[ERC Resolution No. 21, s. 2014, November 24, 2014]

A RESOLUTION ADOPTING THE GRID MANAGEMENT COMMITTEE'S RECOMMENDATIONS ON THE INTERPRETATION, IMPOSITION, AND IMPLEMENTATION OF THE SINGLE OUTAGE CONTINGENCY (N-1) OPERATIONAL CRITERION IN THE PHILIPPINE GRID CODE

Adopted: 24 November 2014 Date Filed: 08 January 2015

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