



MR. NOEL B. ABOBOTO

Chairman, PEM Board
Philippine Electricity Market Corporation (PEMC)
18/F, Robinsons Equitable Tower
ADB Avenue, Ortigas Center, Pasig City

Subject: **Proposed Amendments to the WESM Rules and Enforcement and Compliance and Penalty Manuals**

Dear Mr. Aboboto:

This refers to the amendments to the Wholesale Electricity Spot Market (WESM) Rules, Enforcement and Compliance Manual (ECM), and WESM Penalty Manual, which are being proposed by PEMC and submitted to the Department of Energy (DOE) on 14 February 2024 for final approval in accordance with the WESM Rules.

After careful review, the DOE finds that the current procedures in the ECM and Penalty Manual are complete and clear to meet the objectives for their issuance. The proposed amendments do not address the issues on penalty collection. It is the strict enforcement by the Market Operator and the Governance Arm of their existing responsibilities under the Penalty Manual, which is the proper course of action to address these issues.

In view of the foregoing, the DOE disapproves the proposed amendments and directs the Market Operator and the Governance Arm to ensure full and strict enforcement of the WESM Rules and Manuals, including with respect to the collection of penalties. Nevertheless, the proposed amendments may be revisited and reconsidered at a later time, as may be appropriate, in consideration of the ongoing review of the WESM structure and framework.

Please be guided accordingly. Thank you.

Very truly yours,


RAPHAEL P.M. LOTILLA
Secretary



APR 11 2025

Cc: President Elvin Hayes E. Nidea, PEMC
Market Surveillance Committee
Rules Change Committee