

**ANCILLARY SERVICES PROCUREMENT AGREEMENT
FOR xxxxxxxxxxxx POWER PLANT**

This **ANCILLARY SERVICES PROCUREMENT AGREEMENT** (hereinafter referred to as the "Agreement") is entered into by and between:

The **NATIONAL GRID CORPORATION OF THE PHILIPPINES** (hereinafter referred to as "NGCP"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at the Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City, represented herein by its President and CEO, **HENRY SY, Jr.;**

- and -

XXXXXXXXXXXXXXXXXXXX (hereinafter referred to as "Service Provider"), a limited partnership, duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at XXXXXXXXXXXXXXXXXXXX, represented herein by its XXXXXXXXX, **XXXXXXXXXXXXXXXX;**

NGCP and the Service Provider are hereinafter collectively referred to as "Parties" and individually as "Party":

WITNESSETH:

WHEREAS, under Section 8 of Republic Act No. 9136, otherwise known as Electric Power Industry Reform Act of 2001 (the "EPIRA"), the National Transmission Corporation ("TRANSCO") was created to assume the power transmission functions of the National Power Corporation ("NPC") and the authority and responsibility of NPC for the planning, construction, and centralized operation and maintenance of its high voltage transmission facilities, including grid interconnection and ancillary services;

WHEREAS, under the Philippine Grid Code, TRANSCO, as the system operator of the nationwide transmission system, shall be responsible for determining, acquiring, and dispatching the capacity needed to supply the Ancillary Services required to maintain power quality and the reliability and security of the nationwide grid;

WHEREAS, the Ancillary Services Procurement Plan ("ASPP") duly approved by the ENERGY REGULATORY COMMISSION ("ERC") authorizes TRANSCO to enter into "Ancillary Services Procurement Agreements" ("ASPA") with qualified generation companies to provide sufficient ancillary services to ensure the reliability and security of the grid;

WHEREAS, in the public bidding conducted by the Power Sector Assets and Liabilities Management ("PSALM") Corporation, pursuant to Section 21 of

SERVICE PROVIDER
By:

xxxxxxxxxxxxxxxxxxxx
Designation

Signed in the Presence of:

NATIONAL GRID CORPORATION
By:

HENRY SY, Jr.
President and CEO

SERVICE PROVIDER
By:

xxxxxxxxxxxxxxxxxxxx
Designation

EPIRA, the winning consortium, which is incorporated as the National Grid Corporation of the Philippines ("NGCP"), was awarded the concession contract to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair, and refurbish the Transmission Assets of TRANSCO;

WHEREAS, on January 15, 2009, by virtue of the congressional franchise granted under Republic Act No. 9511, NGCP took over TRANSCO's power transmission business;

WHEREAS, the Service Provider owns and operates the xxxxxxxxxxxx Megawatt XXXXXXXXXXXXXXX Power Plant (the "Generation Facility"), which has been certified and accredited by NGCP to be capable of providing XXXXXXXXXXXX Reserve Service. XXXXXXXXXXXX Reserve Service, XXXXXXXXXXXX Reserve Service as specified in Schedule 1 of the Agreement;

WHEREAS, the Parties have agreed to enter into this Agreement to set forth the terms and conditions: (a) under which NGCP shall procure Ancillary Services from the Service Provider, and (b) for the operation and dispatch of the Generation Facility in order to provide Ancillary Services to the xxxxxxxxxxxx Grid, as may be deemed necessary;

WHEREAS, in accordance with the Ancillary Services Cost Recovery Mechanism ("AS-CRM"), the cost of acquiring Ancillary Services under this Agreement shall be a pass through charge to the grid users; and

WHEREAS, the Ancillary Services shall be covered by this Agreement for the duration that said services are not tradable in the WHOLESale ELECTRICITY SPOT MARKET ("WESM").

NOW THEREFORE, for and in consideration of the foregoing premises, NGCP and the Service Provider hereby stipulate and agree on the following:

1. Defined Terms

For purposes of this Agreement and its Schedules, capitalized terms, unless otherwise defined, shall have the same meanings ascribed to them under the EPIRA, the Philippine Grid Code, the 2006 OATS Rules, and the ASPP.

Should a particular Schedule contain a provision which imposes additional obligations on the Parties (i.e., over and above those set out in this Agreement), said provision of the Schedule shall control in respect of the Ancillary Service subject thereof, as if it was a term or condition of this Agreement.

Signed in the Presence of:

NATIONAL GRID CORPORATION
By:

HENRY SY, Jr.
President and CEO

SERVICE PROVIDER
By:

xxxxxxxxxxxxxxxxxxxxxx
Designation

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NATIONAL GRID CORPORATION
By:

HENRY SY, Jr.
President and CEO

2. Term and Effectivity

2.1 The term of this Agreement shall be for a period of ____ (____) years, commencing upon its approval or grant of provisional authority by the ERC.

2.1. The Agreement shall be automatically renewed for another three (3) years after the end of the original term, subject to Clause 2.3 below, unless either Party gives the other written notice no later than two (2) weeks prior to the end of the original term that the Agreement shall no longer be renewed.

2.3 Without any need of a notice, the commencement of trading in the WESM of the Ancillary Services listed in Schedule 1 of this Agreement shall have the following effects:

2.3.1 When trading of any of the Ancillary Services in Schedule 1 of this Agreement commences in the WESM, the subject Ancillary Service shall no longer be covered by this Agreement effective on the date such service becomes tradable in the WESM, provided that, any trading for trial purposes or which do not include any commercial settlement shall not be deemed commencement of trading of Ancillary Services under this Agreement;

2.3.2 When trading of all Ancillary Services in Schedule 1 commences in the WESM, this Agreement shall be deemed terminated without need of any written notice from either of the Parties.

2.4 This Agreement shall be terminated upon the implementation of another method of procurement and/or arrangement for Ancillary Services in Schedule 1 for NGCP and approved by the ERC, which is inconsistent with this Agreement or otherwise renders this Agreement inoperable.

3. Provision of Ancillary Services

The Service Provider shall provide NGCP with the Ancillary Services specified in Schedule 1 of this Agreement, in accordance with the terms and conditions set out in this Agreement and the ASPP, AS-CRM, the OATS Rules, and all other relevant issuances of the ERC, including any amendments thereto, subject to Clause 14.3.

SERVICE PROVIDER
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4. Scheduling and Dispatch

- 4.1. The scheduling and dispatch of Ancillary Services, and the Parties' compliance therewith shall be in accordance with the provisions of the Dispatch Protocol provided in Section 3.4.1 of the ASPP and Schedule 2 of this Agreement, which shall form integral parts of this Agreement.
- 4.2. Unless and until the ERC issues and implements guidelines setting out the penalties imposable in Section 3.4.1.1 of the ASPP, the unspecified "penalties" under said provision for the Service Provider's non-compliance with the approved Ancillary Services Provider Schedule shall be limited to NGCP's *non-payment* for any such Ancillary Services nominated but otherwise undelivered by the Service Provider, after implementing payment adjustments pursuant to Section 4.6 of the ASPP.
- 4.3. Notwithstanding Clause 4.2 above, the Parties agree that:
- 4.3.1. NGCP shall timely pay for the Ancillary Services covered by Schedule 1 and invoiced by the Service Provider in accordance with the terms of this Agreement.
- 4.3.2. The Service Provider's non-compliance with the approved Ancillary Services Provider Schedule which is subject of the penalties under Section 3.4.1.1 of the ASPP, as later maybe provided for and approved by the ERC, does not include the circumstances governed by Clause 13 of this Agreement (Re-dispatch). The terms and conditions concerning re-dispatch shall be governed by said Clause 13 of this Agreement and shall not be deemed included in the Ancillary Services Provider Schedule.

5. Testing, Monitoring and Verification of Ancillary Services

- 5.1 The Generation Facility shall be tested, to ensure its continuing capability to provide the Ancillary Services specified in Schedule 1 of this Agreement, in accordance with the requirements and procedures set out in Section 6.10 of the Grid Code and Schedule 3 of this Agreement.
- 5.2 The Service Provider shall submit to NGCP, within one (1) month from the effectivity of this Agreement as provided under Clause 2.1 herein, its preferred schedule for the testing of the Generation Facility, which shall not be more than twice within a calendar year. NGCP shall endeavor to follow, as closely as possible, the preferred schedule submitted by the Service Provider.

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- 5.3 Pursuant to Section 6.10.1.4 of the Grid Code, NGCP may at any time issue instructions requiring tests to be carried out on the Generation Facility. All such tests shall be of sufficient duration and shall be conducted no more than twice within a calendar year except when there are reasonable grounds to justify the necessity for further tests.
- 5.4 All relevant and incidental costs incurred in relation to the testing and certification activities in relation to Clause 5.3 above shall be approved and agreed upon by the Parties in writing within a reasonable time prior to the actual conduct of said activities, and shall be for the Service Provider's own account.
- 5.5 Subject to the procedures set out in the ASPP, NGCP shall regularly monitor the Generation Facility's performance to determine its capability of providing the Ancillary Services set out in Schedule 1 hereof.
- 5.6 NGCP may, at any time, and in accordance with the ASPP, verify whether the provision of an Ancillary Service is in accordance with this Agreement. At NGCP's request, the Service Provider shall provide and not unreasonably withhold, the results of any testing conducted which may have a Material Effect on the capability of the Generation Facility to meet its required performance level/s.

6. Applicable Rates

- 6.1. NGCP shall pay for the Ancillary Services including Value Added Tax that the Service Provider has provided on a regular basis for the period provided in Clause 7 hereof and in accordance with the rates provided in Schedule 4, unless such rates are subsequently amended by the Parties and the amended rates are duly approved by the ERC, in which case, the amended rates shall apply.

6.2 For avoidance of doubt, NGCP's payment for the Ancillary Services as described under Clause 6.1 shall be made by NGCP on the period and upon the terms provided for under this Agreement as they are collected by NGCP from the grid users. NGCP represents that it shall exert its best efforts to ensure the timely collection of the Ancillary Service charge from the grid users.

- 6.3 All payments due to the Service Provider, shall be paid by NGCP in accordance with this Agreement, provided that, at the Service Provider's option, such amounts received from NGCP may first be applied by the Service Provider against NGCP's prior billing periods starting from the oldest outstanding amounts payable.

SERVICE PROVIDER
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7. Billing

- 7.1. Each Statement of Account ("SOA") shall be for the period beginning on the 26th day of the calendar month until the 25th day of the succeeding calendar month ("Billing Period").
- 7.2. Within three (3) working days after each Billing Period, NGCP shall submit to the Service Provider an SOA indicating the Ancillary Service Fees due to the Service Provider for such Billing Period, which shall be based on the approved Ancillary Services Provider Schedule and/or the actual Ancillary Services provided by the Service Provider within the subject Billing Period.
- 7.3. Within three (3) working days from receipt of the SOA, the Service Provider shall either:
 - 7.3.1 Submit to NGCP an Ancillary Services Power Bill (the "AS Power Bill") for the aggregate amount specified in the SOA; or
 - 7.3.2 Where the Service Provider disputes any amount stated in the SOA, the Service Provider shall submit the AS Power Bill as indicated in Clause 7.3.1 above and additionally submit, not later than the 25th day of the calendar month immediately succeeding the subject Billing Period, a written Notice of Claim stating the amount/s disputed and the grounds relied upon therefore. Said Notice of Claim shall be subject to the billing and payment dispute mechanism set out in Clause 10 hereof.
- 7.4. Should the Service Provider fail to submit a written Notice of Claim in accordance with Clause 7.3.2 above, it shall be deemed to have agreed with the accuracy of NGCP's SOA.
- 7.5. The Parties shall not offset any payments made under this Agreement to any other account/s due from either Party.

8. Payment

- 8.1. NGCP shall pay the Service Provider on the last business day of the calendar month immediately succeeding the subject Billing Period. NGCP's payment shall be based on its collection from transmission customers for such Billing Period.

SERVICE PROVIDER
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8.2. In the event said due date falls on a holiday or a weekend, payment shall be made on or before 11:00 AM of the immediately preceding working day. Payments may be made (a) in the form of checks payable to the Service Provider with readily available funds, or (b) via an electronic transfer of funds to Service Provider's bank account as indicated in the subject AS Power Bill, which transfer shall be duly communicated in writing by NGCP to the Service Provider, making appropriate references to the AS Power Bill number against which payment is being made.

8.3. Subject to the application of Clause 10.1 hereof, in the event any amount included in the AS Power Bill is not paid on the due date thereof, the Service Provider shall be entitled to charge interest on the unpaid amount at a rate per annum equal to the 91-day T-bill rate computed from the date when such payment is due and until the date such amount is received in full by the Service Provider.

9. Incidental Expenses

It shall be the Parties' joint obligation to submit this Agreement for approval of the ERC. All incidental expenses related to the securing of the ERC approval, including, but not limited to, the filing of the proper Application/s with the ERC and/or the publication of this Agreement, shall be shouldered by the Service Provider.

10. Dispute Resolution Procedures

All disputes arising from this Agreement shall be subject to the pertinent provisions of Module A9 of the OATS Rules on Dispute Resolution Procedures, as the same may be amended from time to time. In addition, where the Service Provider submits a written Notice of Claim pursuant to Clause 7.3.2, disputing any sum included or referred to in the SOA:

10.1.1. the Parties shall promptly meet within a period of five (5) calendar days from the date of transmittal and receipt of the Notice of Claim, and endeavour to resolve the dispute in good faith;

10.1.2. where the dispute remains unresolved after thirty (30) calendar days from the date of the initial meeting, either Party may resort to the remedies provided in Module A9 of the OATS Rules;

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10.1.3. following resolution of a dispute, any amount agreed or determined to be payable shall be paid within fifteen (15) calendar days from the date of such agreement or determination, and interest shall accrue on such amounts at a rate per annum equal to the 91-day T-bill rate computed from the date when such payment is due and until the date such amount is received in full by the Service Provider.

11. Indemnity

In the event of a claim by a third party against a Party (the "Indemnified Party") arising from or in connection with any wilful act or omission of the other Party (the "Indemnifying Party") in violation of the Indemnifying Party's obligations under this Agreement, the Indemnifying Party shall indemnify the Indemnified Party against any liability, loss, costs, charges or expenses incurred in connection with such third party claim, subject to the incidents governed by Clauses 4.2 and 12 of this Agreement.

12. Force Majeure

12.1. Neither Party shall be considered in breach of its obligations under this Agreement if it is prevented from fulfilling such obligations due to a Force Majeure Event, as defined in the OATS Rules.

12.2. Where, by reason of the occurrence of any Force Majeure Event as described above, the Generation Facility in respect of an Ancillary Service is unavailable to provide such Ancillary Service in accordance with the provisions of this Agreement:

12.2.1. the Service Provider shall provide prompt written notice to NGCP of the circumstance which it considers to be a Force Majeure Event, the expected duration of the Force Majeure Event, the Ancillary Service which may become unavailable as a result of such Force Majeure Event, and other probable impact of the Force Majeure Event on its performance or compliance with its obligations in this Agreement; *Provided*, that where emergency conditions reasonably prevent the serving of written notice, the Service Provider may serve notice by telephone, electronic mail, telegram or facsimile, to be confirmed as soon as reasonably possible thereafter by formal written communication;

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President and CEO

SERVICE PROVIDER

By:

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By:

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President and CEO

12.2.2. this Agreement shall remain in full force and effect; *Provided, however,* that the Service Provider shall, in respect of the Ancillary Service affected thereby, be relieved from fulfilling its obligations under this Agreement for the duration of the Force Majeure Event;

12.2.3. the Service Provider shall not be responsible, or liable, to NGCP for any loss or damage which NGCP may incur as a result of its failure to deliver the Ancillary Services rendered unavailable by the Force Majeure Event;

12.2.4. the Service Provider shall, in accordance with Good Industry Practice, exert all reasonable efforts to reduce the consequences of the Force Majeure Event, remedy the unavailability of the Generation Facility in respect of the affected Ancillary Service, and resume full performance of its obligations which are not affected by the Force Majeure Event; and

12.2.5. the Service Provider shall promptly notify NGCP in writing upon cessation of the Force Majeure Event and resume the performance of its obligations under this Agreement as soon as possible.

13. Re-dispatch

In case of the plant's unavailability, for whatever reason, which results in unexpected reductions in the Service Provider's Generation Availability and renders it unable to provide the Ancillary Services subject of this Agreement, the Service Provider shall submit a capacity re-nomination and NGCP shall prepare a dispatch re-schedule in accordance with the procedures set out in the Ancillary Service Dispatch Protocol attached as Schedule 2 of this Agreement.

14. Termination

14.1. Termination due to Default. This Agreement shall be terminated upon the occurrence of any of the following Events of Default:

14.1.1. the failure of a Party to comply with any provision of this Agreement, including, but not limited to, the non payment of any amount due to this Agreement, where such failure is a material breach of hereof (being one which materially affects the ability of the Party to perform its obligations under the Agreement or materially alters the terms of the Agreement), and such failure remains unremedied within thirty (30) days following the date on which the defaulting Party receives notice of default from the other non-defaulting Party; or

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14.1.2. the failure of one Party to comply with the Dispatch Protocol in Schedule 2 and such failure remains unremedied within fourteen (14) days following the date of non-compliance; or

14.1.3. this Agreement shall be terminated immediately upon the termination of the Connection Agreement and/or Transmission Service Agreement of the Service Provider as a result of a breach or default by the Service Provider.

14.2 Termination without Default. This Agreement shall be immediately terminated before the completion of its term upon the occurrence of any of the following:

14.2.1 when the Connection Agreement, Metering Service Agreement or Transmission Service Agreement of the Service Provider is terminated, except as provided above or;

14.2.2 upon the implementation of another method of procurement and/or arrangement for Ancillary Services for NGCP, approved by the ERC, which is inconsistent with this Agreement or otherwise renders this Agreement inoperable.

14.3 Termination due to Material Adverse Change

In the event of a material adverse change in law or regulation, including administrative and judicial rulings interpreting said laws or regulations, particularly those referred to in Clause 3 and 4 hereof, which results in a material adverse effect on the rights and/or obligations of a Party under this Agreement, such Party shall have the right to terminate this Agreement by giving written notice to the other Party within thirty (30) days of such change, effective upon receipt of such notice.

The affected Party may, at its option and in lieu of termination, inform the other Party of such material adverse change within thirty (30) days of thereof and its intention to discuss the terms by which this Agreement may continue. The Parties may consider amendments to this Agreement to address the effects of the Material Adverse Change to restore (in so far as possible) the same overall balance of benefits, liabilities and risks between the Parties in respect of the subject matter of this Agreement as applied immediately prior to the relevant Material Adverse Change. Despite best efforts, if the Parties fail to reach an agreement within the thirty (30) day period, this Agreement shall be deemed terminated.

For avoidance of doubt, a "material adverse change" in law or regulation shall include such changes which result or may result

in: (a) a full or partial inability of the Service Provider to perform or comply with any of its obligations or exercise any of its rights under this Agreement; (b) diminution of the rate under Schedule 4; (c) any change in the Dispatch Protocol under Schedule 2; (d) imposition of additional penalties or burden on the Service Provider not contemplated at the time of the execution of this Agreement.

14.4 Effect of Termination

Upon the termination or expiration of this Agreement pursuant to this Clause 14 or under Clauses 2.2 to 2.5 of this Agreement, the Service Provider shall cease to provide Ancillary Services to NGCP. Termination shall be without prejudice to any rights and obligations of any Party which may have accrued prior to the date of termination.

15. Assignment

15.1. The conditions under which Parties may assign the rights and obligations under this agreement (e.g. following a merger, sale or asset transfer) are set out in Module A of the OATS Rules.

15.2 Notwithstanding the other terms of this Agreement the Service Provider shall be permitted to assign, transfer, mortgage, charge or otherwise encumber all of its rights hereunder without the prior written consent of NCGP to the extent such assignment, transfer, mortgage, charge or encumbrance is made in favour of the Service Provider's lenders.

16. Notices

Except as otherwise provided in law or regulation, all notices, demands, requests or communications to a Party under this Agreement, or any instrument or documentation required or permitted to be delivered by either Party to the other, shall be in writing, unless emergency conditions exist reasonably preventing such notice from being given.

The notices for **NGCP** shall be given at the following address:

Walter W. Brown
President and Chief Executive Officer
National Grid Corporation of the Philippines
Quezon Avenue corner BIR Road,
Diliman, Quezon City
Attention:
Phone:
Facsimile:
Email Address:

SERVICE PROVIDER

By:

XXXXXXXXXXXXXXXXXXXX
Designation

Signed in the Presence of:

NATIONAL GRID CORPORATION

By:

HENRY SY, JR.
President and CEO

The notices for the Service Provider shall be given at both of the following addresses:

XXXXXXXXXXXXXXXXXXXX

Designation

XXXXXXXXXXXXXXXXXXXX

Address 1: XX

Address 2: XX

Attention: The XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Phone: +632 XXXXXXXXXXXXXXX

Facsimile: +632 XXXXXXXXXXXXXXXXXXXXXXX

Email Address: xxxxxxx@xxxx.com

A Party may change its address and contact numbers by notice to the other Party, and such changed address shall be effective for all purposes of this Agreement.

17. Governing Laws, Rules and Regulations

This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines and existing policies, rules and regulations, administrative orders, and other issuances of the Department of Energy and the ERC.

In carrying out the requirements of this Agreement, neither Party shall be required to take actions that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of the OATS Rules or Grid Code, or applicable governmental laws or regulations. For this purpose, the Service Provider hereby warrants that it has fully understood its rights and obligations under the OATS Rules, Grid Code, and other applicable rules and regulations, including Good Industry Practices, with respect to this Agreement.

18. Amendments

This Agreement may be amended, superseded, cancelled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the Parties, or, in the case of a waiver, by the Party waiving compliance. The failure of a Party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver, and shall not deprive that Party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

19. Severability

If any provision contained in this Agreement or any part thereof shall, for any reason, be held invalid or unenforceable in any respect under the laws of the Philippines or any other relevant jurisdiction, the remainder of the Agreement shall continue in full force and effect, to

SERVICE PROVIDER
By:

XXXXXXXXXXXXXXXXXXXX
Designation

Signed in the Presence of:

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President and CEO

the extent permitted by law, and the Parties will negotiate in good faith to replace such provision in light of the intention of the Parties expressed herein.

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SERVICE PROVIDER
By:

XXXXXXXXXXXXXXXXXXXX
Designation

Signed in the Presence of:

NATIONAL GRID CORPORATION
By:

HENRY SY, Jr.
President and CEO

FOR VIEWING PURPOSES ONLY

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

**NATIONAL GRID CORPORATION
OF THE PHILIPPINES
(NGCP)**

**SERVICE PROVIDER
XXXXXXXXXX**

HENRY SY Jr.
President and CEO

XXXXXXXXXXXXXXXXXX
Designation

Signed in the Presence of:

FOR VIEWING PURPOSES ONLY

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S

ACKNOWLEDGEMENT

BEFORE ME on the place and date as indicated prior, personally appeared the following presenting their respective identification cards bearing their pictures:

Name	Valid ID	Validity

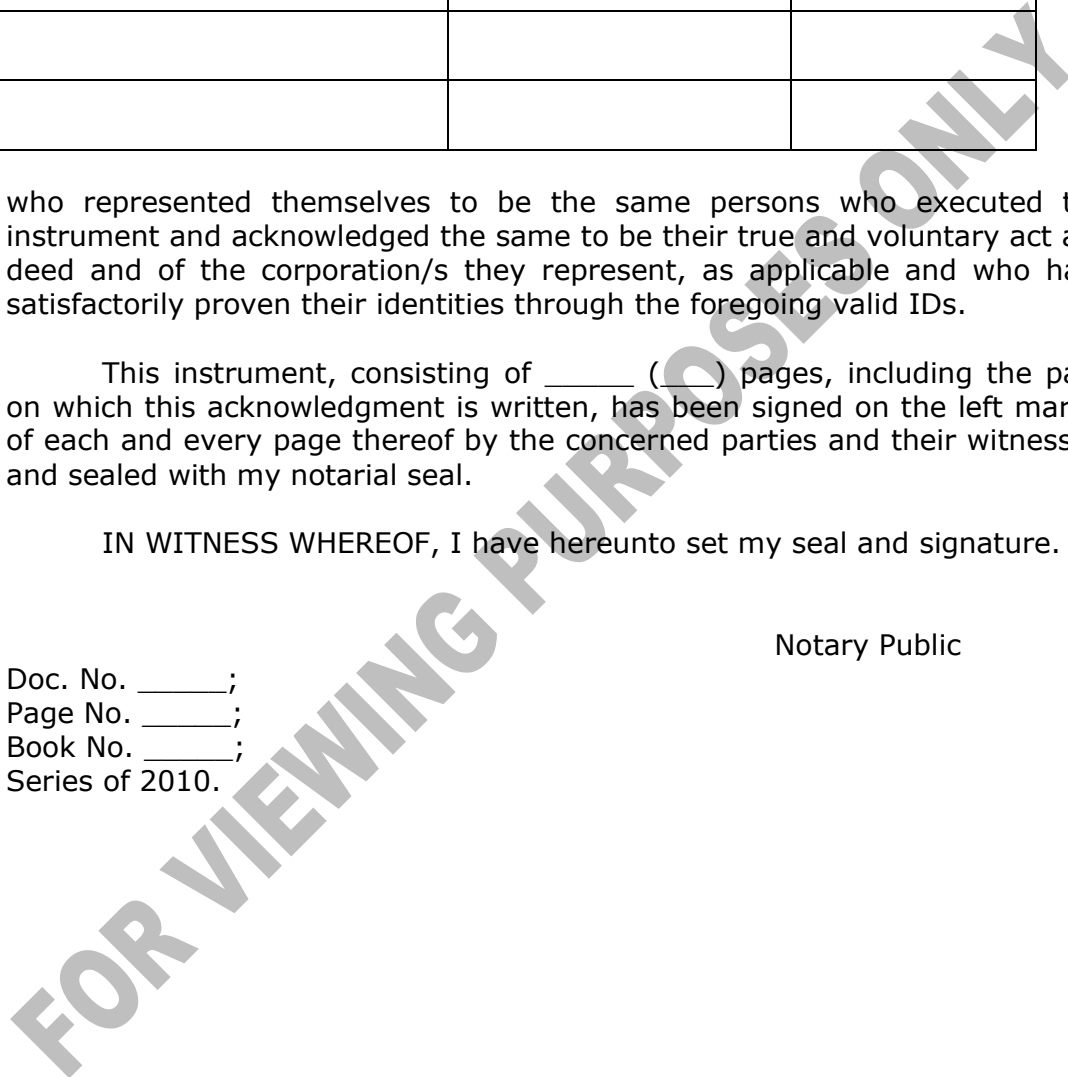
who represented themselves to be the same persons who executed this instrument and acknowledged the same to be their true and voluntary act and deed and of the corporation/s they represent, as applicable and who have satisfactorily proven their identities through the foregoing valid IDs.

This instrument, consisting of _____ (____) pages, including the page on which this acknowledgment is written, has been signed on the left margin of each and every page thereof by the concerned parties and their witnesses, and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my seal and signature.

Notary Public

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2010.



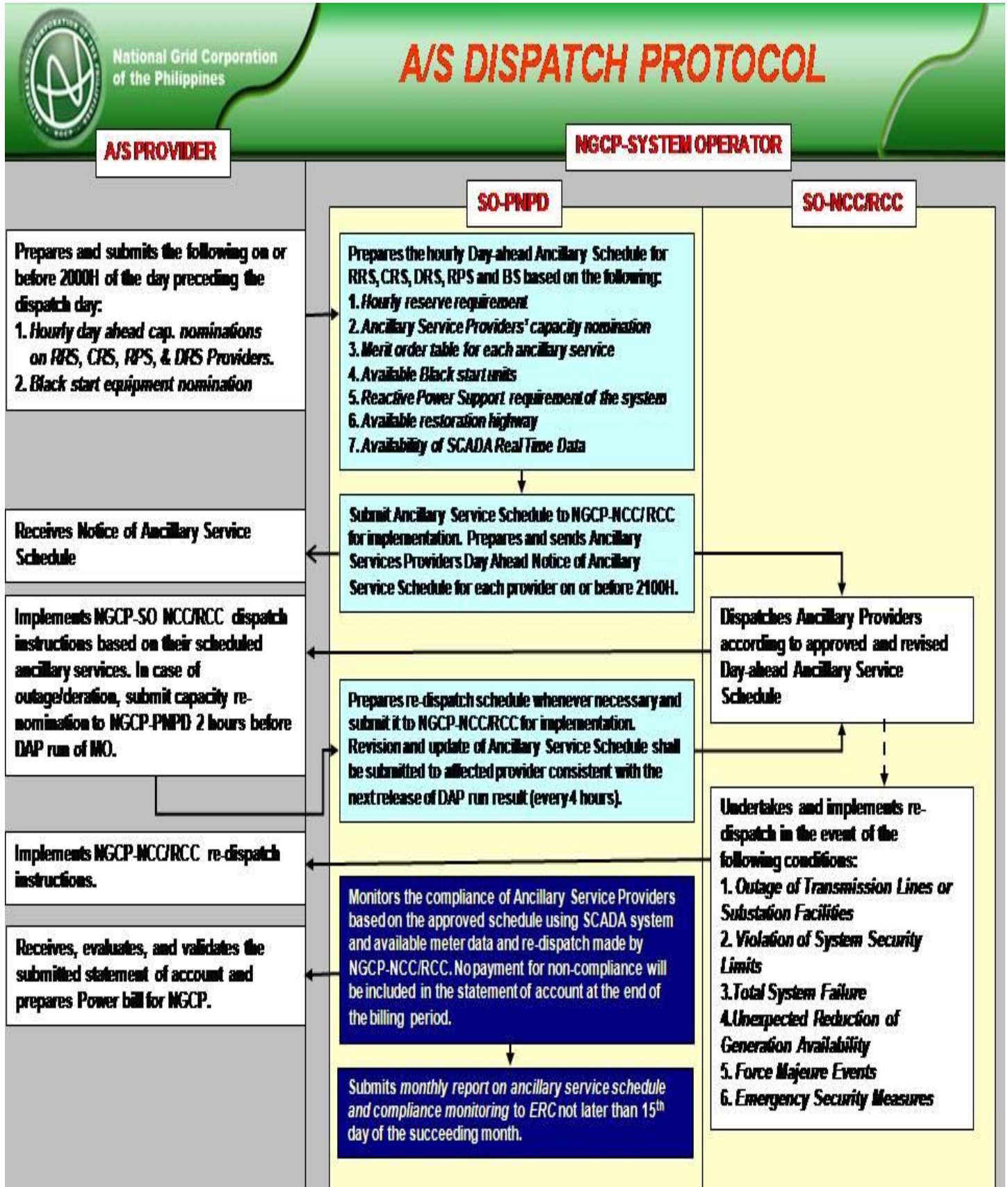
Schedule 1: Ancillary Services Provided under this Agreement

Ancillary Service

- 1) xxxxxxxx Reserve
- 2) xxxxxxxx Reserve
- 3) xxxxxxxx Reserve
- 4) xxxxxxxx Reserve
- 5) xxxxxxxx Reserve


FOR VIEWING PURPOSES ONLY

Schedule 2: Dispatch Protocol



FOR VIEWING PURPOSES ONLY

Schedule 3: Testing Procedures

 <p>National Transmission Corporation SYSTEM OPERATIONS PROCEDURES MANUAL</p>	PM -	
	Rev. 0	Page 1 of 3
	Effectivity Date:	
Section: Ancillary Services Section		
Title: Spinning Reserve Service Certification Test		

1.0 Purpose

- 1.1 To establish the guidelines that TRANSCO shall use to test plant/generator to be contracted for Spinning Reserve (SR).

2.0 Scope

- 2.1 This procedure covers the Spinning Reserve type of Ancillary Service that qualified generation companies can provide to ensure the provision of generating capacity necessary to respond immediately to sudden and unexpected loss of large synchronized Generating unit.

3.0 Definition of Terms/Acronyms

3.1 Definition of Terms

- 3.1.1 **Frequency Control** is a strategy used by the System Operator to maintain the frequency of the Grid within the limits prescribed by the Grid Code by the timely use of Frequency Regulating Reserve, Contingency Reserve, and Demand Control.
- 3.1.2 **Spinning Reserve** is a component of Contingency Reserve which is synchronized to the Grid and ready to take on load. *[Grid Code]*
- 3.1.3 **Spinning Reserve Service** is a service that provides Generation Capacity necessary to respond immediately to infrequent, but usually large, failures of generating units and/or transmission tie lines.
- 3.1.4 **Primary Response** Generating units that operate in an automatic frequency sensitive mode or Free Governor mode with deadband setting of between -0.15Hz and 0.30Hz..
- 3.1.5 **Secondary Response** Generating units that operate in an automatic generation control (AGC) of the SCADA/EMS of the National Control Center (NCC) or manual adjustment of load with specific dispatch instructions from system operator with maximum time to full capacity of ten (10) minutes and is sustainable for at least thirty (30) minutes.

Endorsed: <p style="text-align: center;">F. A. M. DIMAANDAL, JR. Principal Engineer A, TSASD</p>	Approved: <p style="text-align: center;">C. C. CLAUDIO Asst. Vice President-LSO</p>
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PM -	Title : Spinning Reserve Service Certification Test	Rev. 0	Page 2 of 3
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3.2 Acronyms

- 3.1.1 **SR** – Spinning Reserve
- 3.1.2 **AGC** – Frequency Regulation
- 3.1.3 **DSM** – Dynamic System Monitor
- 3.1.4 **NCC** – National Control Center

4.0 Precautions



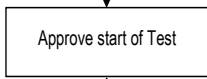
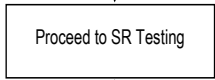
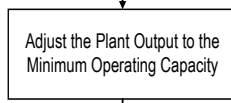
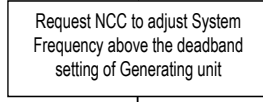
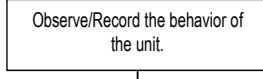
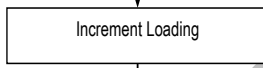
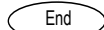
- 4.1 The unit is online/synchronized.
- 4.2 The test equipment is installed to monitor the unit output MW and the system frequency.
- 4.1 NCC is informed of the scheduled test.
- 4.2 For thermal plants, the following parameters should also be monitored:
 - a. Steam temperature.
 - b. Governor valve position.
- 4.3 Utmost safety of the plant is a priority. Abort the test if conditions will lead to plant tripping.

5.0 Reference

- 5.1 Grid Code

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Flow Chart	Responsibility	Details
		
	Plant Control Engineer	Request NCC/ACC Personnel regarding the test to be done.
	NCC/ACC Personnel	Approve the request taking into consideration the security of the system.
	Test Coordinator / Witness	Record the status and operating parameters ,e.g., load and system frequency for the start of the test.
	Plant Control Engineer	To start the test, adjust the plant output to the minimum operating capacity. Take note of the unit's frequency deadband.
	Plant Control Engineer / Test Coordinator	Request NCC to adjust the System Frequency above the deadband setting of the Generating unit.
	Plant Control Engineer / Witness	Observe/Record the data to be obtained.
	Plant Control Engineer	Repeat the testing with a load increment halfway its minimum & maximum generating capacity, and then, with a load equal to its maximum generating capacity.
		

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Schedule 4: Applicable Rates

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