



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) RULES AND NEW WESM COMPLIANCE OFFICERS
(WCO) ACCREDITATION MANUAL**

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 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, considering that the manual or the WCO Accreditation Program have been formulated through a series of consultations with the WCOs and WESM Enforcement Officers (WEOs) and was nearing finalization, the RCC deemed it necessary and appropriate to await the submission of said manual in order to see the entirety of the program;

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 _____, 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 Rules. The following provisions in the WESM Rules are hereby amended:

a. New item under Clause 7.1 (Scope of Chapter 7) is added to read as –

“xxx xxx xxx

(e) The designation and accreditation of the WESM Compliance Officers.

xxx xxx xxx”

b. Original Clause 7.2.9 is amended to read as –

“7.2.9 Designation and Accreditation of a Compliance Officer for WESM Member, Market Operator and System Operator

xxx xxx xxx”

c. Original Clause 7.2.9.1 and its Sub-clauses is amended to read as –

“7.2.9.1 All WESM Members, and the Market Operator shall designate 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, said WESM Compliance Officer shall undergo an accreditation program to be administered by PEMC.

For this purpose, PEMC shall:

- (a) In consultation with the WESM Members and the Market Operator, develop and establish the necessary program and guidelines for the accreditation of 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.
- (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 following:
 - i) implementing an accreditation program for all WESM Compliance Officers;
 - ii) recommending or establishing the competency standards; and
 - iii) accrediting or reviewing the compliance of all WESM Compliance Officers with the accreditation program referred to in the preceding paragraph.”

d. New item under Clause 7.2.9.2 is added to read as –

“xxx xxx xxx

(e) Undergo the accreditation process for WESM Compliance Officers.

xxx xxx xxx”

Section 3. Adoption of the WESM Compliance Officers (WCO) Accreditation Manual. The WESM Compliance Officers (WCO) Accreditation Manual, presented as Annex A to this Circular, is hereby approved and adopted.

Section 4. 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 5. 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