chapter, the *IMEM Operator* will not be liable to any person or entity in respect of any inaccuracies, discrepancies or other defects in *Metering Data*, including *Metering Data* which is stored in the *Metering Database*;

provided that these do not arise from the gross negligence or wilful misconduct of the *IMEM Operator*.

4.3.3.3 Where a *Metering Installation* is used for purposes in addition to the provision of *Metering Data* to the *IMEM Operator* then:

- (a) That use shall not be inconsistent with, or cause any *IMEM Member* to breach any requirements of these *IMEM Rules*, the *Grid Code* and *Distribution Code* or any applicable laws; and
- (b) The *IMEM Metering Services Provider* shall coordinate the entities that use the *Metering Installation* for such other purposes to ensure compliance with this Clause.

#### **4.3.4 Performance of Metering Installations**

4.3.4.1 *IMEM Metering Services Providers* shall ensure that *Metering Data* being transmitted to the *IMEM Operator* are:

- (a) Within the applicable accuracy parameters described in the *Grid Code*, the *Distribution Code* and relevant *IMEM Manual*; and
- (b) Within the time required for settlement and at a level of availability of at least ninety-nine per cent (99%) per annum or as otherwise agreed between the *IMEM Operator* and the *IMEM Metering Services Provider*.

4.3.4.2 If a *Metering Installation* malfunctions or a defect occurs, the *IMEM Metering Services Provider* shall ensure that repairs shall be made as soon as practicable and, in any event, within two (2) days from the occurrence of the defect or malfunction unless otherwise extended by the *IMEM Operator* upon request of the *IMEM Metering Services Provider*.

4.3.4.3 An *IMEM Member* who becomes aware of a *Metering Installation* malfunction or other defect shall advise the *IMEM Metering Services Provider* and the *IMEM Operator* immediately after it was detected.

#### **4.3.5 Meter Time**

4.3.5.1 The *IMEM Metering Services Provider* shall ensure that all *Metering Installations* and data logger clocks are referenced to *Philippine Standard Time*.

4.3.5.2 The time of the *Metering Database* shall be set within an accuracy of plus or minus one second of *Philippine Standard Time*.

### **4.4 METERING DATA**

#### **4.4.1 Data Transfer and Collection**

4.4.1.1 The *IMEM Metering Services Provider* shall retrieve the *Metering Data* from the *Meter* and transmit the *Metering Data* to the *IMEM Operator* within the period set out in the relevant *IMEM Manual*.

4.4.1.2 The *IMEM Metering Services Provider* must be capable of sending *Metering Data* in the required format to the *IMEM Operator*.

4.4.1.3 The *IMEM Metering Services Provider* shall, at its own cost, ensure that *Metering Data* derived from a *Metering Installation* for which it is responsible for shows the time and date at which it is recorded and is in accordance with the requirements of the *IMEM Operator* as provided in the relevant *IMEM Manual*.



#### **4.4.2 Metering Services Provider Database**

- 4.4.2.1 The *IMEM Metering Services Provider* shall create, maintain and administer a *Metering Services Provider Database*.
- 4.4.2.2 The *IMEM Metering Services Provider* shall ensure that each associated *IMEM Trading Participant* as well as the *IMEM Operator* is given access to the information in its *Metering Services Provider Database* at all reasonable times and:
  - (a) In the case of data sixteen (16) months old or less, within seven (7) *Business Days* of receiving written notice from the person or entity seeking access; and
  - (b) In the case of data more than sixteen (16) months old, within thirty (30) *Business Days* of receiving written notice from the person or entity seeking access.
- 4.4.2.3 The *IMEM Metering Services Provider* shall ensure that its *Metering Services Provider Database* contains the information specified in relevant *IMEM Manual*.

#### **4.4.3 Metering Database**

- 4.4.3.1 The *IMEM Operator* shall create, maintain and administer a *Metering Database*, which shall include a metering register containing information for each *Metering Installation* registered with the *IMEM Operator* and should be consistent with the *Metering Installation* registration data of the *IMEM Metering Services Provider*.
- 4.4.3.2 The *Metering Database* shall include *Metering Data* and data substituted in accordance with Section 4.4.5 of this Chapter and all calculations made for settlement purposes.
- 4.4.3.3 Data shall be stored in the *Metering Database*:
  - (a) For sixteen (16) months in accessible format; and
  - (b) For ten (10) years in archive.

#### **4.4.4 Rights of Access to Metering Data**

- 4.4.4.1 The only entities entitled to have either direct or remote access to *Metering Data* on a read-only basis from the *Metering Database* in relation to a *Metering Installation* are:
  - (a) Any *IMEM Member* with respect to the *Metering Data* in relation to a *Metering Installation* registered to it,
  - (b) The *IMEM Metering Services Provider* who is responsible for the *Metering Installation*,
  - (c) The *IMEM Operator* and its authorized agents,
  - (d) The *IMEM Governance Committee*,
  - (e) The *DOE*, and
  - (f) The *ERC*.
- 4.4.4.2 *Metering Data* identifiable to an *IMEM Member* shall be treated by the *IMEM Operator* as confidential and shall be subject to the provisions of Chapter 6 of the *IMEM Rules*.

#### **4.4.5 Validation and Substitution of Metering Data**

- 4.4.5.1 *IMEM Metering Services Providers* shall perform validation of the *Metering Data* of *Metering Installations* it is responsible for in accordance with the relevant *IMEM Manual*.
- 4.4.5.2 In case of *Metering Data* error, the *IMEM Metering Services Provider* shall:

- (a) Perform estimation in order to derive corrected *Metering Data* in accordance with the procedures set out in relevant *IMEM Manual*;
  - (b) Present the corrected or substituted *Metering Data* to the *IMEM Operator* and the affected *IMEM Trading Participant* within two (2) *Business Days* from the detection of the error; and
  - (c) Perform the obligations set out in this Clause 4.4.5.2 notwithstanding any *Dispute* raised by the affected *IMEM Trading Participant*.
- 4.4.5.3 The *IMEM Operator* shall perform final validation of the *Metering Data* submitted by the *IMEM Metering Services Providers* in accordance with the relevant *IMEM Manual*.
- 4.4.5.4 In case of *Metering Data* error, the *IMEM Operator* shall notify the *IMEM Metering Services Provider* that submitted the erroneous *Metering Data* of the error. The *IMEM Metering Services Provider* shall address the *Metering Data* error in accordance with Clause 4.4.5.2. If corrected *Metering Data* has not been submitted to the *IMEM Operator* two (2) *Business Days* prior to the transmittal of *Metered Quantity* data to *IMEM Trading Participants*, the *IMEM Operator* shall estimate and substitute *Metering Data* in accordance with the relevant *IMEM Manual*.
- 4.4.5.5 If an *IMEM Metering Services Provider* provides corrected *Metering Data* to the *IMEM Operator* within one (1) year after the issuance of the *Final Settlement Statement* for the *Billing Period* where the *IMEM Trading Interval* of the corrected *Metering Data* belongs to, the *IMEM Operator* shall include in the *Settlement Statements* of affected *IMEM Trading Participants* for the next *Billing Period* the adjustments that resulted from the use of the corrected *Metering Data*.
- 4.4.5.6 In case of *Dispute* with respect to the substitution implemented by the *IMEM Metering Services Provider* under Clause 4.4.5.2, the *IMEM Metering Services Provider* shall issue a certification on the corrected or substituted *Metering Data*, which shall be submitted to the *IMEM Operator* and the affected *IMEM Trading Participant*.

# Chapter 5 – Settlement and Billing

## 5.1 SETTLEMENT TIMETABLE

### 5.1.1 Frequency of Settlement and Billing

- 5.1.1.1 The *IMEM Operator* shall calculate *Settlement Quantities* and *Settlement Amounts* for each *IMEM Resource* and each *IMEM Customer* in each *IMEM Trading Interval*.
- 5.1.1.2 Calculation of *Settlement Quantities* and *Settlement Amounts* and billing of *IMEM Members* shall be performed monthly for the preceding *Billing Period*, which shall be a one month period starting on the 26th day of a calendar month and ending on the 25th day of the following month.

### 5.1.2 Timetable for Settlement and Billing

- 5.1.2.1 Within three (3) days from the end of the *Billing Period*, the *IMEM Operator* shall make available to each *IMEM Trading Participant* the *Metered Quantities* and *Adjusted Metered Quantities* of that *IMEM Trading Participant* for all *IMEM Trading Intervals* in that *Billing Period*.
- 5.1.2.2 Subject to Section 5.2.1, *IMEM Generators* who hold contracts with *IMEM Customers* shall, in consultation with their contract counterparties, declare to the *Mindanao System Operator*, *Ex-Post Contract Quantities* for each contract counterparty in each *IMEM Trading Interval* no later than three (3) days after *Metered Quantities* and *Adjusted Metered Quantities* for that *IMEM Trading Interval* are made available by the *IMEM Operator*.
- 5.1.2.3 Within ten (10) days from the end of the *Billing Period*, the *IMEM Operator* shall issue a *Preliminary Settlement Statement* to each *IMEM Trading Participant* in accordance with Section 5.4.1
- 5.1.2.4 Within eighteen (18) days from the end of the *Billing Period*, the *IMEM Operator* shall issue a *Final Settlement Statement* to each *IMEM Trading Participant* in accordance with Section 5.4.2.
- 5.1.2.5 *IMEM Trading Participants* shall pay the *IMEM Operator*, and the *IMEM Operator* shall pay *IMEM Trading Participants* in accordance with Section 5.4.4.

## 5.2 SETTLEMENT QUANTITIES

### 5.2.1 Metered Quantities

- 5.2.1.1 In each *IMEM Trading Interval*, the *IMEM Operator* must determine the *Metered Quantity* for each *IMEM Resource* and each *IMEM Customer*.
- 5.2.1.2 The *Metered Quantity* (MQ) for an *IMEM Customer* which is not also an *IMEM Load Curtailment Resource* is the net quantity of energy withdrawn from the transmission network by that *IMEM Customer* during an *IMEM Trading Interval* as measured in the *Metering Data*, where net withdrawal is a negative number.
- 5.2.1.3 The *Metered Quantity* (MQ) for an *IMEM Load Curtailment Resource* is the net quantity of energy sent out into or withdrawn from the transmission or distribution network by that *IMEM Load Curtailment Resource* during an *IMEM Trading Interval* as measured in the *Metering Data*, where net injection is a positive number and net withdrawal is a negative number.

- 5.2.1.4 The *Metered Quantity (MQ)* for an *IMEM Generator* is the net quantity of energy sent out into the transmission or distribution network by an *IMEM Generator* during an *IMEM Interval* as measured in the *Metering Data*.

## 5.2.2 Ex-post Contract Quantities

- 5.2.2.1 To incorporate the impact of losses in the *Mindanao Transmission System*, *IMEM Generators* shall nominate its *Ex-Post Contract Allocations* as both:
- (a) The MWh output of the *IMEM Generator* allocated for supplying the contracted energy; and
  - (b) The MWh energy withdrawal at the *IMEM Customer's* Connection Point that is covered by the contracted energy.
- 5.2.2.2 *IMEM Generators* shall declare the *Ex-Post Contract Quantity* for an *IMEM Load Curtailment Resource* which was scheduled in the relevant *IMEM Trading Interval* of the *IMEM Day Ahead Schedule* at the same level as the *Ex-Ante Contract Allocation* declared by that *IMEM Generator* for that *IMEM Load Curtailment Resource*, assuming a flat profile within the trading interval to allow direct conversion to MWh.
- 5.2.2.3 The sum of all *Ex-Post Contract Quantities* declared by a *Dispatchable IMEM Generator* for each *IMEM Trading Interval* shall equal:
- (a) No more than the total *Ex-Ante Contract Allocation* declared by the *IMEM Generator* for that *IMEM Trading Interval* under Section 3.2.5, assuming a flat profile within the trading interval to allow direct conversion to MWh, minus any additional energy generated under an ancillary services agreement; and
  - (b) No less than negative one (-1) multiplied by the *Metered Quantity* for that *IMEM Generator* in that *IMEM Trading Interval*.
- 5.2.2.4 The sum of all *Ex-Post Contract Quantities* declared by a *Non-Dispatchable IMEM Generator* for each *IMEM Trading Interval* shall equal negative one (-1) multiplied by the *Metered Quantity* for that *IMEM Generator* in that *IMEM Trading Interval*. For the avoidance of doubt, this means that a *Non-Dispatchable IMEM Generator* will never make or receive payments in the *IMEM*.

## 5.2.3 Penalty Tolerance

- 5.2.3.1 Every year, the *IMEM Operator* shall calculate a *Penalty Tolerance* for each *IMEM Resource*.
- 5.2.3.2 The *Penalty Tolerance (PT)* is the minimum of (a) and (b) as described below:
- (a) 3 MWh; and
  - (b) The maximum of 0.5MWh and:
    - (i) For an *IMEM Generator*, 3% of the *Registered Capacity*; or
    - (ii) For an *IMEM Load Curtailment Resource*, the absolute value of 3% of the highest *Expected Demand* of any *IMEM Interval* in the previous 12 months.

## 5.2.4 Trading Interval Quantities for IMEM Customers

- 5.2.4.1 In each *IMEM Trading Interval*, the *IMEM Operator* must determine for each *IMEM Customer* which is not also an *IMEM Load Curtailment Resource*:
- (a) The *IMEM Adjusted Metered Quantity*;

- (b) The *Contract Quantity*; and
  - (c) The *IMEM Trading Quantity*.
- 5.2.4.2 The *IMEM Adjusted Metered Quantity (IAMQ)* for an *IMEM Customer* is the *Metered Quantity* minus:
- (a) The *Metered Quantity* of all *IMEM Embedded Generators* which, if they were not participating in the *IMEM*, would cause a net increase of the *Metered Quantity* for this *IMEM Customer*; and
  - (b) The difference between the *Metered Quantity* and the *Expected Demand Quantity* of all *IMEM Load Curtailment Resources* which have *Scheduled Targets* or *In-Day Dispatch Instructions* in that *IMEM Trading Interval*, whose *Metered Quantity* forms a component of the *Metered Quantity* of this *IMEM Customer*.
- 5.2.4.3 The *Contract Quantity (CQ)* for an *IMEM Customer* which is not also an *IMEM Load Curtailment Resource* is the maximum of:
- (a) The sum of all *Ex-Post Contract Quantities* declared by *IMEM Generators* for that *IMEM Customer* in accordance with Section 5.2.1.; and
  - (b) The *IMEM Adjusted Metered Quantity*.
- 5.2.4.4 The *IMEM Trading Quantity (ITQ)* for an *IMEM Customer* is the *IMEM Adjusted Metered Quantity* minus the *Contract Quantity*.

## 5.2.5 Trading Interval Quantities for IMEM Load Curtailment Resources

- 5.2.5.1 In each *IMEM Trading Interval*, the *IMEM Operator* must determine for each *IMEM Load Curtailment Resource*:
- (a) The *IMEM Adjusted Metered Quantity*;
  - (b) The *Contract Quantity*; and
  - (c) The *IMEM Trading Quantity*.
- 5.2.5.2 The *IMEM Adjusted Metered Quantity (IAMQ)* for an *IMEM Load Curtailment Resource* is the *Metered Quantity*.
- 5.2.5.3 The *Contract Quantity (CQ)* for an *IMEM Load Curtailment Resource* which is also an *IMEM Customer*, and which has a *Scheduled Target* or an *In-Day Dispatch Instruction* for that *IMEM Trading Interval*, is the sum of all *Ex-Post Contract Quantities* declared by *IMEM Generators* for that *IMEM Customer* in accordance with Section 3.2.5;
- 5.2.5.4 The *Contract Quantity (CQ)* for an *IMEM Load Curtailment Resource* which is also an *IMEM Customer*, and which does not have a *Scheduled Target* or an *In-Day Dispatch Instruction* for that *IMEM Trading Interval* is the maximum of:
- (a) The sum of all *Ex-Post Contract Quantities* declared by *IMEM Generators* for that *IMEM Customer* in accordance with Section 5.2.1; and
  - (b) The *IMEM Adjusted Metered Quantity*.
- 5.2.5.5 The *Contract Quantity (CQ)* for an *IMEM Load Curtailment Resource* which is not also an *IMEM Customer*, and which has a *Scheduled Target* or an *In-Day Dispatch Instruction* for that *IMEM Trading Interval* is the *Expected Demand Quantity*.

- 5.2.5.6 The *Contract Quantity* (CQ) for an *IMEM Load Curtailment Resource* which is not also an *IMEM Customer*, and which does not have a *Scheduled Target* or an *In-Day Dispatch Instruction* for that *IMEM Trading Interval* is the *IMEM Adjusted Metered Quantity*.
- 5.2.5.7 The *IMEM Trading Quantity* (ITQ) for an *IMEM Load Curtailment Resource* is the *IMEM Adjusted Metered Quantity* minus the *Contract Quantity*.

#### **5.2.6 Schedule variation quantities for IMEM Load Curtailment Resources**

- 5.2.6.1 In each *IMEM Trading Interval*, the *IMEM Operator* must also determine, for each *IMEM Load Curtailment Resource* which has a *Scheduled Target* or an *In-Day Dispatch Instruction* for the *IMEM Trading Interval*:
- (a) The *Expected Demand Quantity*;
  - (b) The *Scheduled Quantity*;
  - (c) The *Upwards Dispatched Quantity*;
  - (d) The *Downwards Dispatched Quantity*;
  - (e) The *Upwards Variation Quantity*; and
  - (f) The *Downwards Variation Quantity*.
- 5.2.6.2 The *Expected Demand Quantity* (EDQ) is the average of the *Expected Demands* for that *IMEM Load Curtailment Resource* at the beginning and end of the *IMEM Trading Interval*.
- 5.2.6.3 The *Scheduled Quantity* (SQ) for an *IMEM Load Curtailment Resource* is the average of the *Scheduled Targets* at the beginning and end of the relevant *IMEM Trading Interval* of the *Day Ahead IMEM Schedule*.
- 5.2.6.4 The *Upwards Dispatched Quantity* (UDQ) for an *IMEM Load Curtailment Resource* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) Negative one (-1) multiplied by the *Scheduled Quantity*, plus the minimum of:
    - (i) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Load Curtailment Resource* at the beginning and end of the *IMEM Interval*; and
    - (ii) The *IMEM Adjusted Metered Quantity* minus the *Expected Demand Quantity*.
- 5.2.6.5 The *Downwards Dispatched Quantity* (DDQ) for an *IMEM Load Curtailment Resource* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) The *Scheduled Quantity*, minus the maximum of:
    - (i) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Load Curtailment Resource* at the beginning and end of the *IMEM Trading Interval*; and
    - (ii) The *IMEM Adjusted Metered Quantity* minus the *Expected Demand Quantity*.
- 5.2.6.6 The *Upwards Variation Quantity* (UVQ) for an *IMEM Load Curtailment Resource* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) The *IMEM Adjusted Metered Quantity* minus:
    - (i) The *Penalty Tolerance*;

- (ii) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Load Curtailment Resource* at the beginning and end of the *IMEM Trading Interval*; and
- (iii) The *Expected Demand Quantity*.

5.2.6.7 The *Downwards Variation Quantity* (DVQ) for an *IMEM Load Curtailment Resource* is the maximum of (a) and (b) as described below:

- (a) Zero (0); and
- (b) The *Expected Demand Quantity*, plus the average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Load Curtailment Resource* at the beginning and end of the *IMEM Trading Interval* minus:
  - (i) The *Penalty Tolerance*; and
  - (ii) The *IMEM Adjusted Metered Quantity*.

5.2.6.8 Where any of the calculations in this Section 5.2.5 use the *Scheduled Target* at the beginning of the *IMEM Trading Interval*, and the previous *IMEM Interval* was not an *IMEM Trading Interval*, the calculation shall use zero as the *Scheduled Target* at the beginning of the *IMEM Trading Interval*.

## 5.2.7 Trading Interval Quantities for IMEM Generators

5.2.7.1 For each *IMEM Generator* the *IMEM Operator* must determine:

- (a) The *Contract Quantity*; and
- (b) The *IMEM Trading Quantity*.

5.2.7.2 The *Contract Quantity* (CQ) for an *IMEM Generator* is a positive number which is negative one (-1) multiplied by the sum of all *Ex-Post Contract Quantities* declared by the *IMEM Generator* for that *IMEM Trading Interval* adjusted according to the relevant *IMEM Manual* to exclude the losses between the *IMEM Generator's Connection Point* and the *Connection Points* of the relevant *IMEM Customers*.

5.2.7.3 The *IMEM Trading Quantity* (ITQ) for an *IMEM Generator* is the *Metered Quantity* minus the *Contract Quantity*.

## 5.2.8 Schedule variation quantities for IMEM Generators

5.2.8.1 For each *Dispatchable IMEM Generator*, the *IMEM Operator* must also determine:

- (a) The *Scheduled Quantity*;
- (b) The *Outage Adjustment Quantity*;
- (c) The *Upwards Dispatched Quantity*;
- (d) The *Downwards Dispatched Quantity*;
- (e) The *Upwards Variation Quantity*; and
- (f) The *Downwards Variation Quantity*.

5.2.8.2 The *Scheduled Quantity* (SQ) for a *Dispatchable IMEM Generator* is the average of the *Scheduled Targets* at the beginning and end of the relevant *IMEM Trading Interval* of the *Day Ahead IMEM Schedule*.

5.2.8.3 The *Outage Adjustment Quantity* (OAQ) for a *Dispatchable IMEM Generator* is the maximum of:

- (a) Zero (0); and

- (b) The *Scheduled Quantity* minus the revised available capacity declared in the most recent *Forced Outage Declaration* applicable to the relevant *IMEM Trading Interval*).
- 5.2.8.4 The *Upwards Dispatched Quantity* (UDQ) for a *Dispatchable IMEM Generator* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) Negative one (-1) multiplied by the *Scheduled Quantity*, plus the minimum of:
    - (i) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Generator* at the beginning and end of the *IMEM Trading Interval*; and
    - (ii) The *Metered Quantity*.
- 5.2.8.5 The *Downwards Dispatched Quantity* (DDQ) for a *Dispatchable IMEM Generator* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) The *Scheduled Quantity*, minus the maximum of:
    - (i) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Generator* at the beginning and end of the *IMEM Trading Interval*; and
    - (ii) The *Metered Quantity*.
- 5.2.8.6 The *Upwards Variation Quantity* (UVQ) for a *Dispatchable IMEM Generator* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) The *Metered Quantity* minus:
    - (i) The *Penalty Tolerance*;
    - (ii) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Generator* at the beginning and end of the *IMEM Trading Interval*.
- 5.2.8.7 The *Downwards Variation Quantity* (DVQ) for a *Dispatchable IMEM Generator* is the maximum of (a) and (b) as described below:
- (a) Zero (0); and
  - (b) The average of the most recent *Scheduled Targets* or *Dispatch Targets*, whichever is applicable, applying to that *IMEM Generator* at the beginning and end of the *IMEM Trading Interval* minus:
    - (i) The *Penalty Tolerance*; and
    - (ii) The *Metered Quantity*.
- 5.2.8.8 Where any of the calculations in this Section 5.2.7 use the *Scheduled Target* at the beginning of the *IMEM Trading Interval*, and the previous *IMEM Interval* was not an *IMEM Trading Interval*, the calculation shall use the *Actual Loading* of the *IMEM Generator* at the end of the previous *IMEM Interval* as the *Scheduled Target* at the beginning of the *IMEM Trading Interval*.

### 5.3 SETTLEMENT AMOUNTS



### 5.3.1 Adjustment factors

- 5.3.1.1 The *Upwards Dispatch Adjustment Factor* (UDAF) is 10%.
- 5.3.1.2 The *Downwards Dispatch Adjustment Factor* (DDAF) is 10%.
- 5.3.1.3 The *Upwards Variation Adjustment Factor* (UVAF) is -100%.
- 5.3.1.4 The *Downwards Variation Adjustment Factor* (DVAF) is -100%.

### 5.3.2 Trading Interval Amounts for IMEM Resources

- 5.3.2.1 The *IMEM Day-Ahead Price* (IDAP) for an *IMEM Trading Interval* shall be the price determined under Section 3.4.2 for that *IMEM Trading Interval*.
- 5.3.2.2 For *IMEM Trading Intervals* where no *IMEM Day-Ahead Price* was determined under Section 3.4.2, as can occur if *In-Day Dispatch* is required, the *IMEM Day-Ahead Price* shall be the *Offer Price* of the highest placed *Offer* in the *MOT* that was actually dispatched in that *IMEM Trading Interval*, or such other value as determined by the *IMEM Operator* in accordance with the relevant *IMEM Manual*.
- 5.3.2.3 In each *IMEM Trading Interval*, the *IMEM Operator* must determine the *Energy Amount* for each *IMEM Generator* and for each *IMEM Load Curtailment Resource* for which ITQ is positive.
- 5.3.2.4 In each *IMEM Trading Interval*, the *IMEM Operator* must determine for each *IMEM Resource*:
  - (a) The *Upwards Dispatch Service Amount*;
  - (b) The *Upwards Dispatch Cost Recovery Amount*;
  - (c) The *Downwards Dispatch Service Amount*;
  - (d) The *Upwards Variation Amount*;
  - (e) The *Downwards Variation Amount*;
  - (f) The *Supply Settlement Amount*;
  - (g) The *In-Day Service Settlement Amount*; and
  - (h) The *Resource Settlement Amount*.
- 5.3.2.5 The *Energy Amount* (EA) for an *IMEM Generator* is the product of:
  - (a) IDAP; and
  - (b) ITQ.
- 5.3.2.6 The *Energy Amount* (EA) for an *IMEM Load Curtailment Resource* for which ITQ is positive is the product of:
  - (a) IDAP; and
  - (b) ITQ.
- 5.3.2.7 The *Upwards Dispatch Service Amount* (UDSA) is the product of:
  - (a) UDAF \* IDAP; and
  - (b) UDQ.
- 5.3.2.8 The *Upwards Dispatch Cost Recovery Amount* (UDCRA) is the product of:
  - (a)  $\text{Max}(0, \text{Offer Price} - \text{IDAP})$ ; and
  - (b) UDQ.

- 5.3.2.9 The *Downwards Dispatch Service Amount* (DDSA) is the product of:
- (a) IDAP \* DDAF; and
  - (b)  $\text{Max}(0, \text{DDQ} - \text{OAQ})$ .
- 5.3.2.10 The *Upwards Variation Amount* (UVA) is the product of:
- (a) IDAP \* UVAF; and
  - (b) UVQ.
- 5.3.2.11 The *Downwards Variation Amount* (DVA) is the product of:
- (a) IDAP \* DVAF; and
  - (b) DVQ.
- 5.3.2.12 The *Supply Settlement Amount* (SSA) for an *IMEM Resource* is EA + UDCRA + UVA + DVA.
- 5.3.2.13 The *In-Day Service Settlement Amount* (IDSSA) for an *IMEM Resource* is UDSA + DDSA.
- 5.3.2.14 The *Resource Settlement Amount* (RSA) for an *IMEM Resource* is SSA + IDSSA.

### 5.3.3 Trading Interval Amounts for IMEM Customers

- 5.3.3.1 In each *IMEM Trading Interval*, the *IMEM Operator* must determine:
- (a) The *Total Supply Settlement Amount*; and
  - (b) The *IMEM Customer Price*.
- 5.3.3.2 In each *IMEM Trading Interval*, the *IMEM Operator* must determine the *Customer Settlement Amount* for each *IMEM Customer* with a negative ITQ.
- 5.3.3.3 The *Total Supply Settlement Amount* (TSSA) is the sum over all *IMEM Resources* of SSA.
- 5.3.3.4 The *IMEM Customer Price* (ICP) is TSSA divided by the sum of ITQ over all *IMEM Customers* with a negative ITQ.
- 5.3.3.5 The *Customer Settlement Amount* (CSA) for an *IMEM Customer* is the product of:
- (a) ICP; and
  - (b)  $\text{Min}(0, \text{ITQ})$ .
- 5.3.3.6 If no *IMEM Customer* has a negative ITQ, so that no payments are due from *IMEM Customers*, but payments are still due to *IMEM Resources*, TSSA for this *IMEM Trading Interval* shall be designated as the *Unrecovered Total Supply Settlement Amount* (UTSSA) for that *IMEM Trading Interval*, and shall be recovered from *Participant Settlement Amounts* in proportion to each *IMEM Customer's* share of the total *IMEM* consumption for the *Billing Period*.

### 5.3.4 Total Trading Interval Amounts

- 5.3.4.1 In each *IMEM Trading Interval*, the *IMEM Operator* must determine:
- (a) The *Participant Interval Settlement Amount*; and
  - (b) The *Total In-Day Service Settlement Amount*.

- 5.3.4.2 The *Participant Interval Settlement Amount (PISA)* for an *IMEM Trading Participant* is the sum of (RSA + CSA) over all *IMEM Resources* and *IMEM Customers* registered to that *IMEM Trading Participant*.
- 5.3.4.3 The *Total In-Day Service Settlement Amount (TIDSSA)* for an *IMEM Trading Interval* is the sum of IDSSA over all *IMEM Resources*.

### 5.3.5 Monthly Amounts

- 5.3.5.1 For each *IMEM Trading Participant* for each *Billing Period*, the *IMEM Operator* must determine the *Participant Settlement Amount*.
- 5.3.5.2 The *Participant Settlement Amount (PSA)* is the sum of PISA for all *IMEM Trading Intervals* in the *Billing Period*, less:
- (a) Any *Market Fees*;
  - (b) Any allocation of *Unrecovered Total Supply Settlement Amounts*; and
  - (c) Any allocation of *Total In-Day Service Settlement Amounts*;

Which that *IMEM Trading Participant* is required to pay in respect of that *Billing Period*, as determined in accordance with the relevant *IMEM Manual*.

## 5.4 BILLING AND PAYMENT

### 5.4.1 Preliminary Settlement Statements

- 5.4.1.1 A *Preliminary Settlement Statement*:
- (a) Shall set out the settlement calculations for an *IMEM Trading Participant* and the *Participant Settlement Amount* payable by or to that *IMEM Trading Participant*;
  - (b) Shall include supporting data for all amounts payable sufficient to enable each *IMEM Trading Participant* to audit the calculation of the amount payable by or to that *IMEM Trading Participant* ; and
  - (c) Is issued for purposes of audit and review by the *IMEM Trading Participant*, and is not binding for invoicing, collection and payment purposes.
- 5.4.1.2 If an *IMEM Trading Participant* determines that there is an error or discrepancy in the *Preliminary Settlement Statement*, it shall notify the *IMEM Operator* of the error or discrepancy.
- 5.4.1.3 If notified by an *IMEM Trading Participant* under Clause 5.4.1.2, the *IMEM Operator* shall review the calculations used to produce the *Preliminary Settlement Statement* to verify the errors or discrepancies reported.
- 5.4.1.4 If the *IMEM Operator* determines that there is an error or discrepancy in any *Preliminary Settlement Statement* that has already been issued, it shall ensure that the correction is reflected in the relevant *Final Settlement Statement*, provided that corrections requiring the input of an external party are received by the *IMEM Operator* at least two (2) *Business Days* before the deadline of the issuance of the *Final Settlement Statements*. If the *IMEM Operator* receives notice of an error, discrepancy or correction of an earlier identified error after their relevant deadlines, the correction will be reflected as an adjustment in the settlement statements of the succeeding *Billing Period*.

### 5.4.2 Final Settlement Statements

5.4.2.1 *A Final Settlement Statement:*

- (a) Shall set out the settlement calculations for an *IMEM Trading Participant* and the *Participant Settlement Amount* payable by or to that *IMEM Trading Participant*;
- (b) Shall include supporting data for all amounts payable sufficient to enable each *IMEM Trading Participant* to audit the calculation of the amount payable by or to that *IMEM Trading Participant* ; and
- (c) Shall be the basis for invoicing, collection and payment, and is binding for those purposes.

5.4.2.2 If the *IMEM Operator* determines that there is an error or discrepancy in any *Final Settlement Statement* that has already been issued, it shall ensure that the correction is reflected in the next *Final Settlement Statement* to be issued to that *IMEM Trading Participant*.

### **5.4.3 Disputes on Settlement Statements**

- 5.4.3.1 An *IMEM Trading Participant* may lodge a *Dispute* with the *IMEM Operator* in respect of any amount stated in the *Final Settlement Statement* or its supporting data.
- 5.4.3.2 *Disputes* lodged under Clause 5.4.3.1 must be lodged within twelve calendar months of the date of issuance of the relevant *Final Settlement Statement*.
- 5.4.3.3 *IMEM Trading Participants* and the *IMEM Operator* shall settle settlement *Disputes* in accordance with Section 8.3.

### **5.4.4 Payments**

- 5.4.4.1 The *IMEM Trading Participants* are responsible to pay the *Participant Settlement Amounts* to the *IMEM Operator* and the same shall be paid by the *IMEM Operator* to the *IMEM Trading Participants* to whom payments are due.
- 5.4.4.2 Where the *Participant Settlement Amount* for an *IMEM Trading Participant* is a negative amount, the *IMEM Trading Participant* shall pay that amount to the *IMEM Operator*.
- 5.4.4.3 Where the *Participant Settlement Amount* for an *IMEM Trading Participant* is a positive amount, the *IMEM Operator* shall pay that amount to the *IMEM Trading Participant*.
- 5.4.4.4 Each *IMEM Trading Participant* shall pay to the *IMEM Operator* all amounts due under a *Final Settlement Statement* for a *Billing Period* in cleared funds, no later than 1500H of the twenty-fifth day of the month following the end of the *Billing Period*, without need of prior demand, whether or not the *IMEM Trading Participant* disputes the amount payable.
- 5.4.4.5 Subject to Section 5.4.5, the *IMEM Operator* shall pay to each *IMEM Trading Participant* all amounts payable under a *Final Settlement Statement* not later than 1500H on the third *Business Day* after the date specified in Clause 5.4.4.4.
- 5.4.4.6 If any of the stated due dates do not fall on a *Business Day*, the due date shall be the next *Business Day*.

### **5.4.5 Payment Shortfall**

- 5.4.5.1 In the event that the amounts collected by the *IMEM Operator* under Clause 5.4.4.4, including all amounts drawn from the prudential security, is insufficient to pay for the aggregate settlement amounts due, the *IMEM Operator* shall:

- (a) Reserve the total amount of *Market Fees* for the *Billing Period* from the amounts collected; and
  - (b) Pay each *IMEM Trading Participant* from the remaining amounts collected in the proportion that the amount due to them for the *Billing Period* bears to the total amount due to all *IMEM Trading Participants* for that *Billing Period*; and
  - (c) Pay the remainder of the monies due to affected *IMEM Trading Participants* not later than 1500H on the third *Business Day* after the collection of the shortfall from the defaulting *IMEM Trading Participant*.
- 5.4.5.2 The *IMEM Operator* shall not be liable for any delays in the remittances to *IMEM Trading Participants* due to shortfall or delay in the payments from the defaulting *IMEM Trading Participants*.
- 5.4.5.3 The amount of the default interest shall be prioritized over the principal amount of the outstanding obligation in the distribution of payment.

#### **5.4.6 Conditions of Payment**

- 5.4.6.1 All payments under Section 5.4.4 shall be made in cleared funds on or before the due date.
- 5.4.6.2 The *IMEM Operator* shall ensure that an electronic funds transfer facility is provided and made available for all *IMEM Trading Participants* for the purposes of facilitating settlements and payment of *Market Fees*.
- 5.4.6.3 Unless otherwise authorized by the *IMEM Operator*, all *IMEM Trading Participants* shall use the electronic funds transfer facility provided by the *IMEM Operator* under Clause 5.4.6.2 for the settlement of *IMEM* transactions and the payment of *Market Fees*.
- 5.4.6.4 All relevant bank charges shall be to the account of the *IMEM Trading Participant*.
- 5.4.6.5 If an *IMEM Trading Participant* fails to pay any amount due by the stated due date, the *IMEM Trading Participant* shall be charged default interest on the unpaid amount at the rate equivalent to the prevailing lending rate published by the Bangko Sentral ng Pilipinas (BSP) plus 300 basis points or a fixed rate of 8% whichever is higher for each day of delay until fully paid. Where no interest rate is published or made available for a particular day, the most recent interest rate published or made available shall be used. The default interest shall be reckoned from the first day such amount is due and payable, up to and including the date on which payment is made, with interest computed based on a 360-day year.
- 5.4.6.6 *IMEM Trading Participants* shall promptly pay all obligations whether or not the amounts payable are the subject of a *Dispute*.
- 5.4.6.7 When the *IMEM Operator* believes that the *IMEM participant* is incapable to comply with the requirements under Section 5.5, the *IMEM Operator* may exercise its right to immediately demand payment for the settlement amounts, even prior to the deadline of payment by the *IMEM participant* under Clause 5.4.4.4.

### **5.5 PRUDENTIAL SECURITY**

#### **5.5.1 Overview**

- 5.5.1.1 *Prudential Security Requirements* are imposed to ensure the effective operation of the *IMEM* by providing a level of comfort that *IMEM Trading Participants* will meet their obligations to make payments as required under the *IMEM Rules*.

- 5.5.1.2 Subject to Clause 5.5.1.3, an *IMEM Trading Participant* shall provide and maintain a security complying with the requirements of this Section 5.5.
- 5.5.1.3 The *IMEM Operator* may exempt an *IMEM Trading Participant* from the requirement to provide a security under Clause 5.5.1.1, if the *IMEM Operator* believes that:
- (a) It is likely that the amount payable by the *IMEM Operator* to that *IMEM Trading Participant* under the *IMEM Rules* will consistently exceed the amount payable to the *IMEM Operator* by that *IMEM Trading Participant* under the *IMEM Rules* in respect of that *Billing Period*; or
  - (b) It is unlikely that the *IMEM Trading Participant* will be required to pay any amounts to the *Market Operator*.
- 5.5.1.4 If, under Clause 5.5.1.3, the *IMEM Operator* has exempted an *IMEM Trading Participant* from the requirement to provide a security under Clause 5.5.1.1, then the *IMEM Operator* may vary or cancel the exemption at any time by giving written notice of the variation or cancellation of the exemption to the *IMEM Trading Participant*.

## **5.5.2 Amount and form of security**

- 5.5.2.1 Subject to Clause 5.5.1.3, each *Pending IMEM Member* shall provide its expected maximum exposure to the *IMEM Operator* in respect of the following twelve (12) *Billing Periods*, and the *IMEM Operator* shall provide written confirmation of acceptance to the *Pending IMEM Member*, before the *Pending IMEM Member* may be registered as an *IMEM Trading Participant*.
- 5.5.2.2 The *IMEM Operator* may review and change its determination of an *IMEM Trading Participant's* maximum exposure at any time, provided that any change to an *IMEM Trading Participant's* maximum exposure will apply no earlier than thirty (30) days from the date that the *IMEM Operator* notifies the *IMEM Trading Participant* of the change.
- 5.5.2.3 Each *IMEM Trading Participant* shall ensure that at all times the aggregate undrawn and unclaimed amounts of current and valid security held by the *IMEM Operator* in respect of that *IMEM Trading Participant* is not less than that *IMEM Trading Participant's* maximum exposure.
- 5.5.2.4 The security provided by an *IMEM Trading Participant* under this Clause 5.5 shall be in cash.

## **5.5.3 Exposure monitoring and Margin Calls**

- 5.5.3.1 Regularly, the *IMEM Operator* shall monitor its net exposure to each *IMEM Trading Participant* in respect of previous *Billing Periods* under the *IMEM Rules*.
- 5.5.3.2 The *IMEM Operator* shall publish an *IMEM Manual* setting out the methods and processes used for calculating its net exposure to *IMEM Trading Participants* and enforcement measures to maintain compliance with the requirements of *Section 5.5*.
- 5.5.3.3 If the *IMEM Operator* reasonably considers that the amount of security being maintained by any *IMEM Trading Participant* has become inadequate or exceeds the maximum exposure, considering the level of its transactions in the *IMEM*, it shall notify the *IMEM Trading Participant* of the discrepancy.
- 5.5.3.4 If the amount of the security maintained by an *IMEM Trading Participant* has exceeded the maximum exposure in six consecutive billing periods, the *IMEM Trading Participant* may opt to refund the excess amount from the *IMEM Operator*; provided that no default incident occurred during same period.

- 5.5.3.5 If, at any time, the *IMEM Operator's* net exposure to an *IMEM Trading Participant* exceeds the amount of the security maintained by that *IMEM Trading Participant*, the *IMEM Operator* shall make a *Margin Call* by giving notice to the *IMEM Trading Participant*. The *IMEM Trading Participant* must satisfy the *Margin Call* within the period determined under Clause 5.5.3.7 by providing additional security sufficient to the required amount or prepaying the amount of payable sufficient to reduce the net exposure.
- 5.5.3.6 The prepayment under Clause 5.3.3.5 shall be applied to the settlement amount in earliest billing period until fully consumed.
- 5.5.3.7 The *IMEM Trading Participant* shall satisfy the *Margin Call* under Clause 5.3.3.5 not later than the end of banking hours on the third *Business Day* to occur after receipt of the *Margin Call*.
- 5.5.3.8 If an *IMEM Trading Participant* fails to satisfy a *Margin Call* under Clause 5.5.3.7, then the *IMEM Operator* shall give the *IMEM Trading Participant* a *Suspension Notice*.
- 5.5.3.9 If, even without a *Margin Call*, the *IMEM Trading Participant* becomes aware that its security has deteriorated and its aggregate value has become less than the maximum exposure, it shall immediately replace or replenish the same to the required amount.

#### **5.5.4 Drawdown of prudential security**

- 5.5.4.1 In the event that an *IMEM Trading Participant* fails to pay its obligations by the due date, the *IMEM Operator* may immediately draw on the security provided by the *IMEM Trading Participant*, without need of prior consent.
- 5.5.4.2 If the *IMEM Operator* draws down on the prudential security provided by an *IMEM Trading Participant*, the *IMEM Operator* shall notify the *IMEM Trading Participant* of the date and amount of the drawdown.
- 5.5.4.3 The *IMEM Trading Participant* shall replenish its security by the amount specified in the drawdown notice not later than the end of banking hours on the third *Business Day* to occur after drawdown by the *IMEM Operator*.
- 5.5.4.4 If an *IMEM Trading Participant* fails to replenish its security deposit under Clause 5.5.4.3, then the *IMEM Operator* shall give the *IMEM Trading Participant* a *Suspension Notice*.

# Chapter 6 – Market Information

## 6.1 MARKET INFORMATION

### 6.1.1 Provision of information

6.1.1.1 The *IMEM Operator* shall:

- (a) Disseminate information which it acquires pursuant to the *IMEM Operator's* functions in accordance with its rights, powers and obligations in a manner which promotes ease of entry into and the orderly operation of the *IMEM*; and
- (b) Protect such information from any use or access contrary to the provisions of the *IMEM Rules*.

6.1.1.2 Pursuant to Clause 6.1.1.1, the *IMEM Operator* shall specifically perform the following:

- (a) Maintain, adhere to and publish an *IMEM Manual* to disseminate and protect information;
- (b) Maintain and publish a data catalogue, listing each type of market information and document produced or exchanged in accordance with the *IMEM Rules*, and setting out the timing and frequency of publication or transfer for each type of information and document; and
- (c) Maintain and publish electronic communication procedures under which information shall be exchanged between the *IMEM Operator*, the *Mindanao System Operator* and *IMEM Members*, as set out in Clause 6.1.2.

6.1.1.3 The *IMEM Operator*, the *Mindanao System Operator* and *IMEM Members* shall publish and transfer market information in accordance with the procedures and timetable described in Clause 6.1.1.2.

6.1.1.4 In addition to any specific obligation of the *IMEM Operator* under the *IMEM Rules* to provide information, the *IMEM Operator* shall, upon request, make available to *IMEM Members* any information concerning the operation of the *IMEM* provided that said information is not confidential or commercially sensitive. The *IMEM Operator* may charge a fee reflecting the cost of providing such information.

6.1.1.5 The *IMEM Operator* shall make available to the *ERC* all pertinent information which would help the latter effectively perform its regulatory function.

6.1.1.6 The *IMEM Operator* shall make available to the *DOE* all pertinent information which would help the latter effectively perform its energy policy-making function.

6.1.1.7 The *IMEM Operator* shall provide the *ERC* and *DOE* all necessary facilities to effectively monitor the operation of the *IMEM*, in real-time and for review purposes.

6.1.1.8 The *IMEM Operator* shall retain all information provided to it under the *IMEM Rules* for at least five (5) years in a form it deems appropriate for reasonable access as may be required by the *ERC* or the *DOE*.

### 6.1.2 Electronic information exchange

6.1.2.1 Where these *IMEM Rules* specify, require or otherwise contemplate the regular and frequent transfer of information between any of the *IMEM Operator*, the *Mindanao System Operator* and *IMEM Members*, such transfer shall be provided by means of an electronic communication system unless the *IMEM Rules* specify otherwise.



- 6.1.2.2 Information transferred by means of an electronic communication system shall be in accordance with the templates included in the said electronic communication system and the electronic communication procedures published under Clause 6.1.1.2 (c).
- 6.1.2.3 As far as practicable, the *IMEM Operator* shall incorporate a binding acknowledgement receipt in its electronic communication systems which would establish the time the pertinent information is actually received.

### **6.1.3 Market information website**

- 6.1.3.1 The *IMEM Operator* shall maintain a *Market Information Website* in which it will publish information for access by *IMEM Members* or for the general public.
- 6.1.3.2 Information is deemed to be published by the *IMEM Operator* when the information is posted on the *Market Information Website* and made available to the general public.
- 6.1.3.3 The *IMEM Operator* shall publish information on the *IMEM Demand* and *IMEM Prices* on the *Market Information Website*.
- 6.1.3.4 The *IMEM Operator* shall maintain and publish a list of all *IMEM Members* that identifies:
  - (a) Current, former and suspended *IMEM Members*;
  - (b) Categories of *IMEM Members*; and
  - (c) Dates of registration, de-registration and change of status.
- 6.1.3.5 The *IMEM Operator* shall provide hard copies of any information published under this Clause 6.1.3 upon request and reimbursement of cost to produce the same. The *IMEM Operator* may further evaluate the necessity of reimbursement of cost from the requesting entity.

## **6.2 CONFIDENTIALITY OF INFORMATION**

### **6.2.1 Confidentiality**

- 6.2.1.1 The *IMEM Operator* shall maintain and publish a record of the confidentiality status for each type of market information and document produced or exchanged in accordance with the *IMEM Rules*.
- 6.2.1.2 All *IMEM Members*, the *IMEM Operator* and the *Mindanao System Operator*:
  - (a) Shall not disclose confidential information to any person or entity except as permitted by the *IMEM Rules*;
  - (b) Shall only use or reproduce confidential information for the purpose for which it was disclosed or for a purpose consistent with the *IMEM Rules*;
  - (c) Shall only allow access to confidential information to those persons for whom access is necessary;
  - (d) Shall use all reasonable endeavours to prevent unauthorized access to confidential information which is in its possession or control; and
  - (e) Shall ensure that any person or entity to whom it discloses confidential information observes the provisions of this Clause 6.2 in relation to that information.

### **6.2.2 Exceptions**

- 6.2.2.1 This Clause 6.2 does not prevent the disclosure of information (confidential or otherwise) by any persons or entities:
- (a) If the relevant information is at that time generally and publicly available other than as a result of a breach of this Clause 6.2; or
  - (b) With the written consent of the person or persons who provided the relevant information under the *IMEM Rules*; or
  - (c) To the *ERC, DOE, NEA, MinDA* or any other government authority having jurisdiction over an *IMEM Member*, pursuant to the *IMEM Rules* or otherwise; or
  - (d) By or on behalf of an *IMEM Member* or the *IMEM Operator* for the purposes of or in connection with:
    - (i) Complying with the *IMEM Rules*, or advising an *IMEM Member* or the *IMEM Operator* in relation to the *IMEM Rules*; or
    - (ii) Legal proceedings, arbitration, expert determination or other dispute resolution mechanisms relating to the *IMEM*, or advising an entity in relation thereto; or
    - (iii) Financing arrangements, investment or a disposal of assets;Provided that the person receiving the information undertakes in writing not to further disclose that information to any other person; or
  - (e) For the purposes of:
    - (i) The operation, security and planning of the *Mindanao Power System* in accordance with the *Grid Code*; or
    - (ii) Protecting the safety of personnel or equipment; or
    - (iii) Complying with any instrument (including any contractual instrument or understanding governing the relationship between the parties);
- 6.2.2.2 Any entity who receives information disclosed in accordance with Clause 6.2.2.1:
- (a) Shall not disclose the information to any person, except as provided by the *IMEM Rules*; and
  - (b) Shall only use the information for the purposes for which it was disclosed under Clause 6.2.2.1.
- 6.2.2.3 In the case of a disclosure under Clause 6.2.2.1(c), the disclosing party shall take appropriate precautions to ensure that the recipient keeps the information confidential in accordance with the provisions of this Clause 6.2 and only uses the information for the purposes for which it was disclosed.

### **6.2.3 Indemnity and survival**

- 6.2.3.1 Each *IMEM Member* indemnifies the *IMEM Operator* against any claim, action, damage, loss, liability, expense or outgoing which the *IMEM Operator* pays, suffers, incurs or is liable for in respect of any breach of this Clause 6.2 by that *IMEM Member* or any officer, agent or employee of that *IMEM Member*, provided that no *IMEM Member* shall be liable for any of the foregoing to the extent they arise from the gross negligence or wilful misconduct of the *IMEM Operator*.
- 6.2.3.2 Notwithstanding any other provision of the *IMEM Rules*, a person shall continue to comply with this Clause 6.2 after that person has ceased to be an *IMEM Member*.

# Chapter 7 – System Security and Market Suspension

## 7.1 MARKET SUSPENSION

### 7.1.1 Market Suspension and Intervention

- 7.1.1.1 The *ERC* may declare the operation of the *IMEM* to be suspended in any situation which competent governmental authorities declare to be a local, national, or international emergency, and which will render the *IMEM* ineffective.
- 7.1.1.2 The *IMEM Operator* and the *Mindanao System Operator* may intervene in the operation of the *IMEM* for any *IMEM Interval* for which:
- (a) The *Mindanao System Operator* has declared an *IMEM Emergency* under Clause 7.2.1.1 or Clause 7.3.2.1; or
  - (b) The *IMEM Operator* has notified a *Force Majeure Event* under Clause 7.4.2.2.
- 7.1.1.3 Regardless of whether the beginning or end of an *IMEM Emergency* or *Force Majeure Event* is declared or notified before, at, or after the actual beginning or end of the event, the *IMEM Operator* and the *Mindanao System Operator* may declare an *IMEM Intervention* in any *IMEM Interval* to which the *IMEM Emergency* or *Force Majeure Event* applies.
- 7.1.1.4 In the event of market suspension *IMEM Members* and *Pending IMEM Members* shall follow all directions of the *ERC*. If the *ERC* makes no specific direction, *IMEM Members* and *Pending IMEM Members* shall follow the same protocols as are in place for *IMEM Intervention*.
- 7.1.1.5 In the event of an *IMEM Intervention*:
- (a) The *Mindanao System Operator* shall be responsible for giving directions to and coordinating the actions of *IMEM Network Service Providers*;
  - (b) *IMEM Network Service Providers* are responsible for giving directions to and coordinating the actions of *IMEM Trading Participants* directly connected to their system; and
  - (c) The *Mindanao System Operator* and the *IMEM Operator* shall coordinate their actions to restore normal operation of the *Mindanao Power System* and the *IMEM*.
- 7.1.1.6 *IMEM Trading Participants* acknowledge that:
- (a) The operation of the *Mindanao Power System* involves risks to public safety and property and therefore accepts that the provisions of this Chapter are appropriate and reasonable;
  - (b) Their business interests will be subordinate to the need for the *IMEM Operator* and *Mindanao System Operator* to implement emergency procedures in accordance with Section 7.2.1 and to make declarations and issue emergency directions under Section 7.2.2 in an emergency; and
  - (c) Subject to Clause (a), the *Mindanao System Operator* shall issue emergency directions, and shall report such action to the *IMEM Operator*.
- 7.1.1.7 Nothing in this Chapter shall limit the ability of the *Mindanao System Operator* or *IMEM Operator* to take any action or procedure under this Chapter which either the *Mindanao System Operator* or the *IMEM Operator* considers in their absolute discretion to be necessary to protect persons, property, or the environment.

- 7.1.1.8 Notwithstanding any other provision contained in these *IMEM Rules*, the *DOE* or the *IMEM Governance Committee* may investigate or require explanations regarding any market suspension or *IMEM Intervention*.

### **7.1.2 Exemption from liability due to market suspension and intervention**

- 7.1.2.1 In the event of market suspension or *IMEM Intervention*, any action of the *IMEM Operator*, the *Mindanao System Operator* or an *IMEM Trading Participant* in compliance with the emergency procedures provided in this Chapter shall not constitute a breach of the *IMEM Rules*, except in the case of an act committed in bad faith or gross negligence.
- 7.1.2.2 Neither the *IMEM Operator*, nor the *Mindanao System Operator*, nor any *IMEM Network Service Provider* shall be liable for any loss incurred by an *IMEM Trading Participant* as a result of any action taken by the *Mindanao System Operator* or *IMEM Operator* under this Chapter.

### **7.1.3 Declaration of market suspension and intervention**

- 7.1.3.1 When the *ERC* declares the suspension of the *IMEM*, the *ERC* shall notify the *IMEM Operator* as soon as possible.
- 7.1.3.2 When the *IMEM Operator* is notified that the *IMEM* has been suspended, the *IMEM Operator* shall notify *IMEM Members* and *Pending IMEM Members* as soon as possible.
- 7.1.3.3 The *IMEM* is deemed suspended at the start of the *IMEM Interval* in which the *ERC* advises the *IMEM Operator* that the *IMEM* is suspended.
- 7.1.3.4 Following a declaration by the *ERC* under Clause 7.1.1.1, the *IMEM* is to remain suspended until the *ERC* notifies the *IMEM Operator* that *IMEM* operations may resume.
- 7.1.3.5 When the *IMEM Operator* is notified that *IMEM* operations may resume, the *IMEM Operator* shall promptly notify *IMEM Members* and *Pending IMEM Members* of the resumption, and of the *IMEM Interval* in which *IMEM* operations will resume.
- 7.1.3.6 The *IMEM* is deemed to resume at the start of the *IMEM Interval* which the *IMEM Operator* has notified to *IMEM Members* and *Pending IMEM Members*.
- 7.1.3.7 Notwithstanding the suspension, the *Mindanao System Operator* may issue directions in the event of an *IMEM Emergency* to *IMEM Members* and *Pending IMEM Members*.
- 7.1.3.8 When the *IMEM Operator* determines that it needs to intervene in the operation of the *IMEM*, it shall notify the *Mindanao System Operator* and *IMEM Trading Participants* as soon as possible.

### **7.1.4 Effect of market suspension and intervention**

- 7.1.4.1 During an *IMEM Interval* in which the *IMEM* is suspended, the *IMEM Rules* will continue to apply with such modifications as the *IMEM Operator* reasonably determines to be necessary, taking into consideration the circumstances and conditions giving rise to the suspension.
- 7.1.4.2 Notwithstanding the suspension, the *IMEM Operator* may declare any *IMEM Interval* in which the *IMEM* is suspended to be an *IMEM Trading Interval*, in accordance with the relevant *IMEM Manual*.
- 7.1.4.3 In the event of *IMEM Intervention*, the *IMEM Rules* will continue to apply, and all *IMEM* processes shall remain in place, except that the *Mindanao System Operator* is not required

to consider the *IMEM Merit Order Table* when issuing *In-Day Dispatch Instructions* for *IMEM Trading Intervals* affected by the *IMEM Intervention*; and

- 7.1.4.4 During any *IMEM Trading Interval* in which the *IMEM* is suspended, or in which *IMEM Intervention* has occurred, the *IMEM Operator* shall determine the *Settlement Quantities* and *Settlement Amounts* in accordance with Chapter 5 of these *IMEM Rules*.
- 7.1.4.5 If the *IMEM Operator* reasonably believes that, due to the circumstances of the market suspension or *IMEM Intervention*, it is inappropriate to apply the pricing and settlement provisions of the *IMEM Rules* to a particular *IMEM Trading Interval*, the *IMEM Operator* shall determine appropriate alternate mechanisms for pricing and settlement in those *IMEM Trading Intervals*, and shall seek approval of same from the *IGC* and the *ERC*.
- 7.1.4.6 If the *IMEM Operator* is seeking approval to apply alternate pricing and settlement mechanisms for an *IMEM Trading Interval*, and the alternate pricing and settlement mechanisms have not been approved in time to allow the *IMEM Operator* to meet the settlement timetable for the affected *Billing Period*, the *IMEM Operator* shall issue *Settlement Statements* for the affected *Billing Period* excluding any amounts for the affected *IMEM Trading Interval*.

#### **7.1.5 Market suspension reports**

- 7.1.5.1 Within ten (10) *Business Days* following a declaration of market suspension under Clause 7.1.1.1, the *IMEM Operator* and the *Mindanao System Operator* shall each prepare a market suspension report.
- 7.1.5.2 The market suspension report of *IMEM Operator* shall include:
  - (a) The grounds for suspension;
  - (b) The duration of suspension;
  - (c) The actions taken to address the events that led to suspension; and
  - (d) An assessment of the impact of the market suspension to the *IMEM*.
- 7.1.5.3 The market suspension report of the *Mindanao System Operator* shall include an assessment of the impact of the market suspension to the *Mindanao Grid*.
- 7.1.5.4 A copy of each market suspension report shall be provided to the *IGC*, the *ERC*, and the *DOE* on completion of the report.
- 7.1.5.5 A copy of each market suspension report shall be provided to *IMEM Members* and other interested persons on request.

#### **7.1.6 Intervention reports**

- 7.1.6.1 Within ten (10) *Business Days* following any *IMEM Intervention* under Clause 7.1.1.2, the *IMEM Operator* and the *Mindanao System Operator* shall each prepare an *IMEM Intervention* report.
- 7.1.6.2 The *IMEM Intervention* report of the entity that declared the *IMEM Intervention* shall include:
  - (a) The grounds for *IMEM Intervention*;
  - (b) The duration of *IMEM Intervention*; and
  - (c) The actions taken to address the events that led to *IMEM Intervention*.

- 7.1.6.3 The *IMEM Intervention* report of the *IMEM Operator* shall include an assessment of the impact of the *IMEM Intervention* to the *IMEM*.
- 7.1.6.4 The *IMEM Intervention* report of the *Mindanao System Operator* shall include an assessment of the impact of the *IMEM Intervention* to the *Mindanao Grid*.
- 7.1.6.5 A copy of each *IMEM Intervention* report shall be provided to the *IGC*, the *ERC*, and the *DOE* on completion of the report.
- 7.1.6.6 A copy of each *IMEM Intervention* report shall be provided to *IMEM Members* and other interested persons on request.

## **7.2 EMERGENCIES**

### **7.2.1 Declaration of Emergencies**

- 7.2.1.1 The *Mindanao System Operator* may declare an *IMEM Emergency* when it determines the existence of a situation which:
  - (a) Has an adverse material effect on electricity supply, or which poses as a significant threat to system security in accordance with Clause 7.3.2.1; and
  - (b) The *Mindanao System Operator* cannot address without significant departure from either the *Day-Ahead IMEM Schedule* or the *IMEM Merit Order Table*.
- 7.2.1.2 An *IMEM Emergency* may include:
  - (a) A *Mindanao Power System* disturbance due to an outage in the *Mindanao Power System*;
  - (b) A significant environmental phenomenon, including weather, storms or fires which are likely to or are significantly affecting the *Mindanao Power System*;
  - (c) Material damage to the *Mindanao Power System*; and
  - (d) Any other situation in which the *Day-Ahead IMEM Schedule* or *IMEM Merit Order Table* cannot be implemented.
- 7.2.1.3 An *IMEM Member* shall notify the *Mindanao System Operator* as soon as practicable of:
  - (a) Any event or situation which, in the reasonable opinion of the *IMEM Member* is of a kind described in Clause 7.2.1.2; and
  - (b) Any action taken by the *IMEM Member* under its safety procedures or otherwise in response to that event or situation.

### **7.2.2 Actions in an IMEM Emergency**

- 7.2.2.1 When an *IMEM Emergency* arises, the *Mindanao System Operator* shall:
  - (a) Notify the *IMEM Operator* immediately;
  - (b) Notify the *ERC* and the *DOE* as soon as reasonably practicable;
  - (c) Notify the *IMEM Operator* and *IMEM Members*, as soon as reasonably practicable, of the commencement, nature, extent and expected duration of the *IMEM Emergency* and the way in which the *Mindanao System Operator* reasonably anticipates it will act in response to the *IMEM Emergency*; and
  - (d) Notify the *IMEM Operator*, the *ERC*, the *DOE*, and *IMEM Members* of any material changes in the nature, extent and expected duration of an *IMEM Emergency*.

- 7.2.2.2 During an *IMEM Emergency* the *Mindanao System Operator* shall:
- (a) Identify the impact of the *IMEM Emergency* on system security in terms of the capability of generating units, transmission systems or distribution systems;
  - (b) Identify and implement the actions required to end the *IMEM Emergency* and restore the *Mindanao Power System* to a satisfactory operating state;
  - (c) In coordination with the *IMEM Operator*, issue emergency directions to *IMEM Members* as it reasonably considers necessary according to the emergency procedures, which may include, but need not be limited to, directions to:
    - (i) Switch off, or re-route, energy delivery from an *IMEM Generator*;
    - (ii) Call equipment into service;
    - (iii) Take equipment out of service;
    - (iv) Commence operation or maintain, increase or reduce active or reactive power output;
    - (v) Curtail, shut down or otherwise vary operation or output;
    - (vi) Shed or restore load; and
    - (vii) Subject to Clause 7.3.2.5, perform or refrain from performing any other act or thing necessary for reasons of public safety or the security of the power system or undue injury to the environment.
  - (d) Implement any load shedding in a manner consistent with the system security and reliability guidelines; and
  - (e) To the extent possible, determine a rotating outage plan, and rotate any load shedding requirements.
- 7.2.2.3 For the avoidance of doubt, emergency directions issued by the *Mindanao System Operator* are deemed to be *IMEM Intervention* in the *IMEM*.
- 7.2.2.4 During an *IMEM Emergency*, each *IMEM Member* shall, subject to Clause 7.2.2.5:
- (a) Comply with this Chapter, safety procedures, and the emergency procedures applicable to the *IMEM Member* in the circumstances;
  - (b) Cooperate with the *IMEM Operator* and the *Mindanao System Operator* to enable the *Mindanao System Operator* to implement the emergency procedures;
  - (c) Promptly comply with any emergency direction given by the *Mindanao System Operator*, including emergency directions requiring the disconnection of equipment from a transmission system or distribution system for reliability purposes, unless the *IMEM Member* reasonably believes that an emergency direction poses a real and substantial risk of damage to its equipment, to the safety of its employees or the public, or of undue injury to the environment;
  - (d) Notify the *Mindanao System Operator* if it intends not to follow the emergency direction for any of the reasons described in Clause 7.2.2.3(c); and
  - (e) Comply with the emergency direction to the fullest extent possible without causing the harms described in Clause 7.2.2.3(c).
- 7.2.2.5 Where there is conflict between these *IMEM Rules* and:
- (a) The requirements of an *IMEM Member's* safety procedures;
  - (b) The emergency procedures applicable to the *IMEM Member* in the relevant circumstances;
  - (c) Any procedures developed by the *Mindanao System Operator*, or

- (d) An emergency direction given by the *Mindanao System Operator*.
- (e) The *Mindanao System Operator* shall decide which of those requirements or part of those requirements is to prevail and advise the relevant *IMEM Trading Participants* accordingly.

### **7.3 SYSTEM SECURITY THREATS**

#### **7.3.1 Notice of system security threat**

- 7.3.1.1 Upon determination of the existence or the likely possibility of a significant threat to system security, the *Mindanao System Operator* shall immediately notify the *IMEM Trading Participants* and the *IMEM Operator*, including:
  - (a) The nature and details of the threat;
  - (b) The regions of the *Mindanao Power System* in which the threat to system security is likely to be located;
  - (c) The general magnitude of the threat to system security;
  - (d) An estimate of the likely duration thereof;
  - (e) The likely shortfall in supply; and
  - (f) The timeframe in which the *Mindanao System Operator* will likely need to declare an *IMEM Emergency* if the threat to system security does not subside.
- 7.3.1.2 If the *Mindanao System Operator* provides the notice with details of a significant threat to system security to *IMEM Trading Participants*, in accordance with Clause 7.3.1.1, the *Mindanao System Operator* may issue instructions requiring each *IMEM Trading Participant* to provide best estimates of:
  - (a) An *IMEM Generator's* plant availability to either increase or decrease generation; and
  - (b) An *IMEM Customer's* ability to either increase or decrease load.
- 7.3.1.3 An *IMEM Trading Participant* shall provide information required in accordance with Clause 7.3.1.2 as soon as practicable and such provision does not breach Section 6.2.
- 7.3.1.4 The *Mindanao System Operator* shall treat all information provided to it by an *IMEM Trading Participant* under Clause 7.3.1.3 as confidential information and may only use that information for the following purposes:
  - (a) Making a decision on whether to declare an *IMEM Emergency*;
  - (b) Maintaining or re-establishing system security by issuing emergency directions under Clause 7.2.2.2(c); and
  - (c) Regulatory reporting.
- 7.3.1.5 The *Mindanao System Operator* shall inform *IMEM Trading Participants* and the *IMEM Operator* immediately when it reasonably considers that the significant threat to system security has been averted.

#### **7.3.2 Response to system security threat**

- 7.3.2.1 If the *Mindanao System Operator* has identified a significant threat to system security and it does not reasonably consider that sufficient time exists for the threat to subside without resulting in an *IMEM Emergency*, then the *Mindanao System Operator* shall declare an



*IMEM Emergency* for the future *IMEM Intervals* which the threat to system security is projected to affect.

- 7.3.2.2 If the *Mindanao System Operator* has identified a significant threat to system security and reasonably considers that sufficient time exists for the threat to subside without resulting in an *IMEM Emergency*, the *Mindanao System Operator* shall:
- (a) Facilitate a market response to overcome the threat to system security; and
  - (b) Advise the *IMEM Operator* and those *IMEM Trading Participants* who the *Mindanao System Operator* considers would be required to take action or cease taking action if the threat to system security is not resolved without resulting in an *IMEM Emergency* of the likely nature of the actions it would be required to take or cease taking if an *IMEM Emergency* were declared.
- 7.3.2.3 The *IMEM Operator* may invite *IMEM Trading Participants* to revise or re-offer their physical capabilities submitted in accordance with Section 3.3 in respect of the relevant *IMEM Trading Intervals*.
- 7.3.2.4 For the avoidance of doubt, actions taken under this Section 7.3.2 do not constitute *IMEM Intervention* in the *IMEM*. *IMEM Intervention* can only occur after the *Mindanao System Operator* has declared an *IMEM Emergency*.
- 7.3.2.5 The *Mindanao System Operator* shall act in accordance with the *Grid Code* and *Distribution Code* at all times.

## **7.4 FORCE MAJEURE**

### **7.4.1 Definition of Force Majeure Event**

- 7.4.1.1 A *Force Majeure Event* is an event that:
- (a) Is not within the reasonable control, directly or indirectly, of the *IMEM Operator*, *Mindanao System Operator* and *IMEM Trading Participants*;
  - (b) Cannot be prevented or removed, despite the exercise of reasonable diligence;
  - (c) Has resulted in a reduction in the normal capacity of part or all of the *Mindanao Grid* during that *IMEM Interval*; and
  - (d) Is likely to materially affect the operation of the *IMEM* or materially threaten system security.
- 7.4.1.2 The following are considered a *Force Majeure Event*:
- (a) Failure of communication facilities that makes it difficult for *IMEM Trading Participants* to submit their *IMEM Offers*; or for the *IMEM Operator* to receive *IMEM Offers* from *IMEM Trading Participants* or to transmit *IMEM Merit Order Tables* to the *Mindanao System Operator*;
  - (b) Failure of *IMEM* systems, whether due to software or hardware failure, that makes the *IMEM Operator* unable to receive *IMEM Offers* or system information necessary and indispensable for the *IMEM*, or to generate feasible market results according to the *IMEM* timetable.
  - (c) Any other event, circumstance or occurrence in nature of, or similar in effect to any of the foregoing.

### **7.4.2 Obligations of the IMEM Operator and IMEM Trading Participants**

- 7.4.2.1 An *IMEM Trading Participant* shall notify the *IMEM Operator* of the occurrence of any *Force Majeure Event*, as soon as reasonably possible.
- 7.4.2.2 The *IMEM Operator* shall notify all *IMEM Trading Participants* of the nature of the *Force Majeure Event* and the extent to which the *Force Majeure Event* affects the operation of the *IMEM* as soon as reasonably possible.
- 7.4.2.3 *IMEM Trading Participants* shall use all reasonable endeavours to:
  - (a) Ensure that they do not exacerbate a *Force Majeure Event*; and
  - (b) Mitigate the occurrence and effects of a *Force Majeure Event*.

# Chapter 8 – Compliance, Audit and Dispute Resolution

## 8.1 COMPLIANCE

### 8.1.1 Enforcement and Compliance Officer

The *PEM Board* shall appoint an *Enforcement and Compliance Officer* to investigate apparent or suspected non-compliance with the *IMEM Rules*.

### 8.1.2 Investigation of IMEM Members

8.1.2.1 If the *IMEM Operator* or *Mindanao System Operator* has reasonable grounds to believe that an *IMEM Member* is in breach or may commit breach of the *IMEM Rules*, the *IMEM Operator* or *Mindanao System Operator* shall notify the *IGC* of the suspected breach as soon as possible.

8.1.2.2 The *IGC* shall thereafter direct the *Enforcement and Compliance Officer* to investigate the alleged breach.

8.1.2.3 The *Enforcement and Compliance Officer* shall issue a written notice to the *IMEM Member* specifying the nature of the offense and require the *IMEM Member* to explain the alleged offense with supporting documents within fifteen (15) *Business Days* from receipt of the notice. A copy of the notice shall be furnished to the *IGC* and the *ERC*.

8.1.2.4 The *Enforcement and Compliance Officer* may request for any additional information from the *IMEM Member* or any other party, as may be necessary to complete its investigation. Failure to provide such information within a reasonable time shall constitute a breach without need for further investigation and shall be subject to an applicable penalty. Failure of the party subject of the investigation to provide material information within a reasonable time shall render the party prima facie liable for the offense subject of the investigation.

8.1.2.5 In the conduct of its investigation, the *Enforcement and Compliance Officer* may request for conferences or visits to the *IMEM Member's* facilities.

8.1.2.6 The *Enforcement and Compliance Officer* shall develop an investigation procedure for the guidance of the *IMEM Members* and shall publish the same on the *Market Information Website*.

8.1.2.7 Upon the conclusion of its investigation, the *Enforcement and Compliance Officer* shall submit to the *IGC* a report on its findings on whether or not a breach of the *IMEM Rules* was committed.

8.1.2.8 Upon receipt of the investigation report, the *IGC* shall review the findings of the *Enforcement and Compliance Officer* and act on the investigation report, either approving or disapproving the report or returning the same to the *Enforcement and Compliance Officer* for further investigation. If the *IGC* confirms that there a breach of the *IMEM Rules*, it shall impose the appropriate sanctions as set out in Clause 8.1.3 of these *IMEM Rules*.

### 8.1.3 Sanctions

In case of a finding of breach, the *IGC* may impose financial or non-financial penalties, or both. Non-financial penalties shall include issuance of warning or reprimand, suspension from participation in the *IMEM* or deregistration from the *IMEM*. The financial penalty shall be in the amount of PhP 10,000.00 for every breach committed. If a financial penalty is imposed, the *IMEM Operator* shall be

authorized to deduct the financial penalty from any amounts payable to the *IMEM Member* in the *IMEM*.

#### **8.1.4 Reporting of IMEM Operator and Mindanao System Operator Breaches**

If any *IMEM Member* has reasonable grounds to believe that the *IMEM Operator* or the *Mindanao System Operator* is in breach of the *IMEM Rules*, the *IMEM Member* shall notify the *DOE* and the *ERC* of the breach.

## **8.2 AUDIT**

### **8.2.1 Testing of Market Software**

8.2.1.1 The *IMEM Operator* shall ensure that any software used in relation to scheduling, billing and settlement shall have been certified as correctly implementing the numerical calculations in the *IMEM Rules* by an independent reviewer appointed by the *PEM Board* before its deployment.

8.2.1.2 The *IMEM Operator* shall publish software certificates provided by the independent reviewer on the *Market Information Website*.

### **8.2.2 Audit of the IMEM Operator, Mindanao System Operator and Metering Services Providers**

8.2.2.1 The *DOE* may require an independent third-party audit as often as may be necessary of the operations and processes related to the *IMEM* of the *IMEM Operator*, *Mindanao System Operator* or *Metering Services Provider* to be shouldered at the expense of the auditee.

8.2.2.2 The terms of reference of the independent audit shall be prepared by the *DOE* in consultation with the *ERC*, the *IMEM Operator*, the auditee and such other entities that the *DOE* may determine as necessary.

8.2.2.3 A copy of the report shall be provided to the *DOE*, *ERC*, the *IMEM Operator* and the auditee.

8.2.2.4 A summary report of non-confidential findings shall be published on the *Market Information Website*.

### **8.2.3 Audit of IMEM Trading Participants**

8.2.3.1 The *DOE*, upon the recommendation of the *IGC*, may require an independent third-party audit no more than annually, of the market activities of any *IMEM Trading Participant* to be shouldered at the expense of the auditee.

8.2.3.2 The terms of reference of the independent audit shall be prepared by the *IMEM Operator* in consultation with the *ERC*, the *DOE*, the auditee, and such other entities that the *IMEM Operator* may determine as necessary.

8.2.3.3 Copies of the audit report shall be provided to the *DOE*, the *ERC*, the *IMEM Operator* and the auditee.

8.2.3.4 A summary report of non-confidential findings shall be published on the *Market Information Website*.

## **8.3 DISPUTE RESOLUTION**

### **8.3.1 Application and guiding principles**

Pursuant to the *EPIRA*, the *ERC* has original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the *ERC* in the exercise of its powers, functions and responsibilities under the *EPIRA* and over all cases involving disputes between and among participants or players in the energy sector. This includes such cases pertaining to the *IMEM* and *IMEM Members*.

### **8.3.2 Dispute Resolution Process**

The *IMEM Operator* shall prepare and endorse to the *DOE* for approval an alternative dispute resolution mechanism for use by *IMEM Members* and the *IMEM Operator* in the resolution of *Disputes*.

# Chapter 9 – Interpretation and Applicability

## 9.1 INTERPRETATION OF THE IMEM RULES

### 9.1.1 Format Conventions

In the *IMEM Rules*, unless the context otherwise requires:

- 9.1.1.1 Headings are for convenience only and do not affect the interpretation of the *IMEM Rules*;
- 9.1.1.2 Words importing the singular include the plural and vice versa;
- 9.1.1.3 Words importing a gender include any gender;
- 9.1.1.4 Where italicized and capitalized, a word or phrase has the definition given to that word or phrase in Chapter 10; and
- 9.1.1.5 Other parts of speech and grammatical forms of a word or phrase defined in the *IMEM Rules* have a corresponding meaning.

### 9.1.2 Expressions and References

- 9.1.2.1 An expression importing a natural person includes any legal entity, company, partnership, joint venture, association, corporation or other body corporate and any government authority;
- 9.1.2.2 A reference to anything (including, but not limited to, any right) includes a part of that thing;
- 9.1.2.3 A reference to a Clause, paragraph, part, annexure, exhibit or schedule is a reference to a Clause and paragraph and part of, and an annexure, exhibit and schedule to the *IMEM Rules* and a reference to the *IMEM Rules* includes any annexure, exhibit and schedule;
- 9.1.2.4 A reference to a statute, rule, regulation, proclamation, order, or circular includes all statutes, rules, regulations, proclamations, orders or circulars, consolidating or replacing it, and a reference to a statute includes all rules, regulations, proclamations, orders, or circulars issued under that statute;
- 9.1.2.5 A reference to the *IMEM Rules* or to a document or a provision of a document includes an amendment or supplement to, or replacement of, the *IMEM Rules* or that document or that provision of that document;
- 9.1.2.6 A reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assignees;
- 9.1.2.7 A reference to a body other than an *IMEM Member* or the *IMEM Operator* (including, without limitation, an institute, association or authority), whether statutory or not: (1) Which ceases to exist; or (2) Whose powers or functions are transferred to another body, is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- 9.1.2.8 A reference in the context of any provision of the *IMEM Rules* to a "representative" of any person is a reference to any director, officer or employee of that person or any agent, consultant or contractor appointed or engaged by that person for purposes connected with the subject matter of the relevant provision of the *IMEM Rules*.

### 9.1.3 Times and Dates

- 9.1.3.1 A reference in the *IMEM Rules* to a calendar day (such as 1 January) or a day of the week (such as Sunday) is to the 24-hour period which begins right after 2400H of the previous day and until 2400H of that day.
- 9.1.3.2 A reference in the *IMEM Rules* to a week is to the period right after 2400H of the previous day of the first day specified or implied until 2400H of the seventh day following.
- 9.1.3.3 A reference in the *IMEM Rules* to a month (or a number of months) or a calendar month is to the period from 2400H of the previous day of a day in one month until 2400H of the previous day of the same day of the month which follows (or follows by the relevant number of months), or if there is no such day in that month, 2400H hours of the previous day of the first day of the next following month.
- 9.1.3.4 A reference in the *IMEM Rules* to a year is to the period from right after 2400H of the previous day of a day in one year until 2400H hours of the previous day of the same day (or where the day in the first year was 29 February, on 1 March) in the following year, and a reference to a calendar year (such as 1997) is to be construed accordingly.
- 9.1.3.5 A reference in the *IMEM Rules* to a time of day is to *Philippine Standard Time* and abbreviated as *PST*.
- 9.1.3.6 A reference in the *IMEM Rules* to a period of time which dates from a given day, or the day of an act or event, is to be calculated exclusive of that day.
- 9.1.3.7 A reference in the *IMEM Rules* to a period of time which commences on a given day, or the day of an act or event, is to be calculated inclusive of that day.
- 9.1.3.8 Where under any provision of the *IMEM Rules* a person is required to provide any information by a certain date or time, the relevant provision is to be taken to include a requirement that that the relevant information shall be given as soon as possible and no later than the date or time given.

### 9.1.4 Notices

- 9.1.4.1 A notice is properly given under the *IMEM Rules* to a person if:
- (a) It is personally served;
  - (b) A letter containing the notice is sent by courier to the person at an address (if any) supplied by the person to the sender for service of notices or, where the person is an *IMEM member*, an address shown for that person in the register of *IMEM Members* maintained by the *IMEM Operator*, or, where the addressee is the *IMEM Operator*, the registered office of the *IMEM Operator*;
  - (c) It is sent to the person by facsimile or electronic mail to a number or reference which corresponds with the address referred to in Clause 9.1.4.1(b) or which is supplied by the person to the *IMEM Operator* for service of notices and, if sent by electronic mail, the person sending the notice also sends a copy of the notice by letter or facsimile to the person on the same day; or
  - (d) The person actually receives the notice by any other means.
- 9.1.4.2 A notice is treated as being given to a person by the sender:
- (a) Where sent by courier mail to an address in the central business district of a region in the Philippines, on the second *Business Day* after the day on which it is posted;

- (b) Where sent by courier in accordance with Clause 9.1.4.1(b) to any other address, on the third *Business Day* after the day on which it is posted;
- (c) Where sent by facsimile in accordance with Clause 9.1.4.1(c) and a complete and correct transmission report is received:
  - (i) Where the notice is of the type in relation to which the addressee is obliged under the *IMEM Rules* to monitor the receipt by facsimile outside of, as well as during, business hours, on the day of transmission; and
  - (ii) In all other cases, on the day of transmission if a *Business Day* or, if the transmission is on a day which is not a *Business Day* or is after 1600H (addressee's time), at 0900H on the following *Business Day*;
- (d) Where sent by electronic mail in accordance with Clause 9.1.4.1(c):
  - (i) Where the notice is of a type in relation to which the addressee is obliged under the *IMEM Rules* to monitor receipt by electronic mail outside of, as well as during, business hours, on the day when the notice is recorded as having been received at the electronic mail destination; and
  - (ii) In all other cases, on the day when the notice is recorded as having been first received at the electronic mail destination, if a *Business Day* or if that time is after 1600H (addressee's time), or the day is not a *Business Day*, at 0900H on the following *Business Day*; or
- (e) In any other case, when the person actually receives the notice.

9.1.4.3 Any notice to or by a person under the *IMEM Rules*:

- (a) Shall be in legible writing and in English; and
- (b) Where the sender is a company, shall be signed by a responsible employee or officer thereof or under the corporate or official seal of the sender (except where the notice is sent by electronic mail).

9.1.4.4 Where a specified period (including, without limitation, a particular number of days) is provided, for purposes of calculating the number of days indicated in the period, the first day shall be excluded while the last day is included in said computation.

## **9.2 APPLICABILITY OF THE *IMEM Rules***

### **9.2.1 Scope of Application**

By their participation in the *IMEM*, the *IMEM Operator*, the *Mindanao System Operator*, *IMEM Service Providers* and *IMEM Trading Participants* bind themselves to comply with:

- (a) These *IMEM Rules*, and all other rules, regulations, issuances, decisions, resolutions that may be issued by the *DOE* or *ERC* relevant to the operations of the *IMEM*; and
- (b) Guidelines and procedures set by the *IMEM Operator* and the *Mindanao System Operator* in the course of the operation of the *IMEM*.

### **9.2.2 Rights and Obligations**

9.2.2.1 Unless otherwise expressly permitted by the *IMEM Rules*, an *IMEM Member* shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under the *IMEM Rules*.



9.2.2.2 An entity does not waive its rights, powers and discretions under the *IMEM Rules* by:

- (a) Failing to exercise its rights;
- (b) Only exercising part of its rights; or
- (c) Delaying the exercise of its rights.

### **9.2.3 Severability**

Each part or all of a provision of the *IMEM Rules*:

- (a) Will be construed so as to be valid and enforceable to the greatest extent possible; and
- (b) May be so construed (or deleted if necessary) regardless of the effect which that may have on the provision in question or any other provision or the *IMEM Rules* as a whole.

## Chapter 10 – Glossary

**Actual Loading:** The MW measurement of the instantaneous injection of an *IMEM Generator* at a specific point in time.

**All-Or-Nothing Offer Type:** The *Offer Type* that applies to an *IMEM Offer* where the capacity cannot be partially dispatched but must be dispatched in either full or not at all. This will apply, for example, to *IMEM Load Curtailment Resources* that curtail load by disconnecting from the *Mindanao Power System*.

**Ancillary Services:** Those services which are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice, the *Grid Code* and the *Distribution Code*.

**Billing Period:** The period defined in Clause 5.1.1.2.

**Business Days:** A day (excluding Saturdays and Sundays) on which banks and financial institutions are open in the city or municipality where the principal offices of the *IMEM Operator* are located.

**Connection Point:** The agreed point of supply established between an *IMEM Network Service Provider* and an *IMEM Trading Participant*.

**Contract Quantity:** The *Settlement Quantity* defined in Clause 5.2.4.3, Clause 5.2.5.3, Clause 5.2.5.4, Clause 5.2.5.5, Clause 5.2.5.6, or Clause 5.2.7.2 as applicable.

**Contracted Capacity:** Forms part of an *IMEM Offer* and is the total MW capacity of the *IMEM Resource* that is covered by *Ex-Ante Contract Allocations*.

**Customer IMEM Demand:** The portion of an *IMEM Customer's* forecast instantaneous MW demand that the *IMEM Customer* intends to source from the *IMEM* in a given *IMEM Interval*.

**Customer Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.3.5 which is the payment in *IMEM Offers* due from that *IMEM Customer* for net withdrawal from the *IMEM* in an *IMEM Trading Interval*.

**Day-Ahead IMEM Schedule:** The schedule of MW capacities from *IMEM Offers* selected in accordance with Section 3.4.2 to meet the *IMEM Demand*.

**Dispatch Target:** The value defined in Clause 3.5.1.5.

**Dispatchable IMEM Generator:** A generating unit or group of generating units connected at a common *Connection Point* whose energy resource is predictable and the availability of the resource is controllable.

**Dispute:** Any dispute, controversy, claim or difference of any kind whatsoever arising out or in connection with the *IMEM*.

**Distribution Code:** The set of rules, requirements, procedures, and standards governing *Distribution Utilities* and users in the operation, maintenance, and development of their distribution systems. It also defines and establishes the relationship of the distribution systems with the facilities or installations of the parties connected thereto

**Distribution Network:** A system of cables which provide for the transfer of electric power within the *Distribution Utility's* franchise area.

**Distribution Utility:** An *Electric Cooperative*, private corporation, government-owned utility, or existing local government unit, that has an exclusive franchise to operate a distribution system in accordance with its franchise and the *EPIRA*.

**DOE:** See *Department of Energy*

**Downward Dispatch Instruction:** An instruction issued by the *Mindanao System Operator* to an *IMEM Resource* directing it to reduce its supply from that which it was directed to provide in the *Day-Ahead IMEM Schedule*.

**Downwards Dispatch Adjustment Factor:** The factor defined in Clause 5.3.1.2 which is the proportion of the *IMEM Price* that will be paid to *IMEM Resources* as recompense for each MWh of downwards *In-Day Dispatch*.

**Downwards Dispatch Service Amount:** The *Settlement Amount* defined in Clause 5.3.2.9 which is the compensation in *IMEM Offers* due to an *IMEM Resource* for providing downwards *In-Day Dispatch* in an *IMEM Trading Interval*.

**Downwards Dispatched Quantity:** The *Settlement Quantity* defined in Clause 5.2.6.5 for *IMEM Load Curtailment Resources* and Clause 5.2.8.5 for *IMEM Generators*, which is the quantity in MWh for which the *IMEM Resource* will be compensated for downwards *In-Day Dispatch* in an *IMEM Trading Interval*.

**Downwards Variation Adjustment Factor:** The factor defined in Clause 5.3.1.4 which is the proportion of the *IMEM Price* that *IMEM Resources* will pay as penalty for each MWh of downwards variation from *Scheduled Target* or *Dispatch Target*.

**Downwards Variation Amount:** The *Settlement Amount* defined in Clause 5.3.2.11 which is the penalty in Philippine Pesos payable by an *IMEM Resource* for downwards variation from *Scheduled Target* or *Dispatch Target* in an *IMEM Trading Interval*.

**Downwards Variation Quantity:** The *Settlement Quantity* defined in Clause 5.2.6.7 for *IMEM Load Curtailment Resources* and Clause 5.2.8.7 for *IMEM Generators*, which is the quantity in MWh for which the *IMEM Resource* will be penalized for downwards variation from *Scheduled Target* or *Dispatch Target* in an *IMEM Trading Interval*.

**Electric Cooperative:** A cooperative or corporation authorized to provide electric services pursuant to Presidential Decree No. 269, as amended, and Republic Act No. 6938 within the framework of the national rural electrification plan.

**End-Users:** Any person or entity requiring the supply and delivery of electricity for its own use.

**Energy Amount:** The *Settlement Amount* defined in Clause 5.3.2.5 for an *IMEM Generator* and Clause 5.2.3.6 for an *IMEM Load Curtailment Resource*, which is the compensation in *IMEM Offers* due to that *IMEM Resource* for net supply to the *IMEM* in an *IMEM Trading Interval*.

**Energy Regulatory Commission:** The independent, quasi-judicial regulatory body created under the *EPIRA*.

**Enforcement and Compliance Officer:** A person tasked to perform compliance and enforcement functions pursuant to Section 8.1.

**EPIRA:** Refers to Republic Act No. 9136 also known as the "Electric Power Industry Reform Act of 2001".

**ERC:** See *Energy Regulatory Commission*.

**Ex-Ante Contract Allocations:** An instantaneous MW quantity allocated in advance to an *IMEM Generator* or an *IMEM Customer* to indicate the portion of its capacity or demand (respectively) that is covered by a bilateral contract between the two. In each case, it is specified at the *Connection Point* of the *IMEM Generator* and the *IMEM Customer*.

**Expected Demand:** The value declared in accordance with Section 3.2.1.

**Expected Demand Quantity:** The *Settlement Quantity* defined in Clause 5.2.6.2 which is the estimated energy consumption in MWh of an *IMEM Load Curtailment Resource* in an *IMEM Trading Interval* if it was not scheduled or dispatched to curtail energy.

**Ex-Post Contract Quantity:** The quantity of electricity in MWh sold by one party to another, outside the *IMEM*, in an *IMEM Trading Interval* declared in accordance with Section 5.2.2.

**Final Settlement Statement:** The statement setting out the *IMEM* transactions of an *IMEM Generator* in a *Billing Period*, issued by the *IMEM Operator* under Clause 5.1.2.4, and containing the information set out in Clause 5.4.2.1

**Force Majeure Event:** An event or situation described under Section 7.4.1.

**Forced Outage:** A full or partial unplanned unavailability of an *IMEM Resource*, as defined in the *Grid Code*.

**Forced Outage Declaration:** A notification sent to the *Mindanao System Operator* by an *IMEM Resource* when a *Forced Outage* occurs.

**Generating Units:** A single machine generating electricity and all the related equipment essential to its functioning as a single entity and having a nameplate rating of one (1) MW or more.

**Grid Code:** Refers to the set of rules and regulations governing the safe and reliable operation, maintenance and development of the high-voltage backbone transmission system and its related facilities, pursuant to the *EPIRA*.

**Grid-Connected End-User:** An *End-User* that is directly connected to the *Mindanao Grid*

**IGC:** See *IMEM Governance Committee*

**IMEM:** See *Interim Mindanao Electricity Market*.

**IMEM Adjusted Metered Quantity:** The *Settlement Quantity* defined in Clause 5.2.5.2 for *IMEM Load Curtailment Resources*, and in Clause 5.2.4.2 for all other *IMEM Customers* in respect of an *IMEM Trading Interval*.

**IMEM Cost Recovery Mechanism:** Refers to the mechanism for recovering the costs incurred in establishing the *IMEM* as approved by the *ERC*.

**IMEM Customer:** A person who engages in the activity of purchasing electricity supplied through the *Mindanao Grid* and registers with the *IMEM Operator* in that capacity under Chapter 2.

**IMEM Customer Price:** The price in *IMEM Offers* defined in Clause 5.3.3.4 which is the price at which *IMEM Customers* will pay for any purchases from the *IMEM* in an *IMEM Trading Interval*

**IMEM Day-Ahead Price:** The price that is the basis for standard payments to *IMEM Resources* for supply during an *IMEM Trading Interval*, as set the preceding day in accordance with Section 3.4.2

**IMEM Demand:** The instantaneous MW demand to be met by supply from *IMEM Resources* in an *IMEM Interval*. The *IMEM Demand* is the sum of all *Customer IMEM Demands*.

**IMEM Embedded Generator:** Generating units that are indirectly connected to the *Mindanao Grid* through the Distribution Utilities' lines or industrial generation facilities that are synchronized with the *Mindanao Grid* and registers with the *IMEM Operator* in that capacity under Chapter 2.

**IMEM Emergency:** An event or situation described under Section 7.2.1

**IMEM Generator:** *IMEM Grid Generator* or *IMEM Embedded Generator*

**IMEM Governance Committee:** The committee whose composition, duties and obligations are defined under Section 1.4.

**IMEM Grid Generator:** Generating units that are directly connected to the *Mindanao Grid* and registers with the *IMEM Operator* in that capacity under Chapter 2.

**IMEM Interval:** Any hour, ending on the hour, during the time the *IMEM* is in effect.

**IMEM Intervention:** The act of intervening in the operation of the *IMEM* by the *Mindanao System Operator* in case of an *IMEM Emergency* or by the *IMEM Operator* during the occurrence of a *Force Majeure Event* as defined under Chapter 7.

**IMEM Intervention Report:** The reports submitted by each of the *IMEM Operator* and the *Mindanao System Operator* pursuant to Section 7.1.6.

**IMEM Load Curtailment Resource:** An *End-User* that is capable of reducing or curtailing its power consumption and is registered as member of the *IMEM* under Chapter 2

**IMEM Manual:** A manual of specific procedures, systems or protocols for the implementation of the *IMEM Rules* promulgated by the *DOE*.

**IMEM Member:** A person who is registered with the *IMEM Operator* in accordance with Chapter 2.

**IMEM Merit Order Table:** The table of ranked *IMEM Offers* with associated information that is constructed by the *IMEM Operator* under Section 3.4.3 for use by the *Mindanao System Operator* in managing in-day dispatch of *IMEM Resources*.

**IMEM Metering Services Provider:** A person or entity authorized by the *ERC* to provide metering services and registered with the *IMEM Operator* in that capacity in accordance with Chapter 2.

**IMEM Network Service Provider:** A person who engages in the activity of owning, controlling, or operating a transmission or distribution system and who is registered with the *IMEM Operator* that capacity under Chapter 2.

**IMEM Objectives:** Refers to the objectives set forth in Section 1.1.4.

**IMEM Offer:** An offer submitted by an *IMEM Resource* to sell electrical energy through the *IMEM* in a particular *IMEM Trading Interval*. An *IMEM Offer* has the form specified in Section 3.3.1.

**IMEM Operator:** Refers to Philippine Electricity Market Corporation, the entity designated in accordance with *DOE* Department Circular DC No. 2013-01-0001 to implement the *IMEM*.

**IMEM Price Determination Methodology:** Refers to the methodology for setting the prices in the *IMEM* as approved by the *ERC*.

**IMEM Prices:** Prices set by the *IMEM Operator* in relation to the sale and purchase of energy in the *IMEM*, including the *IMEM Day-Ahead Price*, the *IMEM Customer Price*, and such other prices as may be required for an *IMEM Intervention* or an *IMEM Suspension*.

**IMEM Resource:** An *IMEM Generator* or an *IMEM Load Curtailment Resource*.

**IMEM Rules:** See *Interim Mindanao Electricity Market Rules*.

**IMEM Schedule Optimization Model:** A mathematical optimization process that selects *IMEM Offers* for scheduling.

**IMEM Service Provider:** *IMEM Metering Services Provider* or an *IMEM Network Service Provider*.

**IMEM Trading Intervals:** An *IMEM Interval* for which any capacity offered into the *IMEM* is utilized either through the *Day-Ahead IMEM Schedule* or via *In-Day Dispatch* Instructions.

**IMEM Trading Participant:** An *IMEM Resource* or an *IMEM Customer*

**IMEM Trading Quantity:** The *Settlement Quantity* defined in Clause 5.2.7.3 for *IMEM Generators*, Clause 5.2.5.7 for *IMEM Load Curtailment Resources*, and Clause 5.2.4.4 for all other *IMEM Customers* in respect of an *IMEM Trading Interval*

**In-Day Dispatch Instruction:** A Downward Dispatch either *Instruction* or an *Upward Dispatch Instruction*.

**In-Day Service Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.2.13 which is the additional compensation due to an *IMEM Resource* for providing *In-Day Dispatch* in an *IMEM Trading Interval*.

**Insufficient Supply Condition:** As defined for an *IMEM Trading Interval* in Clause 3.6.1.1, the condition where there is not enough generation to meet the forecast demand in Mindanao.

**Interim Mindanao Electricity Market Rules:** The electricity market developed and implemented by the PEMC in accordance with *DOE* Department Circular No. DC2013-01-0001.

**Load-To-Maintain:** The MW quantity, set under Section 3.6.2, that an *IMEM Customer* is required to limit its off-take from the *Mindanao Grid* to

**Margin Call:** An amount specified by the *IMEM Operator* to be paid by an *IMEM Trading Participant* in accordance with Clause 5.5.3 to make up for any anticipated shortfall between the security provided by that *IMEM Trading Participant* and the *IMEM Operator's* exposure in respect of that *IMEM Trading Participant*.

**Market Fees:** The charges imposed on *IMEM Members* by the *IMEM Operator* to cover the cost of administering and operating the *IMEM*, as approved by the *ERC*.

**Market Information Website:** A facility to be established by the *IMEM Operator* on the electronic communication system on which it may publish information which is then available to and may be accessed by *IMEM Members*.

**Meter:** A device, which measures and records the consumption or production of electricity.

**Metered Quantity:** Net quantity of energy injected or withdrawn from the transmission network, or distribution network, by an *IMEM Trading Participant* during an *IMEM Trading Interval* as measured in the Metering Data, where net injection is a positive number and a net withdrawal is a negative number

**Metering Data:** The data obtained or derived from a metering installation.

**Metering Database:** The database kept by the *IMEM Operator* pursuant to Clause 4.4.3.

**Metering Installation:** The meter and associated equipment and installations installed or to be installed for the collection of metering data required for settlement purposes.

**Metering Point:** The point of physical connection of the device measuring the current in the power conductor.

**Metering Services:** A service for the provision of metering facilities, meter reading, and metering data validation and estimation.

**Metering Services Provider:** A person or entity authorized by the *ERC* to provide metering services.

**Metering Services Provider Database:** The database kept by *IMEM Metering Services Providers* pursuant to Clause 4.4.2.

**MinDA:** The Mindanao Development Authority created under Republic Act. No. 9996.

**Mindanao Distribution System:** The system of wires and associated facilities connected to the transmission system operated by the *Mindanao System Operator* belonging to a franchised *Distribution Utility*, extending between the delivery points on the transmission or sub-transmission system, or generator connection and the point of connection to the premises of the *End-User*.

**Mindanao Distribution Utilities:** An Electric Cooperative, private corporation, government-owned utility, or existing local government unit which has an exclusive franchise to operate a Mindanao Distribution System in accordance with its franchise and the *EPIRA* and is registered as such under the provisions in Chapter 2.

**Mindanao Grid:** Refers to the high-voltage backbone system of interconnected transmission lines, substations and related facilities in Mindanao.

**Mindanao Power System:** The *Mindanao Grid* and the *Mindanao Distribution Systems*.

**Mindanao System Operator:** The party identified as the system operator pursuant to the *Grid Code*, who has responsibility for generation dispatch, the provision of *Ancillary Services*, and operation and control to ensure safety, power quality, stability, reliability and security of the *Mindanao Grid*.

**NEA:** The National Electrification Administration, the entity established by Presidential Decree No. 269 as amended by Presidential Decree No. 1645.

**Non-Dispatchable IMEM Generator:** An *IMEM Generator* that is not a *Dispatchable IMEM Generator*.

**Offer Price:** The price in *IMEM Offers*/MWh at which an *IMEM Resource* is offering its Offered Capacity in an *IMEM Offer* for an *IMEM Interval*.

**Offer Type:** The type of *IMEM Offer* being made, which is either a *Standard Offer Type* or an *All-Or-Nothing Offer Type*.

**Offered Capacity:** The MW capacity that is offered by an *IMEM Resource* in its *IMEM Offer*.

**Outage Adjustment Quantity:** The *Settlement Quantity* defined in Clause 5.2.8.3, which is the quantity in MWh by which the Scheduled Quantity for an *IMEM Generator* is reduced due to a forced outage

**Participant Interval Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.4.2 which is the total compensation due to or payment due from an *IMEM Trading Participant* in respect of an *IMEM Trading Interval*.

**Participant Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.5.2 which is the total compensation due to or payment due from an *IMEM Trading Participant* in respect of a *Billing Period*

**PEM Board:** The group of directors serving from time to time on the board that is responsible for governing the *Wholesale Electricity Spot Market*.

**Penalty Tolerance:** The *Settlement Quantity* defined in Clause 5.2.3.2, which is the quantity in MWh by which an *IMEM Resource* may deviate from its *Scheduled Target* or *Dispatch Target* in an *IMEM Trading Interval* without incurring financial penalties

**Pending IMEM Member:** A person who is not yet registered with the *IMEM Operator* in accordance with Chapter 2 but has submitted initial requirements for registration to the *IMEM Operator*.

**Philippine Standard Time:** The standard for the second of time in the Philippines kept and maintained by the Philippine Atmospheric Geophysical and Astronomical Services Administration (PAGASA).

**Preliminary Settlement Statement:** The statement setting out the *IMEM* transactions of an *IMEM Trading Participant* in a *Billing Period*, issued by the *IMEM Operator* under Clause 5.1.2.3, and containing the information set out in Clause 5.4.1.1.

**Prudential Security Requirements:** The requirements imposed on an *IMEM Trading Participant* to provide and maintain a security in accordance with Clause 5.5.



**Random Daily Priority:** A random number that is generated each day and assigned to each *IMEM Resource* in order to set the ranking in the *IMEM Merit Order Table* in the case where its *IMEM Offer* has an *Offer Price* that is identical to that of one or more *IMEM Offers* from other *IMEM Resources* in a particular *IMEM Interval*.

**Registered Capacity:** The MW capacity set for an *IMEM Resource* at the time of registration. For *IMEM Generators*, in most cases it will equal the capacity specified in its Certificate of Compliance (COC) issued by the ERC.

**Resource Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.2.14 which is the total compensation due to an *IMEM Resource* in an *IMEM Trading Interval*.

**Scheduled Quantity:** The *Settlement Quantity* defined in Clause 5.2.6.3 for *IMEM Load Curtailment Resources* and Clause 5.2.8.2 for *IMEM Generators*, which is the expected energy curtailment or injection in MWh of the *IMEM Resource* in an *IMEM Trading Interval* if it operated in accordance with the Day-Ahead Schedule

**Scheduled Target:** The instantaneous MW supply that the *Day-Ahead IMEM Schedule* specifies that an *IMEM Resource* is to supply at the end of a particular *IMEM Interval*, including any Contracted Capacity that the *IMEM Resource* may have.

**Settlement Amount:** A Philippine Peso amount used in *IMEM* settlement to determine the monies owing from or payable to *IMEM Trading Participants*.

**Settlement Quantity:** A MWh quantity applicable to an *IMEM Trading Participant*, used in *IMEM* settlement to determine the monies owing from or payable to *IMEM Trading Participants*.

**Settlement Statement:** A *Preliminary Settlement Statement* or a *Final Settlement Statement*.

**Standard Offer Type:** The *Offer Type* that applies to an *IMEM Offer* where the capacity can be partially dispatched. This will apply to most *IMEM Resources*, including all *IMEM Generators*.

**Standing IMEM Offer:** An offer submitted by an *IMEM Resource* to sell electrical energy through the *IMEM* in a given hour of the day and day of the week. It will always apply in that hour of any week unless it has been overridden by an *IMEM Offer* specific to a particular *IMEM Interval*.

**Supply Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.2.12 which is the compensation due to an *IMEM Resource* for energy supply in an *IMEM Trading Interval*, less any applicable penalties.

**Suspension Notice:** A notice issued by the *IMEM Operator* in accordance with Clause 2.6.2.1

**Total In-Day Service Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.4.3 which is the total compensation due to *IMEM Resources* for providing *In-Day Dispatch* in an *IMEM Trading Interval*.

**Total Supply Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.3.3 which is the total compensation due to all *IMEM Resources* for energy supply in an *IMEM Trading Interval*, less any applicable penalties.

**Unavailable Capacity:** Forms part of an *IMEM Offer* and is the total MW capacity of the *IMEM Resource* that is unavailable to be included in the Contracted Capacity or the Offered Capacity due to *Forced Outage*, maintenance, or other reason provided by the *IMEM Resource* and accepted by the *IMEM Operator*.

**Uncontracted Demand:** The portion of an *IMEM Customer's* forecast instantaneous MW demand in a particular *IMEM Interval* that is not covered by *Ex-Ante Contract Allocations*.

**Unrecovered Total Supply Settlement Amount:** The *Settlement Amount* defined in Clause 5.3.3.6 which is the amount due to *IMEM Resources* for supply in an *IMEM Trading Interval* that cannot be allocated to *IMEM Customers* in that *IMEM Trading Interval*.

**Upward Dispatch Instruction:** An instruction issued by the *Mindanao System Operator* to an *IMEM Resource* directing it to increase its supply from that which it was directed to provide in the *Day-Ahead IMEM Schedule*.

**Upwards Dispatch Adjustment Factor:** The factor defined in Clause 5.3.1.1 which is the proportion of the *IMEM Price* that will be paid to *IMEM Resources* as recompense for each MWh of upwards *In-Day Dispatch*.

**Upwards Dispatch Cost Recovery Amount:** The *Settlement Amount* defined in Clause 5.3.2.8 which represents the additional cost, in Philippine Pesos, of generation by an *IMEM Resource* providing upwards *In-Day Dispatch* in an *IMEM Trading Interval*.

**Upwards Dispatch Service Amount:** The *Settlement Amount* defined in Clause 5.3.2.7 which is the compensation in Philippine Pesos due to an *IMEM Resource* for providing upwards *In-Day Dispatch* in an *IMEM Trading Interval*, over and above the additional costs of generation.

**Upwards Dispatched Quantity:** The *Settlement Quantity* defined in Clause 5.2.6.4 for *IMEM Load Curtailment Resources* and Clause 5.2.8.4 for *IMEM Generators*, which is the quantity in MWh for which the *IMEM Resource* will be compensated for upwards *In-Day Dispatch* in an *IMEM Trading Interval*.

**Upwards Variation Adjustment Factor:** The factor defined in Clause 5.3.1.3 which is the proportion of the *IMEM Price* that *IMEM Resources* will pay as penalty for each MWh of upwards variation from *Scheduled Target* or *Dispatch Target*.

**Upwards Variation Amount:** The *Settlement Amount* defined in Clause 5.3.2.10 which is the penalty in Philippine Pesos payable by an *IMEM Resource* for upwards variation from *Scheduled Target* or *Dispatched Target* in an *IMEM Trading Interval*.

**Upwards Variation Quantity:** The *Settlement Quantity* defined in Clause 5.2.6.6 for *IMEM Load Curtailment Resources* and Clause 5.2.8.6 for *IMEM Generators*, which is the quantity in MWh for which the *IMEM Resource* will be penalized for upwards variation from *Scheduled Target* or *Dispatch Target* in an *IMEM Trading Interval*.

**Week-Ahead Contract Allocations Report:** The report summarizing *Week-Ahead Generator Contract Allocations*, provided by the *Mindanao System Operator* to the *IMEM Operator* in accordance with Section 3.2.6.

**Week-Ahead Customer Demand Forecast:** The demand forecast for the following seven days provided by an *IMEM Customer* in accordance with Section 3.2.1.

**Week-Ahead Customer IMEM Demand:** The specification of *IMEM Demand* for the following seven days provided by an *IMEM Customer* in accordance with Section 3.2.7.

**Week-Ahead Distribution Network Information Report:** The report on outages and conditions for the following seven days in the *Distribution Network* of an *IMEM Network Service Provider*, provided in accordance with Section 3.2.3.

**Week-Ahead Generator Contract Allocations:** The specification of *Ex-Ante Contract Allocations* for the following seven days provided by an *IMEM Generator* in accordance with Section 3.2.5.

**Week-Ahead IMEM Demand Report:** The report on *IMEM Demand* for the following seven days, provided by the *IMEM Operator* in accordance with Section 3.2.8.

**Week-Ahead Power System Information Report:** The report on outages and conditions for the following seven days in the *Mindanao Power System*, provided by the *Mindanao System Operator* in accordance with Section 3.2.4.

**Week-Ahead System Demand Forecast:** The report on system demand for the following seven days, provided by the *Mindanao System Operator* in accordance with Section 3.2.2.

**Wholesale Electricity Spot Market:** The electricity market established by the *DOE* in accordance with Section 30 of the *EPIRA*.