



RESOLUTION NO. 18 Series of 2017

**A RESOLUTION CLARIFYING THE PRESCRIBED CAPACITY
LIMIT FOR PROSPECTIVE POWER GENERATING PLANTS SET
FORTH IN ERC RESOLUTION NO. 8, SERIES OF 2016**

WHEREAS, on 05 April 2016, the Energy Regulatory Commission (ERC) issued Resolution No. 8, Series of 2016 entitled “*A Resolution Approving the Grid Management Committee’s Recommendation to Limit the Capacity of Prospective Power Generating Plants to 650MW Per Unit for Luzon and 150MW Per Unit for Visayas and Mindanao Grids*”;

WHEREAS, on 02 August 2016, the Grid Management Committee (GMC), issued its Resolution No. 14, Series of 2016, clarifying that the capacity limit referred to the subject, refers to the “available capacity” injected by a generating unit to the grid;

WHEREAS, on 05 October 2016, the Philippine Grid Code was approved and promulgated prescribing Frequency Response Obligation;

WHEREAS, Frequency Response Obligation (FRO) is intended to be the minimum Frequency Response that shall be maintained by the SO in the Grid. This minimum Frequency Response is the Frequency Response that is of concern from a Reliability perspective. The goal is to arrest the Frequency decline so that the Frequency shall remain above the Under-Frequency Load Shedding (UFLS) relays with the highest settings to prevent Load dropping for credible contingencies;

WHEREAS, The Resource Contingency Protection Criteria includes a Reliability margin (**loss of the largest unit online**) to prevent the nadir of the Frequency deviation from encroaching on the system’s UFLS step for credible contingencies;

WHEREAS, on 15 August 2017, the GMC presented and the ERC approved its interpretation of the capacity limit to mean as the “available capacity” injected by a generating unit to the grid in keeping with PGC GO 6.6.3.1 requirement as follows:

Luzon	600 MW
Visayas	150 MW
Mindanao	150 MW

WHEREAS, as defined on PGC GC 1.7, Available Capacity is the Dependable Capacity, modified for Equipment limitation at any time while Dependable Capacity is the Maximum Capacity¹, modified for ambient limitations for a specified period of time, such as month or a season.

NOW THEREFORE, the ERC hereby **RESOLVES** to clarify that the PGC superseded ERC Resolution No. 8, Series of 2016 and the prescribed capacity limits for prospective power generating plants refers to the capacity injected by a generating unit to the grid as follows:

Luzon	600 MW
Visayas	150 MW
Mindanao	150 MW

This Resolution shall take effect fifteen (15) days after its publication in a newspaper of the general circulation.

SO ORDERED.

Pasig City, 15 August 2017.

JOSE VICENTE B. SALAZAR*
Chairman & Chief Executive Officer



ALFREDO J. NON
Commissioner


GLORIA VICTORIA C. YAP TARUC
Commissioner


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Commissioner


GERONIMO D. STA. ANA
Commissioner

* Suspended by virtue of a Decision issued by the Office of the President (OP-DC Case No. 17-D-094) dated 02 August 2017

 ¹ Maximum Capacity is the Maximum Capacity that a unit can sustain over a specified period of time. The Maximum Capacity can be expressed as Gross Maximum Capacity or Net Maximum Capacity. To establish this capacity, formal demonstration is required. The test should be repeated periodically. This demonstrated capacity level shall be corrected to generating conditions for which there should be minimum ambient restriction. When a demonstration test has not been conducted, the estimated Maximum Capacity of the unit shall be used.