

[ERC RESOLUTION NO. 13, S. 2010, May 05, 2010]

RESOLUTION ADOPTING THE GRID MANAGEMENT COMMITTEE'S (GMC) RULES AND PROCEDURES OF SIGNIFICANT INCIDENT REPORTING

WHEREAS, Section 43(b) of Republic Act No. 9136, otherwise known as the electric Power Industry Reform Act of 2001 or the EPIRA mandates the Energy Regulatory Commission (ERC) to promulgate and enforce, in accordance with law, a National Grid Code and a Distribution Code;

WHEREAS, Section 43(t) of the same Act further mandates the ERC to perform such other regulatory functions that are appropriate and necessary in order to ensure the successful restructuring and modernization of the electric power industry;

WHEREAS, Section 2.2.5.1 of the Philippine Grid Code (PGC) provides that the Grid Management Committee (GMC) shall establish and publish its own rules and procedures relating to the conduct of its business, which include, among others, the monitoring of grid code enforcement;

WHEREAS, the GMC issued its proposed Rules and Procedures of Significant Incident Reporting to inform the electric power industry stakeholders on the significant incidents occurring in the electric power system for national security;

WHEREAS, on May 25 and 28, 2009, the GMC conducted a series of expository presentations in Visayas and Luzon, respectively, and on June 18, 2009, it conducted a public consultation in Luzon, all intended for the various stakeholders to present their comments/inputs on the said proposed procedures which were considered in preparation for the issuance of the Rules and Procedures of Significant Incident Reporting;

WHEREAS, Section 2.2.5.2 of the PGC provides that the rules and procedures of the GMC shall be approved by the ERC;

NOW, THEREFORE, be it **RESOLVED**, as the **ERC** hereby **RESOLVES** to **APPROVE** and **ADOPT**, the Grid Management Committee's (GMC) Rules and Procedures of Significant Incident Reporting, hereto attached and made an integral part of this Resolution as **Annex "A"**.

This Resolution shall take effect immediately upon its publication in a newspaper of nationwide circulation.

Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR), the National Transmission Corporation (TRANSCO) and the National Grid Corporation of the Philippines (NGCP).

(SGD.) ZENAIDA G. CRUZ-DUCUT
Chairperson

(SGD.) RAUF A. TAN
Commissioner

(SGD.) ALEJANDRO Z. BARIN
Commissioner

MARIA TERESA A.R. CASTAÑEDA (On
Leave)
Commissioner

(SGD.) JOSE . REYES
Commissioner

Annex A

RULES AND PROCEDURES IN SIGNIFICANT INCIDENT REPORTING

I. GENERAL

A. BACKGROUND

Chapter 6 of the Philippine Grid Code Amendment No. 1 specifies the operational responsibilities of the Grid Owner and System Operator, which include procedures in an emergency situation on the transmission system.

Section 6.7.2, Specifies the procedures in the issuance of a Significant Incident Notice by the Grid Owner and System Operator. Under this are sections 6.7.2.1 up to 6.7.2.4 enumerating the procedures in the issuance, investigation and submission of report to the GMC and the ERC detailing all the information, findings and recommendations regarding the Significant Incident.

The Grid Management Committee is keen on monitoring the Grid and making validation and investigation pertaining to the Significant Incidents that are reported. In this way, the GMC can assess and formulate necessary recommendations for the improvement of the Grid.

B. PURPOSE

The Significant Incident Report is designed to promptly inform key government offices and electric power industry participants of significant incidents occurring in the Philippine Electric Power System, in the interest of overall national security.

The provisions of the Philippine Grid Code Amendment No. 1 (PGC), particularly Section 2.6.2 thereof, include mandatory reporting requirements for emergency electrical incidents and disturbances in the Philippine grids. The Grid Management Committee (GMC) validates these reports and prepares recommendations to the Energy Regulatory Commission (ERC). The report will provide the Department of Energy (DOE) with current information on the status of the country's energy supply system. The data may also be used to formulate regulatory recommendations, to conduct investigation and in reporting to Congress following severe, prolonged, or repeated electric power reliability problems and to prepare reports to Congress.

The ability of DOE to act on energy emergencies that may have considerable impact on the nation's infrastructure and to help minimize or prevent further power disruptions depends on the industry's prompt response. As such, timely submission of the SIR is of considerable utmost importance.

C. AUTHORITY AND SANCTIONS

The GMC is authorized to collect the information on Significant Incident Reports pursuant to the Philippine Grid Code Section 2.6.2.1 and 6.4.2.2 as amended. The timely submission of Significant Incident Reports by those required to submit the same is mandatory under Sections 6.4.2.1 of the Philippine Grid Code of 2007, failure to respond may result in a penalty pursuant to Section 2.5.2 of the Philippine Grid Code.

II. REPORTING INSTRUCTIONS

A. RESPONSIBLE PARTIES

National Grid Corporation of the Philippines' (NGCP) System Operations is mandated to submit reports on electric power system incidents or disturbances to the Grid Management Committee.

B. WHEN TO SUBMIT

Incident Reports must be submitted if any of the following incidents enumerated in Section 2.6.1 or any one of the following events happens:

- 1) Uncontrolled loss of 150 MW or five per cent (5%) of system demand, whichever is lower for more than fifteen (15) minutes arising from a single incident.
- 2) Load shedding of 100 MW or five per cent (5%) of system demand whichever is lower, implemented under emergency operational policy.
- 3) System-wide voltage fluctuations of 5 percent or more.
- 4) Actual or attempted physical attack that had or could have an impact on electric power system adequacy or reliability.
- 5) Actual or attempted cyber or communications attack that had or could have an impact on electric power system adequacy or reliability.
- 6) Complete operational failure or shutdown of the transmission system.
- 7) Weather disturbances or other natural calamities that could have an impact on electric power system adequacy or reliability.
- 8) Contingency Reserve is less than the capacity of the largest Synchronized Generating Unit or power import from a single interconnection, whichever is higher.
- 9) Contingency Reserve is zero or a generation deficiency exists or if there is Imminent Overloading of Transmission Lines or Equipment.

C. RECIPIENTS OF REPORT:

The following key offices or individuals, among others, shall be notified of the SIR by Text messaging, E-mail, Facsimile or informed by Telephone: