

## **SPECIFIC COMMENTS ON THE DRAFT RULES, TERMS AND CONDITIONS FOR THE PROVISION OF OPEN ACCESS TRANSMISSION SERVICE**

By

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### **Module A: General Terms and Conditions**

We repeat here our suggestions for revising some of the definitions in Section A1, which we already submitted in our General Comments:

1. Revise the definition of “Connected Transmission Customer” to read as follows: “Connected Transmission Customer: Any Transmission Customer with Facilities physically connected to the Grid at one or more Points of Connection. For the avoidance of doubt, this includes Generation Plants, Distribution Utilities, and End-Users who have not yet been transferred to the Distribution Utilities.”
2. Revise the definition of “Direct Connect Customer” to read as follows: “Direct Connect Customer. Any person or entity drawing Electricity directly off the Grid for its own consumption, prior to the transfer of such person or entity to the Distribution Utilities. Such entities or persons, and this definition, will cease to exist when all have been transferred to the Distribution Utilities.”
3. Revise the definition of “Load Customer” to read as follows: “Load Customer: Any Transmission Customer taking Electricity off the Grid which, for the avoidance of doubt, includes but is not restricted to Distribution Utilities and Direct Connect Customers, prior to the transfer of the latter to the Distribution Utilities.”

We have the following comments and questions for other sections of Module A.

4. In this Module, and in the other parts of the OATS Rules, we suggest that British spelling of words be changed to Filipino English spelling (e.g., endeavour to endeavor).
5. In A.3.5, we suggest that paragraph (c) be deleted from this section. Provisions in Module D, System Operator Functions, that remain after transferring to the Grid Code the bulk of the provisions should be included in a new module titled Transmission Provider Functions. The rules for the System Operator should be covered exclusively and comprehensively in the Grid Code.

### **Module B: Connections**

Some of the provisions of Module B, Connections, of the OATS duplicate provisions already contained in the Philippine Grid Code. All the duplications should be eliminated

in the OATS, and the pertinent provision in the Grid Code should be cited by reference where it is necessary in the OATS to make such a reference. For provisions in the OATS that are not contained at present in the Grid Code, we suggest that the Grid Code be modified to incorporate these provisions.

The following tabulation cites some of the duplications of the Grid Code found in Module B of the OATS.

<b>Draft OATS Rules</b>	<b>Philippine Grid Code</b>
B1. Right to remain connected and disconnected.	PGC5.3 explicitly discussed in details the provisions related to OATS-B1. These are: 5.3.1 Connection Agreement 5.3.2 Amended Connection Agreement 5.3.3 Grid Impact Studies 5.3.4 Application for Connection or Modification 5.3.5 Processing of Application 5.3.6 Submittals Prior to Commissioning Date 5.3.7 commissioning of Equipment
B2. Identification of connection facilities, points of connection, metering.	PGC-5.5 has the provision of OATS-B2 under PGC-5.5.1, but this needs to be revised to incorporate parts of OATS-B2.
B3. Safety, Power Quality and Reliability	Safety, Power Quality and Reliability taken up extensively in PGC-5.2, PGC-5.4 and PGC-5.5.
B4. Data Requirements	Contained in PGC-5.10.
B5. Communication and SCADA Equipment Requirements.	The PGC already provides rules for this topic. The PGC needs to be revised to include B-5.2 to B-5.8 of the OATS.
B6. Protection Arrangements (Also taken up in B3.	Contained in the Grid Code.
B7. Critical Events List	Not provided in chap.5 of the PGC. We suggest that the PGC be revised to include OATS-B7.
B8. Contingency Procedures	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B8.
B9. Property Access	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B9.
B10. Transformer Connection and Grounding	Contained in the PGC, sections 4.10 and 5.5.3.
B11. Generation Customer Requirements.	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B11.
B12. Load Customers Requirements	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B12.
B13. Application for New Connections(s).	Contained in the PGC.
B14. Evaluation of Application including Grid Impact Studies (GIS)	Contained in the PGC are the procedures for developing the GIS and SIS; the PGC needs to

and System Impact Studies (SIS).	be revised to include rules for evaluating GIS and SIS.
B15. Facility Study	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B15.
B16. Entering into Service Agreement and Disputes	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B16.
B17. Arrangement to be completed Prior to Commissioning Date, etc.	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B17.
B16. Conditions	Not provided in chap.5 of the PGC; revise the PGC to include OATS-B9.

### **Module C: Power delivery service**

This module contains provisions that are specific to Power Delivery Service, but contains others that repeat the Grid Code. We suggest that Module C revised to put in the Grid Code all provisions that are properly the domain of the Grid Code, while retaining those that are specific to transactions between the Transmission Service Provider and its customers. The Grid Code will have to be revised to incorporate some of the provisions in Module C of the draft OATS Rules.

### **Module D: System Operator Functions**

Except for a few sections, Module D, System Operator Functions, of the OATS is a duplication of what is already contained in the Grid Code. The provisions in the Grid Code are detailed enough to ensure the behavior of participants in accordance with the provisions of Module D of the OATS Rule; and Module D can be deleted, with some of the provisions in the draft OATS Rules incorporated into the Grid Code. Those provisions that need to be retained in the OATS Rules should be placed in a module other than one that governs the functions of the System Operator. We suggest a new module in the OATS Rules with the title “Transmission Provider Functions”. All rules for the System Operator should be in the Grid Code, and not in the OATS.

In the case of provisions in the draft OATS Rules that are not in the Grid Code, such as Sec. D7, Management of Ancillary Services, and Sec. D8, Alternative Ancillary Services Arrangements, these could be contained in the new module suggested above, but should be explicitly stated to be applicable prior to the start of the operation of the Wholesale Electricity Spot Market.

The following table compares some of the proposed OATS Rules with provisions in the Grid Code, and contains our suggestions on how the sections should be treated. We suggest that those sections that are stated to be in the Grid Code, or recommended for incorporation in the Grid Code, be deleted from the OATS, or just cited in the OATS by referring to the appropriate section in the Grid Code.

<b>Draft OATS Rules</b>	<b>Philippine Grid Code</b>
D1. Dispatch and re-dispatch services	The Grid Code provides for the rules in Scheduling and Dispatch in PGC-8.2, which also sets out the responsibilities of the System Operator.
D2. Power Quality	The PGC has provisions for Power Quality Standards in PGC-3.2. Responsibilities of System Operator for Power Quality Standards is defined in PGC-7.3.1.1.
D3. Safety and reasonableness	Contained in the Grid Code.
D4. Security of Power System	Contained in the Grid Code.
D5. Load Shedding and Interruptions	The PGC provides rules for Automatic and Manual Load dropping during emergency situation, but needs to be revised to include rules for scheduled interruptions and load shedding, as set out in OATS-B7.
D6. Assessment of Availability	Contained in the Grid Code.
D7. Management of Ancillary Services	Details of OATS-B7 are not included in the PGC. Revise the PGC to include this portion of the OATS.
D8. Alternative Ancillary Services Arrangements.	Not in Grid Code. Revise the PGC to include this portion of the OATS.
D9. Transition to new market conditions. Retain in the OATS.	Not in Grid Code.
D10. Management of Energy Imbalance	Not in Grid Code. Revise the PGC to include this portion of the OATS.
D11. Transmission Customer Obligations	Contained in the PGC in various chapters and sections.
D12. Conditions	Already provided in the Grid Code in various chapters and sections.
D(A1)1 Conditions for Re-dispatch.	Not in Grid Code. Revise the PGC to include this portion of the OATS.
D(A1)2: Re-dispatch Guidelines With Transmission Constraints.	Not in Grid Code. Revise the PGC to include this portion of the OATS.
D(A1)3: Re-dispatch Guideline for system disturbances.	Not in Grid Code. Revise the PGC to include this portion of the OATS.

### **Module E: Metering**

Only provisions which are needed prior to the start of the Wholesale Electricity Spot Market should be included in this module, and the provisions should reflect as much as

possible those contained in the WESM Rules. After the start of the market, the rules that will apply to metering should be only those in the WESM Rules.

We have the following comments on the terms used in this Module.

1. The OATS refers to a Metering Service Provider, while the Grid Code uses Meter Operator. We suggest that the term Meter Operator be used in both OATS and PGC.
2. Sec. E5.1 mentions a “Transmission Provider”. We suggest that the term “Transmission Provider” be changed to Meter Operator, and that the same change should be made in all cases where the use of the term “Transmission Provider” refers to a function or responsibility of the Metering Service Provider.

### **Module F: Rates, Methodology, Billing and Settlement**

We suggest that this entire Module should not be taken up in the OATS, but should be incorporated into the rates of the National Transmission Corporation, with a new application to be filed by the NTC to include these provisions and their impacts on the rates of NTC as approved by the ERC.

We have the following questions and suggestions on specific provisions of this Module.

1. Section F3.1. Will Prompt Payment Discounts (PPD) still be granted?
2. Section F3.2. Issuance of DM/CM within a 90-day period is too long. We suggest that adjustments should be done in the next billing period.
3. Section F[AI]1. It appears from the Grid Code that the NTC conducts the SIS. We suggest that a third party, impartial to both Provider and Customer, be allowed or commissioned to conduct the study.
4. Section F[AII]3.4. For multiple points of delivery, Billing Demand is defined as the aggregate (simple arithmetic summation) demand of all metering points. We suggest that coincident peak be used instead. It is the coincident peak demand of each customer that determines his use of the system, and this coincident peak demand can be measured with the new metering system for the Grid.
5. Section F[AII]3.5 Losses. When there is already a comprehensive GIS and SIS, losses can be determined specifically, and need not be fixed. (Cf. F(AII)9.3.)
6. Section F[AII]5.1. When step-down (Transmission to sub-transmission delivery voltage) transformer is classified as transmission asset because it is critical to Grid Operations, the customer connected directly to the subtransmission voltage side of the transformer should be classified as transmission customer. The said customer, therefore, should no longer be charged for Subtransmission Delivery, otherwise there would be

double charging (the cost of the transformer has already been incorporated into the transmission rates).

7. Section F[AII]6.1. Similar to comment under F[AII]5.1 wherein customers connected at the subtransmission side of the step-down transformer, which is classified as transmission asset, should no longer pay a Subtransmission Delivery Charge

8. Section F[AII]6.3.3. Billing Determinants can be determined at transmission and subtransmission level. Hence, there's no need for using the Transmission and Subtransmission Factors, which are based on energy (kWh).

9. Section F[AII]6.3.8. If points of receipt and delivery are both on the subtransmission level, then TD Charges should no longer be applied.

10. Section F[A11]8.5.1. Charges for firm Back-up Services (BUS) applicable only to those with long term power supply contract; It should be specified that Category B customers with long term power supply contract with NPC is excluded. Backup services should be charged to generators (Category A customers) only.

11. Section F[AII]11.1. We suggest adoption of the TDRC definition under the Interruption Billing Adjustment, which explicitly defines TDRC as the sum of all demand-related charges of all metering points.

12. Section F[AII]11.5. Rate adjustments should be approved by ERC.

We have the following comments concerning Module F as a whole:

13. Some of the provisions of the OATS Rules are implementations of provisions in the Grid Code, e.g. information/data to be supplied upon application and other fees. These are not cases of duplication of the Grid Code, and should be retained in the OATS.

14. On the formulas: If Module F is to be included in the OATS Rules for information purposes, it should only mention the general formulas or statements. The details should be referred to the ERC-approved tariff or the rate case.

End of Specific Comments of CEPALCO