



DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) RULES AND WESM MARKET MANUAL FOR THE
IMPLEMENTATION OF ENHANCEMENTS TO WESM DESIGN AND
OPERATIONS**

**(Provisions for the Certification and Registration of WESM Compliance
Officers and Accreditation of Training and Certification Service Providers)**

WHEREAS, Sections 30 and 37(f) of the Electric Power Industry Reform Act (EPIRA) provides that the DOE, jointly with the electric power industry participants, shall establish the Wholesale Electricity Spot Market (WESM) and formulate the detailed rules governing the operations thereof;

WHEREAS, on 28 June 2002, the DOE, with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular No. DC2002-06-003;

WHEREAS, on 14 October 2016, the DOE promulgated the amended WESM Rules for the enhancements of WESM design and operations through Department Circular No. DC2016-10-0014;

WHEREAS, any changes, amendments, and modifications to the WESM Rules, Retail Rules and their Market Manuals shall be undertaken in accordance with the provisions of Chapter 8 of the WESM Rules;

WHEREAS, on 10 May 2019, the Philippine Electricity Market Corporation (PEMC) submitted its proposed amendments to the WESM Rules for the implementation of a WCO Accreditation Program;

WHEREAS, the proposal aims to ensure that the WCOs possess the right competencies and knowledge; and empower them to effectively ensure compliance with their obligations in the WESM;

WHEREAS, on 16 May 2019, the RCC during its 152nd RCC Meeting approved the publication of the proposal in the PEMC website to solicit comments from industry stakeholders and interested parties;

WHEREAS, on 19 July 2019, during its 154th RCC Meeting, the RCC deliberated on the proposal considering the comments received from stakeholders and interested parties, together with the proponent's responses to the mentioned comments;

WHEREAS, on 11 September 2019, PEMC submitted the proposed new WCO Accreditation Manual to provide the procedures and mechanisms to guide all WESM

Members on the WCO Accreditation Program to be adopted by the PEMC as provided in the aforementioned proposed amendments in the WEM Rules;

WHEREAS, on 20 September 2019, during its 156th Meeting, the RCC approved the publication of the proposed new WCO Accreditation Manual in the PEMC website to solicit further comments from industry stakeholders and interested parties;

WHEREAS, on 08 November 2019, during its 158th RCC Meeting, the RCC deliberated on the proposal giving due course the comments received from stakeholders and interested parties, together with the proponent's responses to the said comments. The RCC also approved the proposal, as amended, and endorsed the same to the PEM Board;

WHEREAS, on 11 December 2019 and 16 January 2020, PEM Board approved the proposal and PEMC formally endorsed the said proposal to the DOE, respectively.

WHEREAS, on 22 and 29 July 2020, the DOE conducted public consultations on the proposed amendments to solicit inputs and consider comments of stakeholders in the finalization of the amendments;

WHEREAS, on 12 August 2020 and 13 October 2020, PEMC and the DOE conducted discussion meetings to enhance the draft proposal taking into consideration of the comments and recommendations of the stakeholders;

WHEREAS, on ___ December 2020, the DOE posted in the website the enhanced proposal for further comments of the stakeholder;

NOW THEREFORE, after careful review of the abovementioned PEM Board-approved proposals and the comments and recommendations received on the same, the DOE, pursuant to its authority under the EPIRA and the WESM Rules, hereby adopts, issues, and promulgates the following amendments to the WESM Rules and Market Manual:

Section 1. Amendments to the WESM Rules. The following provisions in the WESM Rules promulgated by the DOE through Department Circular No. DC2016-10-0014 are hereby amended:

a. Clause 7.1 (Scope of Chapter 7) under Enforcement and Disputes is amended to read as –

“7.1 In line with the principles of self-governance, expeditious, just and least expensive disposition of disputes and considering the continuous nature of the transactions and operations of the WESM, this chapter sets out:

xxx xxx xxx

(c) Other provisions on how disputes are to be resolved;

- (d) The appointment of an Enforcement and Compliance Officer, a Dispute Resolution Administrator and selection of mediators and arbitrators that shall form part of the arbitration panel; and
- (e) The certification and registration of the WESM Compliance Officers.”

b. Clause 7.2.9 under Enforcement is amended to read as –

“7.2.9 Certification and Registration of a Compliance Officer for WESM Member, Market Operator and System Operator”

c. Clause 7.2.9.1 under Certification and Registration of a Compliance Officer for WESM Member, Market Operator and System Operator is amended to read as –

“7.2.9.1 All WESM Members, and the Market Operator shall designate and register a WESM Compliance Officer in their respective organizations; Provided that the person so appointed should have an understanding of the WESM compliance requirements of his or her organization, and occupies a senior management position in the organization that he or she is able to recognize possible non-compliances and has sufficient authority to resolve the same. Furthermore, the said WESM Compliance Officer shall undergo a certification program through the training and certification service providers accredited by the Governance Arm.

For this purpose, Governance Arm shall:

(a) In consultation with the WESM Members and the Market Operator, develop and establish the necessary program and guidelines for the certification and registration for the WESM Compliance Officers with the end in view of attaining a higher level of compliance with their obligations in the WESM and keeping them informed of their company’s obligations in the market and any market developments; and

(b) Create an Accreditation Body, composed of members independent of the Philippine electric power industry and the Government and in such number and with such skills and expertise deemed necessary who shall be responsible for the effective and efficient implementation of the certification program for the WESM Compliance Officers and accreditation program for the training and service providers in accordance with the Market Manual to be developed for the said certification and accreditation program.”

d. Clause 7.2.9.2 under Certification and Registration of a Compliance Officer for WESM Member, Market Operator and System Operator is amended to read as –

“Clause 7.2.9.2 The Compliance Officer shall:

xxx xxx xxx

(e) Undergo the certification and registration process for WESM Compliance Officers.”

Section 2. Adoption of the New Market Manual on Certification and Registration of WESM Compliance Officers and Accreditation of Training and Certification Service Providers. The Market Manual on Certification and Registration of WESM Compliance Officers and Accreditation of Training and Certification Service Providers, Issue No. 1.0, presented as Annex A to this Circular, is hereby approved and adopted.

Section 3. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

Section 4. Repealing Clause. All issuances inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

Section 5. Effectivity. This Circular shall take effect 15 days following its complete publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked. Copies thereof shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC – ONAR).

Issued on _____ 2020 at the Energy Center, Rizal Drive, Bonifacio Global City, Taguig City.

ALFONSO G. CUSI

Secretary