

RULES CHANGE COMMITTEE

Addition to RCC Resolution No. 2020-14 on the Proposed WESM Rules and WESM Manual on Procedures for Changes to the WSM Rules, Retail Rules and Market Manuals



Effective Date : 21 May 2021

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WHEREAS, Chapter 8 of the WESM Rules and the Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals (“Rules Change Manual”) provide the criteria, method and procedures for changes to the WESM Rules, Retail Rules and Market Manuals;

WHEREAS, on 15 May 2020, the RCC approved amendments to the WESM Rules and Rules Change Manual to enhance the rules change process and incorporate policies under the DOE Circulars issued on WESM governance and approved the endorsement of the proposal to the PEM Board for approval and subsequent transmittal to the DOE for promulgation;

WHEREAS, the PEM Board, on 27 May 2020 per PEM Board Resolution No. 2020-24-13, approved the Proposed Amendments to WESM Rules and WESM Manual on Procedures for Changes to the WSM Rules, Retail Rules and Market Manuals, and on 08 June 2020, submitted the proposal to the DOE for approval in accordance with WESM Rules;

WHEREAS, the DOE, on 31 July 2020, posted the draft Department Circular (DC) adopting the proposed amendments to solicit further comments from market participants and other interested parties, and on 10 and 15 December 2020,¹ conducted virtual public consultation for Luzon and Visayas-Mindanao leg respectively, to solicit further inputs or comments for the finalization of the DC;

WHEREAS, through a letter dated 23 March 2021, the DOE informed PEMC and the RCC that while it has no objections on the proposal, including on the proposed extension on the effectivity period of urgent amendments, the DOE deems that it is necessary to clarify the process of approval, period of effectivity, and endorsement as general amendment to DOE of the urgent amendments under WESM Rules Clause 8.4.1.2;

WHEREAS, in same letter, the DOE pointed out that WESM Rules 8.4.1.2 clearly specifies in its first paragraph that the DOE will approve and promulgate all rules change proposals, however, its second paragraph provides a conditional approval by the PEM Board for the urgent proposals that seemingly contradicts the first paragraph;

WHEREAS, during its 177th Regular Meeting on 16 April 2021, the RCC discussed the proposed rewording of WESM Clause 8.4.1.2 by the Secretariat with the following rationale:

- To be consistent with the WESM Rules Clauses 8.4.1.1 (on classification of rules changes) and 8.4.1.3 (on rules change manual);
- To be consistent with Rules Change Manual Section 7.4 (on the effectivity of urgent amendments);

¹ <https://www.doe.gov.ph/announcements/call-comments-various-proposed-amendments-wesm-rules-retail-rules-and-market-manuals-0>

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- To retain the proposed extension of the effectivity by the PEM Board of six (6) months as proposed by the RCC under the subject RCC Resolution No. 2020-14; and
- To clarify the approval of Minor/General amendments, consistent with the current WESM Rules Clause 8.4.1.2;

WHEREAS, the RCC noted that its rewording to the originally proposed extension of the effectivity period of urgent amendments for six (6) months in WESM Rules Clause 8.4.1.2 should be reflected in the corresponding proposed new provision in the Rules Change Manual Section 7.5;

WHEREAS, the RCC approved the proposed rewording of WESM Clause 8.4.1.2 and Rules Change Manual Section 7.5, as revised, as addition to the proposed amendments under RCC Resolution No. 2020-14 and its endorsement to the PEM Board;

NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve via electronic communication platforms, as follows:

RESOLVED, that the RCC approves the additional proposed amendments under RCC Resolution No. 2020-14 on the Proposed WESM Rules and WESM Manual on Procedures for Changes to the WSM Rules, Retail Rules and Market Manuals attached as Annex A;

RESOLVED FURTHER, that the said addition to RCC Resolution No. 2020-14 on the Proposed WESM Rules and WESM Manual on Procedures for Changes to the WSM Rules, Retail Rules and Market Manuals, are hereby endorsed to the PEM Board for approval and for submission to DOE for consideration.

Done this **21st** day of **May 2021**, Pasig City.



Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 MAILA LOURDES G. DE CASTRO Chairperson	 FRANCISCO L.R. CASTRO, JR.
 ALLAN C. NERVES	 CONCEPCION I. TANGLAO
Generation Sector Members:	
 DIXIE ANTHONY R. BANZON Masinloc Power Partners Co. Ltd. (MPPCL)	 CHERRY A. JAVIER Aboitiz Power Corp. (APC)
 CARLITO C. CLAUDIO Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI)	MARK D. HABANA Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
 VIRGILIO C. FORTICH, JR. Cebu III Electric Cooperative, Inc. (CEBECO III)	 RYAN S. MORALES Manila Electric Company (MERALCO)
 RICARDO G. GUMALAL Iligan Light and Power, Inc. (ILPI)	 NELSON M. DELA CRUZ Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)



Supply Sector Member:



LORRETO H. RIVERA
Team (Philippines) Energy Corporation
(TPEC)

Market Operator Member:



ISIDRO E. CACHO, JR.
Independent Electricity Market Operator of the Philippines
(IEMOP)

System Operator Member:



AMBROCIO R. ROSALES
National Grid Corporation of the Philippines
(NGCP)



Addition to RCC Resolution No. 2020-14 on the Proposed WESM Rules and WESM Manual on Procedures for Changes to the WSM Rules, Retail Rules and Market Manuals

A. WESM Rules

Clause	Original Provision	Proposed Amendment under RCC Resolution No. 2020-14	Proposed Amendment	Rationale
8.4.1.2	<p>The proposed amendments to the <i>WESM Rules, Market Manuals</i>, and any amendment and/or adoption of a new <i>Market Manuals</i> shall take effect upon approval and promulgation by the <i>DOE</i>.</p> <p>In cases of changes to the <i>WESM Rules, Market Manuals</i> or the adoption of new <i>Market Manuals</i>, implemented pursuant to <i>WESM Rules</i> Clause 8.4.1.1 (a) prior to <i>DOE's</i> approval, shall be processed and submitted to the <i>DOE</i> for final approval; otherwise, the effectivity of such <i>WESM Rules</i> changes shall be no more than six (6) months from the <i>PEM Board</i> approval.</p>	<p>The proposed amendments to the <i>WESM Rules, Market Manuals</i>, and any amendment and/or adoption of a new <i>Market Manuals</i> shall take effect upon approval and promulgation by the <i>DOE</i>.</p> <p>In cases of changes to the <i>WESM Rules, Market Manuals</i> or the adoption of new <i>Market Manuals</i>, implemented pursuant to <i>WESM Rules</i> Clause 8.4.1.1 (a) prior to <i>DOE's</i> approval, shall be processed and submitted to the <i>DOE</i> for final approval; otherwise, the effectivity of such <i>WESM Rules</i> changes shall be no more than six (6) months from the <i>PEM Board</i> approval. <u>The PEM Board may extend the effectivity once for up to six (6) months and shall inform the DOE of such extension.</u></p>	<p>The <u>process for the approval of</u> proposed amendments to the <i>WESM Rules, Market Manuals</i>, and any amendment and/or adoption of a new <i>Market Manuals</i> shall take effect upon approval and promulgation by the DOE. <u>be made in accordance with the detailed guidelines and procedures under WESM Rules Clause 8.4.1.3</u></p> <p><u>The effectivity of</u> In cases changes to the <i>WESM Rules, Market Manuals</i> or the adoption of new <i>Market Manuals</i> <u>shall be as follows:</u></p> <p>(a) <u>Urgent Proposals</u> prior to DOE's approval, shall be processed and submitted to the DOE for final approval; otherwise, the effectivity of such WESM Rules changes shall take effect 24 hours after the completion of publication and shall be effective for be no more than six (6) months from such approval, <u>or until such time</u></p>	<ul style="list-style-type: none"> Revisions in WESM Rules Clause 8.4.1.2 are made for consistency with the WESM Rules Clauses 8.4.1.1 (on classification of rules changes) and 8.4.1.3 (on rules change manual). Additional clauses are consistent with the Rules Change Manual Section 7.4 (Effectivity of Urgent Amendments). Highlighted sentence providing the extension of the effectivity by the PEM Board is the RCC's original proposed amendment (RCC Resolution No. 2020-14).

Addition to RCC Resolution No. 2020-14 on the Proposed WESM Rules and WESM Manual on Procedures for Changes to the WSM Rules, Retail Rules and Market Manuals

Clause	Original Provision	Proposed Amendment under RCC Resolution No. 2020-14	Proposed Amendment	Rationale
			<p><u>that a general amendment on the same matter has been approved and takes effect, whichever comes first. The PEM Board may extend the effectivity only once, for up to a period of six (6) months, and shall inform the DOE of such extension.</u></p> <p><u>(b) Minor and/or General Proposals shall take effect upon approval and promulgation by the DOE.</u></p>	<ul style="list-style-type: none"> Additional clause clarifies the approval of Minor/General amendments, consistent with the current WESM Rules Clause 8.4.1.2.

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B. Rules Change Manual

Clause	Original Provision	Proposed Amendment under RCC Resolution No. 2020-14	Proposed Amendment	Rationale
Effectivity of Urgent Amendment/ 7.5	(new)	<u>(h) The PEM Board may extend the effectivity of Urgent Amendments once for up to six (6) months and shall inform the DOE of such extension. Such extension is only allowed while awaiting approval of the corresponding General Amendments by the DOE.</u>	<u>(h) The PEM Board may extend the effectivity of Urgent Amendments only once, for up to a period of six (6) month, and shall inform the DOE of such extension. Such extension is only allowed while awaiting approval of the corresponding General Amendments by the DOE.</u>	<ul style="list-style-type: none"> Revisions for consistency of the proposed provision on WESM Rules 8.4.1.2