

Republic of the Philippines
ENERGY REGULATORY COMMISSION
 San Miguel Avenue, Pasig

DRAFT FOR DISCUSSION ONLY

**GUIDELINES FOR THE ISSUANCE OF
 CERTIFICATE OF AUTHORITY
 FOR WESM METERING SERVICE PROVIDERS**

ERC CASE NO. [Case No.]RM

Pursuant to Section 30 of Republic Act No. 9136, the Philippine Grid and Distribution Codes and the Wholesale Electricity Spot Market (WESM) Rules, the Energy Regulatory Commission (ERC) hereby adopts and promulgates the following Guidelines for the Issuance of a Certificate of Authority to WESM Metering Service Providers (WMSP).

ARTICLE I

GENERAL PROVISIONS

1.1 Objectives

This set of Guidelines is being promulgated to attain the following objectives:

- 1.1.1** To promote free and fair competition and accountability of industry participants in order to achieve greater operational and economic efficiency; and
- 1.1.2** To ensure the quality, reliability, accuracy and security of the WMSP's services and facilities.

1.2 Guiding Principles

No person or entity may provide metering services as a WESM Metering Service Provider unless such person has secured a Certificate of Authority from the ERC to provide metering services.

A Certificate of Authority must be secured from the ERC prior to registration with the Market Operator.

1.3 Scope

This Guidelines shall apply to all persons and entities seeking authorization or presently operating as WESM Meter Service Providers.

1.4 Definition of Terms

Accuracy		The extent to which a given measurement agrees with the defined value or the degree of conformity of a measure to a standard or a true value;
Buyer or Concessionaire		A qualified party awarded the sale agreement or concession contract for transmission assets;
Certificate of Authority		The authority granted by the ERC to any person or entity to act as Metering Service Provider;
Energy Regulatory Commission¹ (or ERC)		The regulatory agency created under Section 38 of EPIRA;
Instrument Transformers		Transformers in which the conditions of current or voltage and of phase position in the primary circuit are represented with accuracy in the secondary circuit;
Market Operator (MO)²		Either the “Autonomous Group Market Operator” or “AGMO” constituted by the Department of Energy (“DOE”) under Section 30 of EPIRA, with equitable representation from the Electric Power Industry Participants, initially under the administrative supervision of the TRANSCO, or the Independent Market Operator (“IMO”), the entity jointly endorsed by the DOE and the Electric Power Industry Participants which shall assume the functions, assets and liabilities of the AGMO;
Measurement Assurance Program and Procedures		The program and procedures to ensure traceability and calibrations and measurements and for ensuring the quality of work;
Metering Services³		The services provided by a WESM Metering Service Provider, including, but not limited to, the provision, installation, calibration, operation and maintenance of metering system (as defined by Chapter 9.2.2.1 of the Philippine Grid Code);

¹ EPIRA, Sec. 4

² Implementing Rules and Regulations, Rule 4

³ Clause 4.3.2.1(a), WESM Rules

National Transmission Corporation or “TRANSCO”⁴		The corporation organized pursuant to Section 8 of EPIRA to acquire all the transmission assets of the NPC;
Network Service Provider⁵		TRANSCO / Buyer / Concessionaire, grid owner or distribution utility registered as such with the Market Operator;
Phase Shifting Device		A device for creating a phase difference between alternating currents and voltages or between voltages;
Reference Meter Standard		A special watt-hour meter used as the reference for test of other meters. The standard has multiple current and voltage settings so that a single unit may be used for tests of any normally rated meters;
Revenue Meter Calibration and Testing Equipment		Equipment used for testing and calibration of revenue meters;
Single or Three Phase Voltage and Current Source		A device which supplies the various load currents and voltages for meter testing. The power source is usually the service voltage which is transformed to different values in single- or in three-phase.
Trading Participant⁶		A person or entity registered with the Market Operator either as a customer or a generation company, and may be registered either as a Direct WESM member or Indirect WESM member with respect to its activities relating to trading in the spot market subject to the compliance with the relevant prerequisites set out in clauses 2.3 and 2.4 of the WESM Rules;
Transformer Ratio		The ratio of the primary current or voltage, as the case may be, to the secondary current or voltage;
User		A person or entity that uses the Grid or Distribution System and related facilities. Also, a person or entity to which the Grid Code or Distribution Code applies;

⁴ EPIRA, Sec. 4

⁵ Item 2.3.4 of the WESM Rules

⁶ Item 2.3.3.1 of the WESM Rules

WESM Rules		The detailed rules that govern the administration and operation of the WESM;
WESM Metering Service Provider⁷ (or “WMSP” or Meter Operator as described under Section 9.2.2.1 of the Grid Code)		A person or entity authorized by the ERC and registered with the Market Operator to provide Metering Services in accordance with Chapter 4 of the WESM Rules;
Wholesale Electricity Spot Market or WESM		The wholesale electricity spot market created in accordance with Section 30 of EPIRA.

1.5 Service Provider

During the initial phase of implementation of the WESM, TRANSCO/BUYER/CONCESSIONAIRE shall provide the services required of the WESM Metering Service Provider, but this will not exclude other entities from doing the same, provided they meet the requirements under the WESM Rules, PGDC, this Guidelines and other applicable laws;

Before it can act as a WMSP during the initial phase of the WESM, TRANSCO/BUYER/CONCESSIONAIRE shall also be required to comply with this Guidelines and to obtain its own Certificate of Authority from the ERC.

ARTICLE II

REQUIREMENT AND PROCEDURES

2.1 Certificate of Authority

All WESM Metering Service Providers shall apply for a Certificate of Authority (CA) with the ERC. Provided that all the requirements have been complied with, the ERC shall notify the WMSPs of its action within thirty (30) working days from the date of filing of the application unless the ERC requires the submission of additional information, or orders the suspension of final action on the application based on reasonable grounds.

2.2 Requirements

The following documents/information must be submitted to the ERC by an applicant upon the filing of its application for a CA:

⁷ Clause 2.3.6.1, WESM Rules

2.2.1 Company Profile (Form to be provided by ERC)

2.2.2 Proof of Technical Qualification

2.2.2.1 Compliance with the technical requirements under the WESM Rules and PGDC;

2.2.2.2 Sworn Statement that the applicant shall comply with and will continue to comply with the applicable requirements under the WESM Rules and PGDC for the duration of the CA;

2.2.2.3 Existence of the following facilities and equipment;

2.2.2.3.1 At least one (1) set of Revenue Meter Calibration and Testing Equipment, which shall include the following as a minimum in one set:

2.2.2.3.1.1 Single or three-phase voltage & current source (Phantom Load), with adjustable voltage & current output and phase displacement

2.2.2.3.1.2 Reference meter standard of +/- 0.05% accuracy class or better for AC power and energy.

2.2.2.3.2 At least one (1) set of instrument transformer ratio and phase measuring equipment, complete with its own standard transformers and phase shifting devices.

2.2.2.3.3 A Calibration Laboratory, where the reference standards are housed and where the various calibration, measuring and testing equipment are calibrated against the transfer standards under controlled temperature, humidity, illumination, cleanliness, and access. The laboratory must have enough space for other sensitive calibration and testing work such as Instrument Transformer Testing and the setting up and calibration of revenue meters at the laboratory prior to their installation.

2.2.2.4 Measurement Assurance Program and Procedures to ensure traceability of calibrations and measurements as well as the quality of work. These shall consist of the following:

2.2.2.4.1 A Calibration Program Plan, specifying the periodic calibration/certification by the National Institute of Standards and Technology or any reputable international standard body of the reference standards of defined intervals or

dates. The certification shall be carried out in accordance with the Standard Rules and Regulations set by the ERC.

2.2.2.4.2 The WMSP's official Calibration Traceability Chart, showing the unbroken chain of calibrations from the source standards to the revenue meters and other devices being calibrated/tested, indicating the following information:

2.2.2.4.2.1 Source of calibration traceability for electrical power and energy (reference laboratory and its particular calibration/measurement standards).

2.2.2.4.2.2 The standards used for transferring reference quantities, including intermediate calibration/measurement standards, down to the revenue meters and other devices being calibrated/tested by the WMSP.

2.2.2.4.2.3 The uncertainties of electrical quantities (Voltage, Current, Power, Energy, Phase, Time, etc.) as they propagate through the chain of calibrations shown on the Traceability Chart.

2.2.2.4.3 Set of Procedures to cover the following tasks:

2.2.2.4.3.1 Commissioning of metering facilities to service, certifying its fitness for service, and the registration of the metering facilities with the Market Operator.

2.2.2.4.3.2 Calibration/accuracy testing of measuring and testing instruments and revenue meters of the specified accuracy class.

2.2.2.4.3.3 Ratio accuracy and phase deviation testing of instrument transformers used with revenue meters.

2.2.2.4.3.4 Determining the uncertainty of measurements and values of quantities displayed by the

Reference Meter Standards, the Voltage/Current Transformer Ratio and Phase Measuring Instruments, and other instruments used for certifying the accuracy of metering equipment. The procedures must be correct applications of mathematical principles and techniques such as those presented in the ISO Guide to the Expression of Uncertainty of Measurement.

2.2.2.4.3.5 Dealing with cases where errors of revenue meters and instrument transformers are found to be outside the permissible limits.

2.2.2.4.3.6 Dealing with cases where calibrations/tests are found to be erroneously performed or the results were erroneously documented, or if the meter reference standard used in the calibration of revenue meters are found to be in a state of non-compliance with its specifications.

2.2.2.4.3.7 Organization, control, storage, and maintenance of official technical documents and quality records.

2.2.2.4.3.8 Meter reading and collection, validation, storage, and delivery of data from the memory of revenue meters, representing the power and energy that flowed through the metering point over a prescribed period of time.

2.2.2.5 Other procedures that may be deemed necessary in the provision of metering services.

2.2.3 Financial Capability

Business Plan for five (5) years.

2.2.4 Ownership/Control

2.2.4.1 Articles of Incorporation/Partnership (for Corporation / Partnership) with Certificate of Registration, including all amendments thereto;

2.2.4.2 Business Name Registration Certificate (for Single Proprietorship); and

2.2.4.3 Updated listing of shareholders and corresponding equity shares, as evidenced by the most recent General Information Sheet filed with the Securities and Exchange Commission;

2.2.5 Such other information or documents that the ERC may require.

ARTICLE III

OBLIGATIONS OF A WESM SERVICE PROVIDER

3.1 Compliance with Technical Standards

A WMSP shall ensure that all its facilities connected to the Grid comply with the technical requirements provided for in the WESM Rules, PGDC, Philippine Electrical Code, Applicable Laws, rules and regulations, and this Guidelines.

3.2 Compliance with Financial Standards

A WMSP with facilities connected to the Grid shall conform to the financial standard specific to WMSPs as may be prescribed by the ERC.

3.3 Compliance with Competition Rules

A WMSP shall comply with the Competition Rules as may be prescribed by the ERC concerning abuse of market power, cartelization and any other anti competitive or discriminatory behavior.

3.4 Compliance with the ERC policies and procedures such as but not limited to the following:

3.4.1 Metering Responsibility

The WMSP shall supply, install, connect, test, adjust, place in service, operate, check, and maintain the primary revenue metering System consistent with the WESM Rules. The meters shall be owned and maintained by the WMSP.

3.4.2 Meter Testing and Calibration

The WMSP, through the ERC, shall test and seal the meters at least once a year and recalibrate or replace such meters if found to be outside the acceptable accuracy stipulated in the Grid Code.

3.4.3 Request for Test

The WMSP shall request the ERC to test the installed metering equipment if a User or the Market Operator has reason to believe that the performance of the equipment is not within the accuracy limits set forth in the PGDC.

If the metering equipment fails the test, the WMSP shall pay for the cost of the test. If the metering equipment passes the test, the party who requested the test shall pay for the test cost.

3.4.4 Maintenance of Metering Equipment

The metering equipment at the Connection Point shall be maintained by the WMSP. All test results, maintenance programs, and sealing records shall be kept for the life of the equipment. The equipment data and test records shall be made available to the User, Market Operator and the ERC.

The WMSP shall correct the metering system as soon as practical and in any event within two days if a metering system malfunctions or maintenance occurs. The WMSP shall be allowed to charge the metering services provided, subject to the approval of the ERC.

3.4.5 Metering Equipment Security

The WMSP shall take all reasonable steps to prevent unauthorized interference with the equipment. The WMSP shall provide seals and other appropriate devices to prevent unauthorized alteration on site settings and calibrations. The metering equipment cubicle shall be completely and securely locked and sealed provided any register on equipment is visible and accessible. The WMSP shall also provide appropriate security against unauthorized access and against corruption of data in transmission. The meter shall be sealed both physically and electronically by the Commission as a guarantee that the meter is accurate and to secure it from unauthorized access.

3.4.6 Meter Reading and Metering Data

If the Market Operator requires, the WMSP arranges for the provision of remote monitoring facilities to alert the Market Operator of any failure of any components of the metering installation which might affect the accuracy of the metering data derived from that metering installation.

The Metering Service Provider shall, at its own cost, ensure that metering data derived from a metering installation for which it is responsible shows the time and date at which it is recorded and is capable of being transmitted from the metering installation to the metering database in accordance with the Market Operator's reasonable requirements.

3.5 Compliance with Operational Standards

In addition to the obligations under Sections 1 and 2 of Article III of this Guidelines, a WMSP shall be required to comply with the following:

3.5.1 Staffing Requirements

A WMSP should have, at all times, an adequate number of personnel having the qualifications required to perform all of the functions and obligations of a WMSP.

3.5.2 Personnel Qualifications

A WMSP shall ensure that any person that performs the metering services must have the knowledge, experience and training necessary to perform such activities.

3.5.3 Personnel Records

A WMSP shall establish and keep up to date a register of its personnel that indicates the name, training and qualifications of each member of its personnel and shall provide such register to the ERC upon request.

3.5.4 Personnel Training

A WMSP shall maintain such quality assurance, training, competency assessment and education program for its personnel as may be required to ensure that its personnel can perform all the functions and obligations of a WMSP.

ARTICLE IV

REPORTORIAL REQUIREMENT

4.1 A WMSP must submit a verified annual report to the ERC on or before the 30th day of March of its compliance with its obligations:

4.1.1 Details of Meter Laboratory Testing equipment

4.1.1.1 Quantity, Make, Type, Serial Number; and

4.1.1.2 Date tested, certified and sealed by the Commission.
(traceability requirement)

4.1.2 Updated meter calibration and maintenance procedures;

4.1.3 No. of customer, list and types of customer served and the last calibration date of its metering installation;

4.1.4 Other information that the ERC deems necessary or useful in carrying out its duties and obligations

ARTICLE V

TERM OF THE CERTIFICATE OF AUTHORITY

5.1 Term

Upon compliance with the requirements under Article II, the ERC shall issue a CA to the WMSP applicant, subject to the terms and conditions as may be stated in the CA and as the ERC may require from time to time.

If the WMSP fails to secure a registration from the MO in accordance with the WESM Rules, the MO shall notify the ERC of the same, for appropriate action.

The CA issued by the ERC to a WMSP applicant shall have a term of three (3) years from the date of issuance.

5.2 Renewal

Any application by the WMSP for a renewal of its CA shall be accompanied by proof of compliance with all the requirements set forth in these Guidelines and.

ARTICLE VI

REVOCAION OF THE CERTIFICATE OF AUTHORITY

6.1 The ERC may revoke, after due notice and hearing, a CA based on any of the following grounds:

6.1.1 A WMSP fails to comply with any of the requirements under these Guidelines;

6.1.2 A WMSP fails to meet any of the conditions contained in its CA;

6.1.3 A WMSP is deregistered by the Market Operator;

6.1.4 A WMSP, after due notice and hearing, is found to have violated any law, rules, regulations, guidelines, and policies related hereto that are implemented by the ERC.

6.2 The revocation of a CA shall be without prejudice to the imposition of the appropriate fines and penalties pursuant to Section 46 of EPIRA.

6.3 Notice of said revocation shall be furnished to all interested parties.

ARTICLE VII

SANCTION

A WMSP that fails to comply with any provisions of these guidelines shall be subject to fines and penalties as may be imposed by ERC under Article III of the Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of R.A. No. 9136.

ARTICLE VIII

PAYMENT OF FEES

Fees for application and issuance of Certificates of Authority, in such amounts as may be prescribed by the ERC, shall be imposed on all applicants upon the filing of the application and upon the issuance of the corresponding CA, respectively.

ARTICLE IX

MONITORING

The ERC shall monitor the compliance of WMSPs with the terms and conditions of their CA and this Guidelines.

ARTICLE X
SEPARABILITY

If for any reason any provision of these Guidelines is declared unconstitutional or invalid by final judgment of a competent court, the other parts or provisions hereof which were not affected thereby shall continue to be in full force and effect.

ARTICLE XI
EFFECTIVITY

These Guidelines shall take effect fifteen (15) days upon publication in a newspaper of general circulation in the country.

Pasig City, [place date here]

RODOLFO B. ALBANO, JR. Chairman	
OLIVER B. BUTALID Commissioner	JESUS N. ALCORDO Commissioner
RAUF A. TAN Commissioner	ALEJANDRO Z. BARIN Commissioner