

**Republic of the Philippines**  
**DEPARTMENT OF ENERGY**

**DEPARTMENT ORDER NO.: 2004-05-005**

**RECONVENING THE TECHNICAL WORKING GROUP OF THE  
WHOLESALE ELECTRICITY SPOT MARKET (WESM-TWG)  
AND ITS SUBCOMMITTEES AND FOR OTHER PURPOSES**

**WHEREAS**, Department Order No. 2002-07-010 created the Technical Working Group (TWG) of the Wholesale Electricity Spot Market (WESM) to ensure a smooth transition from promulgation of the WESM Rules to actual commercial operation of the spot market;

**WHEREAS**, The TWG, through WESM TWG Resolution No. 2003-02 dated 30 May, 2003, formed Technical Subcommittees, namely: (1) Market Operations; (2) System Operations; (3) Metering; (4) Legal and Regulatory Services; and (5) Settlements, composed of representatives nominated by the TWG from the Government and electric power industry' participants;

**WHEREAS**, on 18 November 2003, the Philippine Electricity Market Corporation was' incorporated and thereafter, its Board of Directors (PEM Board) was constituted with equitable representation from electric power industry participants, to serve as the governing body of the WESM;

**WHEREAS**, there is a need for TWG and its Subcommittees to assist the PEM Board in harmonizing the provisions of the WESM Rules, with the WESM Price Determination Methodology (PDM) submitted to the Energy Regulatory Commission (ERG) and with other, rules and regulations of the DOE and ERC and in the formulation of additional documents' required to be undertaken pursuant to the WESM Rules prior to the commencement of the spot market.

**NOW THEREFORE**, in view of the foregoing, the WESM TWG and its Subcommittees are hereby reconvened in accordance with the following:

**Section 1. Responsibilities of the WESM TWG.** The WESM TWG shall assist and, provide the PEM Board with technical support in:

- a. Evaluating and recommending to the DOE for its appropriate action, supplemental, modificatory, clarificatory, and other amendments or additional provisions to the WESM Rules which the TWG finds necessary and reasonable, including but not limited to:
  - i. Refinements in the dispute resolution process;
  - ii. Governance issues;
  - iii. Financial Transmission Rights;
  - iv. Market Network Model; and
  - v. Market Dispatch Optimization Model.
- b. Monitoring the implementation of the Rules, including market participant readiness;

- c. Formulating necessary documents and actions that need to be undertaken pursuant to WESM Rule 10.4, prior to the spot market commencement.

**Section 2. Submission to PEM Board.** Any proposed change to the WESM Rules by the TWG, pursuant to Clause 1(a) of this Order, must first be submitted to or endorsed by the PEM Board before the same is submitted to the DOE for appropriate action.

**Section 3. Composition of the TWG.** The TWG shall be headed by the Undersecretary of the Department of Energy as Chairman. The President of PEMC is hereby designated as Vice-Chairman of the WESM TWG. The following shall compose the WESM TWG:

Chairman	-	Undersecretary Cyril C. Del Callar, DOE
Vice-Chairman	-	President Lasse A. Holopainen, PEMC
Members	-	Mr. Fortunato C. Leynes, Meralco Mr. Lorenzo S. Tapel, Jr. NEA Mr. Oscar C. Lorico, NPC Mr. Rizalino G. Santos, TRANSCO-MO Mr. Rolando T. Bacani, TRANSCO-SO DDG. Wilhelm Ortaliz, PEZA Mr. Crisanto R. Laset, Jr., PEPOA Mr. Dennis P. Gonzales, PIPPA Mr. Wendell V. Ballesteros, PHILRECA Mr. Nestor F. Aliman, PSALM Ms. Ester R. Guerzon, PNOC-EDC Mr. Chrysanthus S. Heruela DOE
Observer	-	Mr. Edgar F. Samonte, ERC

**Section 4. Technical Secretariat Support.** Technical secretariat support to the TWG shall be provided by the DOE.

**Section 5. Technical Subcommittees.** The following Technical Subcommittees, namely: (1) Market Operations; (2) System Operations; (3) Metering; (4) Legal and Regulatory Services; and (5) Settlements, are hereby reconvened and shall continue to undertake the same duties and responsibilities as follows:

#### **I. Market Operations (MO)**

- a. Facilitate the economic and efficient coordination and development of the MO Systems and Procedures as regards to the overall implementation, development, testing of optimization and bidding procedures including all necessary pricing methodologies, market dispatch optimization models, time table, customer zones, loss adjustments and other necessary data;
- b. Facilitate consultation, promotion, and testing of the WESM Systems Concepts, Pricing Methodologies, Processes and Procedures for all participants and establishment of reserve markets;
- c. Review the definitions, standards, procedures and protocols regarding MO Systems and Procedures, Bidding and Scheduling, Reserve Markets, Emergency Procedures, and make appropriate recommendations and changes where necessary through proper consultations to ensure the compliance to WESM Rules;

- d. Identify issues on MO Systems and Procedures, Bidding and Scheduling, Reserve Markets, Emergency Procedures not fully addressed by the WESM Rules and make necessary recommendations to the TWG; and
- e. Identify specific parts of the Rules regarding WESM implementation that requires harmonization with the Grid and Distribution Codes.

## **II. System Operations (SO)**

- a. Facilitate the economic and efficient coordination and development of SO Systems and Procedures as regards to WESM Data Requirements, Ancillary Service Requirements and System Testing Procedures, Maintenance and Outage Scheduling;
- b. Review the definitions, standards, procedures and protocols regarding SO Systems and Procedures, Dispatch Implementations, Maintenance and Outage Scheduling and Ancillary Services and make appropriate recommendations and changes where necessary through proper consultations and ensure the compliance to WESM Rules and/or Grid and Distribution Codes;
- c. Identify issues pertaining to SO Systems and Procedures, Ancillary Services Requirements, Dispatch Implementation, Maintenance and Outage Scheduling not fully addressed by the WESM Rules and make necessary recommendations to the TWG; and
- d. Identify specific parts of the Rules regarding Ancillary Services and other SO related issues that require harmonization with the Grid and Distribution Codes.

## **III. Metering**

- a. Facilitate the economic and efficient coordination, development and implementation of WESM Metering Requirements;
- b. Review the definitions, standards, procedures and protocols regarding WESM Metering Requirements and make appropriate recommendations and changes where necessary through proper consultations and ensure the compliance to WESM Rules and/or Grid and Distribution Codes;
- c. Identify issues on WESM Metering Requirements not fully addressed by the WESM Rules and make necessary recommendations to the TWG; and
- d. Identify specific parts of the Rules regarding WESM Metering that requires harmonization with the Grid and Distribution Codes.

## **IV. Legal and Regulatory Services**

- a. Facilitate the economic and efficient coordination and exchange of information between MO, SO, Metering Services Provider and the Electric Power Industry Participants as regards to the Regulatory Filings, Harmonization of WESM Rules and Grid & Distribution Codes, Service and Contract Agreements, WESM Audit Procedures, Enforcement and Dispute Resolutions;
- b. Facilitate the review and consultation of governance, enforcement and dispute resolutions of the WESM Rules and identify issues not fully addressed and make necessary recommendations to the TWG; and
- c. Identify specific parts of the Rules regarding governance, enforcement, auditing and dispute resolutions that require harmonization with the Grid and Distribution Codes.

## V. **Billing and Settlements**

- a. Facilitate the economic and efficient coordination, development and implementation of WESM Settlement Requirements, including Financial Hedging Instruments;
- b. Facilitate consultation and review the WESM Settlement Concepts, Methodologies, Processes and Protocols to all participants and ensure the compliance to WESM Rules;
- c. Review the WESM Settlement Concepts, Policies, Procedures and Protocols and identify issues not fully addressed and make necessary recommendations to the TWG; and
- d. Identify specific parts of the Rules regarding WESM Settlements that requires harmonization with the Grid and Distribution Codes.

Section 6. **Composition of Technical Subcommittees.** The Technical Subcommittees shall be set forth in Annex "A".

Other Government agencies and private entities may be invited as members or resource participants as may be determined by the WESM-TWG.

Section 7. **Coordinating Mechanism.** The Subcommittees shall employ those tools that are best suited to meeting its responsibilities, such as subcommittee meetings, forums, consultations, research initiatives, and cooperative actions.

The Subcommittees Chairman shall coordinate the Subcommittees' activities with other subcommittees and other working groups.

Section 8. **Reports.** The Subcommittees shall provide status report to the TWG in a timely manner and as required by the TWG, and shall contain accomplishments, work plan for activities, and other materials that may be of value for inclusion in TWG reports, a brief discussion of problems encountered, and other matters of interest.

Section 9. **Appropriation.** The DOE, TRANSCO-MO, PEMC, and other member agencies or companies shall appropriate funding, resources and staff, as necessary to effect this Department Order.

Section 10. **Tenure.** The TWG and its Subcommittees shall continue to undertake its functions until the actual operation of the WESM.

This Department Order shall take effect immediately.

Fort Bonifacio, Taguig, Metro Manila, 1 April 2004.

(Sgd.)  
VINCENT S. PÉREZ, JR.  
Secretary

**WESM TWG Technical Subcommittee Members**

<b>MO SUBCOM</b>	<b>SO SUBCOM</b>	<b>METERING SUBCOM</b>	<b>LEGAL &amp; REGULATORY SERVICES SUBCOM</b>	<b>BILLING &amp; SETTLEMENTS SUBCOM</b>
<b>Chairman</b>				
Isidro E. Cacho Jr. TRANSCO-MO	Carlito C. Claudio TRANSCO-SO	Emmanuel M. Sotomil Sr. Dept. Manager TRANSCO MSG	Atty. Celina R. Encarnacion Corporate Attorney TRANSCO MO	Jose Artemon M. Luna, Jr. Manager TRANSCO-MO
<b>Vice Chairman</b>				
Senen D. Fenomeno Principal Engr. TRANSCO-MO	Amador C. Mangosing Jr. Manager TRANSCO-MO	Renato B. Afurong Manager, TRANSCO-MO		
<b>Members</b>				
Nestor F. Aliman PSALM	Rico P. Valdellon Corp. Exec. Staff Officer IV PSALM	Jacinto M. Ilagan Corp. Exec. Staff Officer III PSALM	Atty. Ma. Belen M. Nera PSALM	Lourdes S. Arizona/ Gerald M. Lotilla (Alternate) PSALM
Jose H. Seguban, Jr. Division Manager NEA	Ferdinand Villareal Principal Engineer A NEA (Eng'g Dept.)	Claro De Veas Supervising Engineer NEA (Eng'g Dept.)	Nollie Alamillo Corporate Board Secretary V NEA (CORSEC)	Leila Bonifacio Division Manager NEA (AMGD)
Antonio Cortez (Alternate) Principal Engineer A NEA	Mariano C. Caliva (Alternate) Principal Engineer A NEA (Eng'g Dept.)	Aurelio Mendoza (Alternate) Senior ECDO A NEA (ECAD)	Atty. Edgardo O. Era Attorney III NEA (Legal Services)	Lida Dela Merced (Alternate) Division Manager NEA (AMGD)
Vicente C. Sioson Corporate Meter Meralco	Nestor P. Sarmiento System Control Meralco	Jose Ricky V. Tan Corporate Meter Meralco	Atty. Raul G. Coralde Legal Services Meralco	Ma. Cynthia C. Soluren Treasury Operations Meralco
Jorge Lucas Sr. Manager, BPPC PIPPA	Jorge Lucas, Sr. Manager, BPPC PIPPA		Atty. Janina A. Bonoan Manager, FGP Corp. PIPPA	Dennis P. Gonzales Sr. Manager, FGHC PIPPA
Manolo T. Candelaria Supervisor, Power & Energy Services Department PNOC-EDC	Generoso M. Paloso Supervisor, Design Department PNOC-EDC	Domingo D. Andrade, Jr. Engineer, Design Department PNOC-EDC	Gertrude V. Roque Planning Analyst, PESD PNOC-EDC	Victor Joel E. Francisco Analyst, PESD PNOC-EDC

**WESM TWG Technical Subcommittee Members**

<b>MO SUBCOM</b>	<b>SO SUBCOM</b>	<b>METERING SUBCOM</b>	<b>LEGAL &amp; REGULATORY SERVICES SUBCOM</b>	<b>BILLING &amp; SETTLEMENTS SUBCOM</b>
	Arthur P. Pintado Principal Engineer A, TRANSCO-MO		Henry E. Marasigan Principal Engineer Trading Operations Division TRANSCO-MO	Marissa R. Gandia Sr. Corporate Staff Specialist, TRANSCO-MO
Renato Balintek INEC, PHILRECA	Edwin Zaldivar PENELCO, PHILRECA	Fred Jacob ISECO, PHILRECA	Manuel P. Señar PHILRECA  Wendell V. Ballesteros (Alternate) General Manager PHILRECA	Wendell V. Ballesteros General Manager PHILRECA
Santiago A. Dimaliwat TRANSCO-SO				Daryll Lon A. Ortiz TRANSCO-SO
Rolando E. Lopez Corporate Staff Officer B NPC	Roy A. Mahinay Corporate Staff Officer B NPC	Cynthia R. Encarnacion Corporate Staff Officer B NPC	Atty. Ronald Dylan P. Conception Corporate Staff Officer B NPC	Alfredo L. Licudine, Jr. Department Manager NPC (Accounts Management)
Dindy O. Velasco Proj. Development Officer III PEZA	Jesus R. Cabel Division Chief PEZA			
Elaine R. De Guzman DOE	Eduardo B. Fernandez DOE	Eduardo B. Fernandez DOE	Eduardo B. Fernandez DOE	Elaine R. Deguzman DOE
Eduardo B. Fernandez (Alternate) DOE	Robert C. Lacerna (Alternate) DOE	Robert C. Lacerna (Alternate) DOE	Sherwin T. Casidsid (Alternate) DOE	Sherwin T. Casidsid (Alternate) DOE