



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) MARKET MANUAL ON CONSTRAINT VIOLATION
COEFFICIENTS AND PRICING RE-RUNS FOR THE IMPLEMENTATION OF
ENHANCEMENTS TO WESM DESIGN AND OPERATIONS
(Provisions for Self-Scheduled Generation)**

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, 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 June 2019, the Market Operator submitted to the Rules Change Committee (RCC) its proposed amendments to the Market Manual on Constraint Violation Coefficients (CVC) and Pricing Re-Runs for the implementation of enhancement to WESM design;

WHEREAS, the proposal aims to include additional CVCs to reflect the dispatch and curtailment hierarchy for non-scheduled, priority dispatch and must-dispatch generating unit classifications – collectively called self-scheduled generating units;

WHEREAS, 21 June 2019, the RCC during its 153rd RCC Meeting discussed with the Market Operator the abovementioned proposal, and thereafter approved the publication of the proposed amendments in the Philippine Electricity Market Corporation's (PEMC) information website to solicit comments from market participants and other interested parties;

WHEREAS, on 16 August 2019, the RCC during its 155th RCC Meeting deliberated on the proposal giving due course to the comments received from market participants, and thereafter finalized and approved for endorsement to the PEM Board;

WHEREAS, on 28 August 2019, after due evaluation and deliberation, the PEM Board during its 15th Regular PEM Board Meeting, approved for endorsement to the DOE the above stated RCC-approved proposal;

WHEREAS, on 04 September 2019, the PEM Board-approved amendments to the Market Manual on Billing and Settlement were submitted to the DOE for final approval, in compliance with Chapter 8 of the WESM Rules;

WHEREAS, on _____, the DOE conducted Public Consultations on the proposed amendments to solicit further comments from the market participants and other interested parties;

WHEREAS, the DOE reviewed the said PEM Board-approved proposal, made minor revisions on the proposed amendments for consistency with the objectives of the WESM and the DOE policies on the enhancements of WESM design and operations;

NOW THEREFORE, pursuant to its authority under the EPIRA and the WESM Rules, the DOE hereby adopts, issues, and promulgates the following amendments to the WESM Rules and its Market Manuals:

Section 1. Amendments to the WESM Market Manual. The provisions in the WESM Market Manual on Constraint Violation Coefficients (CVC) and Pricing Re-Runs Issue No. 6 as presented in the attached matrix (ANNEX A) of this Circular are hereby approved and adopted.

Section 2. 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 3. Effectivity. This Circular shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation. 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