A RESOLUTION ADOPTING THE GRID MANAGEMENT COMMITTEE&RSQUO;S RECOMMENDATIONS ON THE INTERPRETATION, IMPOSITION, AND IMPLEMENTATION OF THE SINGLE OUTAGE CONTINGENCY (N-1) OPERATIO...

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Adopted: 24 November 2014
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WHEREAS, it is a declared policy of the state to ensure the quality, reliability, security and affordability of the supply of electric power in the country and promote transparency in a regime of free and fair competition, with full public accountability to achieve greater operational and economic efficiency, in order to protect the public interests as it is affected by the rates and services of electric utilities and other providers of electric power.[1]

WHEREAS, in furtherance of the afore-cited state declared policies, the EPIRA, empowers the Energy Regulatory Commission (ERC) to promulgate and enforce a National Grid Code[2], now, the Philippine Grid Code (PGC), which establishes the set of rules, requirements, procedures, and standards to ensure the safe, reliable, secured and efficient operation, maintenance and development of the high voltage backbone transmission system and its related facilities;

WHEREAS, in order to attain the grid reliability and security objectives of the EPIRA, the Philippine power system must be designed, planned, and upgraded so as to withstand a disturbance at any given time, due to unexpected loss or failure of one component or a single element thereof;

WHEREAS, for the Philippine grid to be reliable, secure, and stable, it is incumbent upon the Transmission System Provider and the System Operator to upgrade the system in such a way that it meets and satisfies the (N-1) contingency criterion under the PGC. The compliance of the SO with the (N-1) requirements should not result to any disruption of power supply in the system;

WHEREAS, the recent occurrences of generation redispatch and/or curtailment coupled with line restrictions being implemented by the System Operator as an application of its interpretation of the (N-1) provision and the actions it (SO) undertakes during a single contingency event and immediately thereafter, in anticipation of a secondary contingency, have triggered and caused line congestions resulting in higher generation rates, thus taking their toll on the consumers in the form of higher electricity rates;

WHEREAS, the current PGC provisions on N-1 is open to different interpretation on certain aspects such as the stipulations of a Normal State and N-1 state, the predetermined credible N-1 contingencies to be considered, the minimum performance of the grid during an N-1 contingency, and the specific adjustment tools and/or corrective interventions that the SO could use, where appropriate, to drive the system back to stability following a disturbance;

WHEREAS, the circumstances mentioned in the foregoing paragraphs prompted the ERC to direct the GMC to issue a recommendation as regards the proper interpretation and implementation of the single outage contingency (N-1) criterion as defined in the PGC;

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WHEREAS, the GMC conducted series of meetings with the System Operator to clarify the proper interpretation and implementation of the (N-1) provision in the PGC in the context of both planning and operational aspects and laid down the technical criteria and parameters therefor for compliance in order to achieve grid reliability and security;

WHEREAS, the GMC considered the inputs and comments from the System Operator and other power industry stakeholders affected by recent incidences of line congestions in the finalization of its recommendations in the proper implementation of the single outage contingency (N-1) criterion;

NOW THEREFORE, the ERC hereby RESOLVES to ADOPT the Grid Management Committee's recommendations on the interpretation, imposition, and implementation of the single outage contingency (N-1) operational criterion provision in the PGC, hereto attached as Annex "A"[*] and made an integral part hereof.

Let copies of this Resolution be furnished the University of the Philippines Law Center - Office of the National Administrative Register (UPLC-ONAR), the Department of Energy (DOE), the National Transmission Corporation (TRANSCO), the National Grid Corporation of the Philippines (NGCP), the Philippine Electricity Market Corporation (PEMC), and all the other parties concerned.

SO ORDERED.

Pasig City, November 24, 2014.

(SGD) ZENAIDA G. CRUZ-DUCUT

Chairperson and CEO

(SGD) ALFREDO J. NON

(SGD) GLORIA VICTORIA C. YAP-TARUC

Commissioner

Commissioner

(on leave)
JOSEFINA PATRICIA A. MAGPALE-ASIRIT

Commissioner

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[1] Cf. Section 2 (b), (c), and (f) of Republic Act No. 9136 (R.A. 9136), otherwise known as the Electric Power Industry Reform Act of 2001 or EPIRA.

[2] Id., Sec. 43 (b) thereof.

[*] Text Available at the Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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