

PUBLIC

WESM Manual

WESM Compliance Officers (WCO) Accreditation Manual Issue No. 1.0

Abstract	This manual sets out the guidelines and procedures for the accreditation of WESM Enforcement and Compliance Officers as provided for in the WESM Rules.
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1.0	PEMC- Office of the Chief Governance Officer/ Enforcement and Compliance Office		<p>The WCO Accreditation Manual is a new <i>Market Manual</i>. It sets out the guidelines and procedures for the accreditation of WESM Enforcement and Compliance Officers as provided for in the WESM Rules.</p> <p>With the adoption of this Manual, WESM Members will be guided on how their WESM Compliance Officers (WCO)/WESM Enforcement Officers (WEO) may attain accreditation as WESM - Accredited WCOs. This new Manual likewise provides the mechanism for maintaining said accreditation.</p>

Document Approval

Issue No.	RCC Approval	RCC Resolution No.	PEM Board Approval	PEM Board Resolution No.	DOE Approval	DOE Circular No.
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Reference Documents

Document ID	Document Title
	Wholesale Electricity Spot Market Rules (<i>WESM Rules</i>)
	WESM Penalty Manual

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SECTION 1 PURPOSE OF ACCREDITATION

- 1.1 This accreditation aims to provide the competency standards for all WESM Compliance Officers (WCO) by creating a program or mechanism that promotes continuous quality enhancement in the WCOs' performance of their compliance-related functions. This seeks to ensure that throughout their participation in the Wholesale Electricity Spot Market, WCOs are well-informed of all market rule developments and obligations.
- 1.2 It also seeks to establish effective leadership that will help promote WESM compliance within the organization.

SECTION 2 WESM ACCREDITATION BODY

- 2.1 Within two (2) months from the approval hereof, the WCO Accreditation Body shall be constituted in accordance with this Manual.
- 2.2 The WCO Accreditation Body shall be composed of three (3) members who shall be:
 - 2.2.1 appointed by the PEM Board for a term of three (3) years;
 - 2.2.2 independent of the Philippine electric power industry and the Government;
 - 2.2.3 of proven probity and integrity; and
 - 2.2.4 with relevant experience in the field of electricity market operations/trading, energy facility operations or regulation and compliance in the energy sector.

A person is deemed to be independent of the Philippine electric power industry if he/she meets the requirements set forth under WESM Rules Clause 1.4.2.7.

- 2.3 The WCO Accreditation Body shall be responsible for the following:
 - 2.3.1 ensuring compliance with the WESM Rules on the designation of WCO;
 - 2.3.2 establishing or reviewing the competency standards for the WCO;
 - 2.3.3 implementing the accreditation program;
 - 2.3.4 and accrediting or reviewing the compliance of all WCO with the requirements of the WCO Accreditation.

SECTION 3 SUBJECT OF ACCREDITATION
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- 3.1 The accreditation is mandatory for all WCO as registered or nominated by the WESM Member. It is, however, optional, for WESM Enforcement Officers (WEO) and other officers who are directly or indirectly involved in the compliance-related activities of the company, including enforcement personnel under probation or apprenticeship with the company.
- 3.2 In strict compliance with Clause 7.2.9 of the WESM Rules, each WESM Member, the Market Operator, the System Operator, Metering Service Provider and any other WESM Service Provider shall designate a WCO in their respective organizations. The aforesaid entities shall update the registration of their respective WCO in PEMC on or before the commencement of the compliance period as referred to in Section 5 hereof, and whenever there is a change in the WCO. Failure to comply with Clause 7.2.9 of the WESM Rules shall be dealt strictly by the WCO Accreditation Body.
- 3.3 A WCO nomination form shall, for this purpose, be developed by the WCO Accreditation Body which shall be used by the concerned entities in updating the registration referred to in the preceding section.

SECTION 4 MINIMUM QUALIFICATIONS AND REQUIREMENTS FOR WCO ACCREDITATION

- 4.1 The WCO should occupy a senior management position such as those pertaining, but not limited, to legal, risk management, regulatory or compliance.

For this purpose, senior management shall refer to a position in the company which carries with it the authority, capability, and responsibility to plan and direct the work of individuals or group of individuals, or make key decisions in an organization, either through employment or consultancy engagement or agreement.

- 4.2 The WEO should have at least one (1) year work experience to a relevant field specifically on electricity market operations/ trading, energy facility operations or regulation and compliance in the energy sector.

- 4.3 Notwithstanding the provisions set forth in Sections 4.1 and 4.2 hereof, the Head of the concerned entity may, subject to the approval of the WCO Accreditation Body, nominate a WCO who does not meet the requirements of the position and/or work experience, provided that he/she shall indicate in the nomination form that he/she is aware of the lacking requirements of the nominee, and shall state the reasons for the nomination.
- 4.4 Every WCO must complete at least twenty (20) credit units of Compliance Lecture Series and/or accreditation test within the compliance period as referred to in Section 5 hereof. The WCO is highly encouraged but not required to complete the same number of units within the compliance period.

SECTION 5 COMPLIANCE PERIOD

- 5.1 The commencement of the compliance period for WCO Accreditation shall be officially declared by the WCO Accreditation Body. The first compliance period shall be for twelve (12) months. The succeeding compliance period shall be for the same duration and shall begin on the day after the end of the previous compliance period.

Thus, for instance:

1st Compliance Period: 01 July 2020 to 30 June 2021
2nd Compliance Period: 01 July 2021 to 30 June 2022

- 5.2 For officers or personnel who are already the designated WCO at the start of the compliance period, the accreditation requirements as set forth herein shall be complied with within the compliance period.
- 5.3 For officers or personnel who get nominated as WCO after the start of the compliance period, the following guidelines shall apply:

- 5.3.1 If three (3) months or less remain of the Compliance Period after the nomination of a WCO, he/she is exempted from complying with the accreditation program requirements during the initial Compliance Period and shall be listed under “Probationary Status” until he/she fully meets the requirement for the succeeding compliance period. He/she may still attend any lecture series but the credit units earned will not be carried over to the next compliance period.

The WCO Accreditation Body may, at any time, assess the propriety of the designation or appointment of WCO three (3) months or less before the end of each compliance period. Upon determination by the WCO Accreditation Body that such designation is deliberately done to take full advantage of the provision set forth in Section 5.3.1, it shall impose the appropriate sanctions under Section 10 of this Manual.

- 5.3.2 If more than three (3) months remain of the Compliance Period after the nomination of a WCO, he/she shall complete a number of hours of compliance lecture series on Fundamentals of WESM or other basic courses or shall earn units through examination, the total credit units of which shall be in proportion to the number of months remaining in the compliance period.

For instance, a WCO was nominated four (4) months prior to the end of compliance period, he/she shall need to earn seven (7) credit units within the remaining compliance period (i.e., $4/12$ [month] x 20 [credit units]).

- 5.4 The foregoing conditions shall apply for all WEO or other officers who voluntarily join or participate in the Accreditation Program. Their compliance and credit units earned shall likewise be recognized and updated in accordance with Section 8 hereof.

SECTION 6 COMPUTATION OF CREDIT UNITS

6.1 Credit units shall be earned through: (a) attendance to compliance lecture series; and (b) taking and passing the examination administered for every lecture series.

6.1.1 Attendance to Compliance Lecture Series

6.1.1.1 Credit units are equivalent to credit hours. These shall be measured based on the actual time spent or hours of participation in any of the compliance lecture series cited in Section 7 hereof. However, a fraction of an hour shall be rounded up to one full hour. For instance, if the lecture series lasted for only 3.5 hours, four (4) credits will be earned.

6.1.1.2 Lectures may be organized or facilitated by PEMC or by the Independent Electricity Market Operator of the Philippines (IEMOP), or by any group that the Accreditation Body may thereafter accredit.

6.1.2 Taking and Passing the Examination

6.1.2.1 Credit units under this category shall be earned as follows:

- a. 2 points for taking the examination; and
- b. 2 points for passing the examination

6.1.2.2 The examination shall be administered by the entity or group who facilitated the trainings or lectures referred to in Section 6.1.1.2 above. A member of the Secretariat or authorized personnel of the WCO Accreditation Body must be present during the examination.

6.1.2.3 The examination may be taken immediately after the lecture series, or online or via website. If the examination is taken online or via website, the WCO Accreditation Body shall adopt a system that would ensure the integrity of the examinations to be taken.

- 6.2 Notwithstanding the foregoing provisions on credit unit computation, the WCO Accreditation Body may, upon its own assessment of the degree of importance, relevance, or complexity of a certain lecture series or sets of examination, assign a greater weight than the points established under Sections 6.1.1 and 6.1.2 hereof.
- 6.3 The credit units that will be measured at the end of the Compliance Period shall be the total of point systems referred to in Sections 6.1.1 and 6.1.2.

SECTION 7	COMPLIANCE LECTURE COURSES OR PROGRAMS
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- 7.1 All accreditation activities must have significant content relating to the WESM operations, governance, regulatory compliances, or compliance with the relevant market rules and manuals. These shall include, but not limited to, the following –
- a) Fundamentals of WESM
 - b) WESM Features
 - c) Membership and Participation in WESM
 - d) Market Dispatch Optimization Model
 - e) Market Offer
 - f) Real-Time Dispatch
 - g) Pricing and Settlement Process
 - h) Market Network Model Development and Maintenance
 - i) Load Forecasting
 - j) Procedure for Load Shedding
 - k) Procedures for Start-up and Shutdown of Generators
 - l) Management of Must-Run Units
 - m) The Role of the WESM Governance Committees
 - n) Market Monitoring
 - o) Generators' Compliances
 - p) Penalties for Breach of WESM Rules
 - q) Submission of Nominations of Loading Levels or Projected Outputs
 - r) Compliance with Forecast Accuracy Standards
 - s) Relevant or recent DOE and ERC Issuances

- 7.2 The WCO Accreditation Body shall approve the training lectures, courses, or curriculum based on content, relevance, and associated costs, among others. It may, on its own initiative or based on the recommendations of the market participants, include or add courses or subjects relevant to this program.
- 7.3 The WCO Accreditation Body shall ensure that there are adequate courses or lecture series that can be offered within the compliance period for all types of sectors or members in the WESM. When appropriate, the WCO Accreditation Body may, in advance, determine and authorize the publication of the lectures or courses to be offered for the entire compliance period.
- 7.4 The schedule of any lecture or training shall be posted or published in PEMC website at least one month prior to the intended date of lecture or training. The notice to the WCO, WEO, and other compliance officers shall mark the lecture that is being offered as a *“WCO-Accredited Lecture or Training”* and shall indicate the credit unit(s) or points assigned to each lecture or course offered.
- 7.5 The accreditation activity shall be conducted by person(s) with adequate professional training and experience.
- 7.6 Substantive written materials must be distributed to all participants. Such materials must be distributed during or before the time the activity is offered.
- 7.7 The lecture or training shall be for a reasonable or minimal fee as would cover the cost of training materials, meals, and other related expenses.

SECTION 8 PROOF OF ACCREDITATION

- 8.1 Upon conclusion of a training course, the facilitator or the Secretariat as appointed by the WCO Accreditation Body, shall issue a certificate of attendance to each participant identifying the time, date, location, subject matter and length of the activity and the number of credit units earned.
- 8.2 The WCO Accreditation Body, through its Secretariat, shall maintain a database that shall contain the list of all WCO and WEO, the training courses attended, and credit units earned. The contents of the database shall be updated on a regular basis.
- 8.3 Within one (1) month before the end of each Compliance Period, the WCO Accreditation Body shall assess the compliance status of all WCO and WEO. Within the same period, the concerned WCO or WEO shall be notified by the WCO Accreditation Body of the deficiency, if any, for completion of the requirements.
- 8.4 A WCO or WEO meeting all the requirements set forth herein shall be issued a WCO Accreditation Certificate, and shall be listed in the "Active Status" of the database. The certificate shall indicate the compliance period to which it pertains and the validity period.

SECTION 9 CHANGE OF THE WCO/WEO

- 9.1 The Head of the concerned entity or organization or their Main Contact shall notify the WCO Accreditation Body of the resignation, retirement, termination, or any other cause of separation of the WCO or WEO currently registered in the WESM within 15 calendar days from such occurrence. He/she shall also update the registration of the new WCO or WEO in accordance with Section 3.2. of this Manual. The new WCO or WEO shall be listed under a "Probationary Status," until he/she meets the requirements provided in Sections 9.2 and 9.2.1.
- 9.2 If, at the time of his/her nomination, the new WCO or WEO has a valid WCO accreditation or has already earned credit units by reason of his previous employment or engagement, he/she can seek confirmation from the WCO Accreditation Body of the accreditation already earned within the compliance period. The WCO Accreditation Body may accredit in full or in part the accreditation points earned within the compliance period depending on the relevance of the accreditation activities previously undertaken by the WCO or WEO in relation to his/her present employment or engagement.

- 9.2.1 If the new WCO or WEO is granted a full accreditation, he/she shall be listed in the “Active Status” of the database. The accreditation shall only be valid within the compliance period indicated in the certificate referred to in Section 8.4 hereof.
- 9.2.2 If the new WCO or WEO is granted a partial accreditation by the WCO Accreditation Body, he or she shall be listed under “Probationary Status” and shall make good any deficiency by taking into account the lacking credit units in relation to the remaining time towards the completion period, as required under Sections 5.3.1 and 5.3.2 hereof.

SECTION 10 NON-COMPLIANCE NOTICE AND CONSEQUENCES OF NON- COMPLIANCE
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- 10.1 The WCO failing to comply with this Manual will receive a Non-Compliance Notice with a statement about a specific deficiency. The Notice shall be addressed to: (a) concerned WCO; and (b) the Head of the company or entity which he/she represents for compliance purposes.
- 10.2 The non-compliant WCO will be given thirty (30) days from the receipt of the notification to explain the deficiency or otherwise show compliance with the requirements.
- 10.3 A non-compliance fee shall be paid by the company or entity being represented by the non-compliant WCO in accordance with the WESM Penalty Manual. The WCO Accreditation Body may waive the payment of non-compliance fee if it determines that the non-compliance hereof was due to justifiable or reasonable reasons or circumstances that are beyond the control of the WCO or WEO.
- 10.4 The non-compliant WCO shall be listed under "Inactive Status". The WCO in "Inactive Status" shall not be authorized to represent his/her respective organization in matters relating to the enforcement and compliance or to exercise any of the functions provided in Clause 7.2.9.2 of the WESM Rules. He/she shall continue to have such status until reinstated.
- 10.5 The WEO or other compliance officers who have been accredited under Section 8.4 of this Manual, may represent their respective organizations, while the WCO referred to in the preceding paragraph is in "Inactive Status"

SECTION 11 REINSTATEMENT

- 11.1 The WCO may use the 30-day period referred to in Section 10.2 to complete his/her compliance with this Manual. Credit units earned during this period may only be counted toward compliance with the prior compliance period requirement unless units in excess of the requirement are earned, in which case the excess may be counted toward meeting the current compliance period requirement.
- 11.2 The WCO shall be reinstated to "Active Status" upon determination of full compliance in accordance with the preceding section. He/she shall be immediately notified of the reinstatement and shall be issued a WCO Accreditation Certificate as referred to in Section 8.4 hereof.

SECTION 12 REVIEW

- 12.1 This Manual shall be reviewed by the WCO Accreditation Body annually or as may be necessary.
- 12.2 The WCO Accreditation Body shall conduct consultations with the market participants for possible amendment or revision of the guidelines provided under this Manual.
- 12.3 Any revisions or changes made to this Manual shall be published in PEMC Website.

SECTION 13 EFFECTIVITY

This Manual shall become effective upon approval of the Department of Energy and fifteen (15) days after publication in newspaper of general circulation.