

## MINUTES OF THE GENERAL MEMBERSHIP MEETING

July 29, 2020, 2:00 PM, via Online Platform

### 1. ATTENDANCE

The list of members present online, as represented by their respective authorized representatives and/or designated proxies, are listed in **Annex A** of these Minutes.

### 2. PRELIMINARIES, CALL TO ORDER, CERTIFICATION and NOTICE OF QUORUM

Prior to the meeting proper, an invocation was said, and a video of the Philippine National Anthem was played. Thereafter, the Chairman of the PEM Board, Mr. Noel V. Aboboto, called the meeting to order. He gave brief welcome remarks and introduced the Members of the PEM Board of Directors as well as the other participants who attended online. Next, for the Certification of Notices and Determination of Quorum, the Chairman asked Atty. Marian Venussa S. Santiago-Dela Fuente, Corporate Secretary if the notices of the meeting were sent to the members of the Company in accordance with the by-laws of the Company.

Atty. Dela Fuente confirmed that written notices of the meeting were sent to all members of record on July 24, 2020 by email. The notice was also published in the PEMC website at [www.wesm.ph](http://www.wesm.ph) in accordance with the Corporation Code and the By-Laws of the Company. The rationale and explanation for each agenda item which require members' approval were also provided in the said notice.

The Chairman then asked whether a quorum for the meeting was reached. Atty. Dela Fuente confirmed this and certified that the attendance represents approximately more than fifty percent (50%) of the members of the Company and that therefore, a quorum for the meeting was reached.

Audience profile and attendees (target attendees, expected attendance, total actual attendance)
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Sector	Registered Members (as of 30 June 2020)	Total Actual Attendance (29 July 2020)
Generation	173	35
Distribution	98	20
Supply	115	17
Transmission	1	1
<b>TOTAL</b>	<b>387</b>	<b>73</b>

### 3. GROUND RULES and VOTING PROCEDURES

Atty. Dela Fuente was then asked to read the ground rules that shall be observed during the meeting for fair, orderly, and efficient proceedings. She mentioned that

any member who wishes to address the Board may submit their questions via the comment section in the live stream which shall be read aloud by the Corporate Secretary. All such questions must be accompanied with the name of the members and the company being represented. She also explained how the questions from the Members shall be entertained subject to certain conditions.

For the voting procedure, Atty. Dela Fuente said that the Company's sectoral membership entitles the holder to a vote in accordance with the allocation set out in the By-Laws of the Company. The affirmative vote of the members representing at least a majority of the total voting shares shall be needed to pass and approve each proposed resolution unless the law provides otherwise. As each item is taken up in the agenda, the Corporate Secretary will report on the votes received and tabulated as of 1:45 pm. She also said that the Minutes will reflect the final tally of votes. Voting will close when the meeting is adjourned.

Below is the election profile of the voting rights:

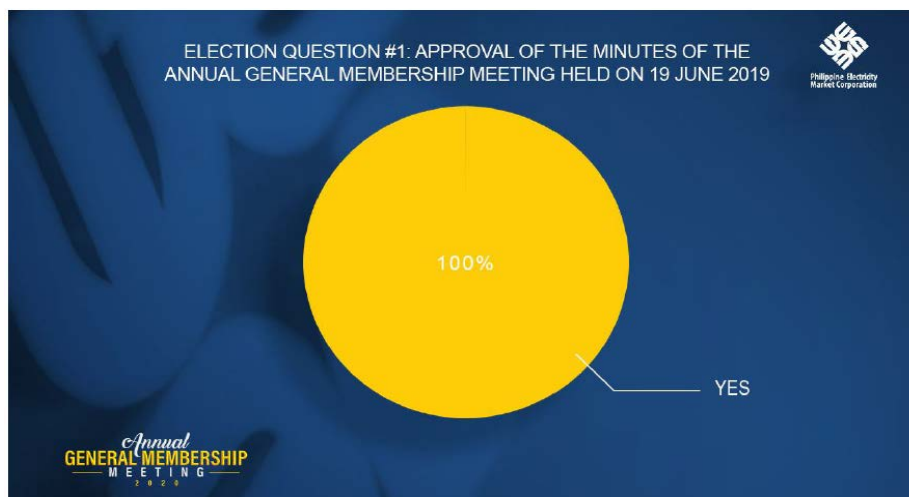
Election Profile: Voting Rights		
Sector	Registered Members (as of 30 June 2020)	Voting Factor/Voting Rights
Generation	173	610,080
Distribution	98	610,080
Supply	115	610,080
Transmission	1	610,080
<b>TOTAL</b>	<b>387</b>	<b>2,440,320</b>

#### **4. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS HELD ON JUNE 19, 2019**

For the next order of business, the Chairman asked the Corporate Secretary to present the proposed resolutions and voting results for this agenda item on the approval of the minutes of the Annual General Membership Meeting held on June 19, 2019. HE mentioned that a copy of the minutes has been made available by publication in the Company's website within 24 hours from the conduct of meeting.

Atty. Dela Fuente presented PEMC Management's Resolution No. 2020-01, approving the Minutes of the Annual General Membership Meeting held on June 19, 2019 in Marco Polo Ortigas Manila. She proposed the adoption of this Management Resolution. At that point, she presented the members' votes received and tabulated as follows:

Yes	No	Votes tallied	Abstentions
1170302.05 votes (100.0%)	0 votes (0%)	1170302.05	3



Atty. Dela Fuente declared that 100% of the total members present and voting, voted in favor of approving the Minutes of the Annual General Membership Meeting held on June 19, 2019. As such, Resolution No. 2020-01 has been adopted.

## 5. REPORT OF THE PRESIDENT

President Oscar E. Ala delivered the President's Report and the floor later was opened for discussion. The text of the President's Report is attached as **Annex B** of these Minutes. The Chairman asked Atty. Dela Fuente if any question was received from the Members as to this item in the agenda. Atty. Dela Fuente said there were none. The Chairman closed the discussion and proceeded to the next item in the agenda.

## 6. REPORT OF THE WESM GOVERNANCE COMMITTEES

The Wholesale Electricity Spot Market (WESM) Governance Committee (WGC) Chairpersons presented their respective accomplishments for 2019. Pre-recorded videos of the representatives and Chairpersons of each Committee were shown on the screen. First, the Dispute Resolution Administrator, Atty. Jesusito Morillos, presented his report on the WESM Dispute Resolution and the 2019 accomplishments of the DRA. Next, Engr. Francis V. Mapile, Chairperson of the Market Surveillance Committee, presented the highlights of MSC's accomplishments for 2019. Said report was followed by that of the PEMC Audit Committee, as its Chairperson, Prof. Felix Bustos presented their accomplishments. Thereafter, Atty. Maila De Castro, Chairperson of the Rules Change Committee presented the Rules Change Updates. Lastly, Prof. Jordan Rel C. Orillaza, Chairperson of the Technical Committee (TC), presented their accomplishments for 2019 as well as their Work Plan and activities.

## 7. THE CHAIRMAN'S ADDRESS

Chairman Noel Aboboto gave his Chairman's address. The text of the Chairman's address is attached as **Annex C** of these Minutes. After his speech, he asked whether there were any questions received from the Members. Atty. Dela Fuente confirmed that there were none.

## 8. RATIFICATION OF THE ACTS, RESOLUTIONS OF THE BOARD AND MANAGEMENT

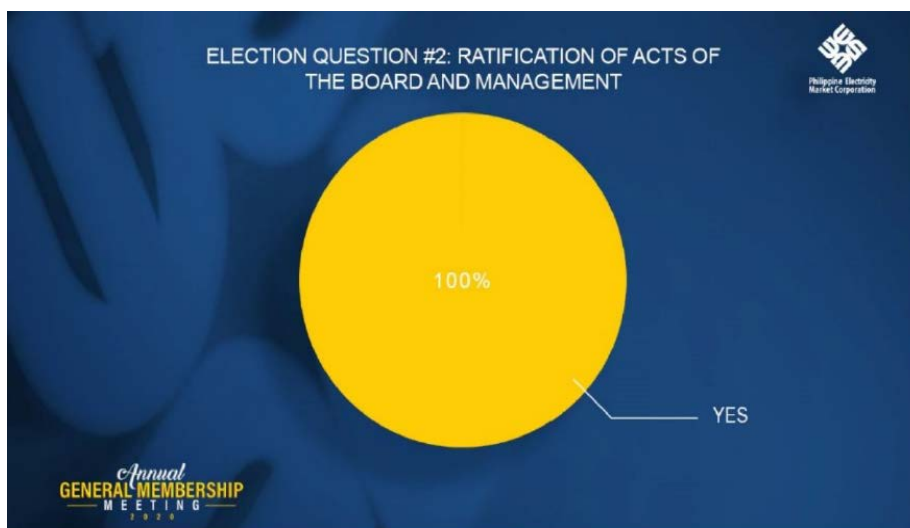
Next on the agenda is the ratification and approval of the acts, resolutions and deeds of the Board of Directors, its Committees and Management of the Company since the Annual General Membership Meeting held on June 19, 2019. Chairman Aboboto first asked Atty. Dela Fuente if there were any questions received from the Members on this item in the agenda. Atty. Dela Fuente confirmed that there were none.

Atty. Dela Fuente presented Management Resolution No. 2020-02 and moved that the same be adopted by the Members. The text of the said Resolution states, "RESOLVED, that all acts, resolutions and deeds of the Board of Directors and Management of the Company from the Annual General Membership Meeting held on 19 June 2019 up to the date of this meeting be as they hereby are, confirmed, ratified and approved."

Atty. Marian Dela Fuente, Corporate Secretary, explained that she was seeking ratification of all the acts, resolutions and deeds of the Board, its Committees as well as all acts of Management which are provided in the minutes of the meetings of the Board, its Committees and Management. These also include the approval of market manuals, amendments to market rules, market fees, contracts and agreements, projects, treasury matters, and disclosures to the Securities and Exchange Commission, Energy Regulatory Commission and the Department of Energy. She further explained that acts of management pertain to those taken to implement the resolutions, directives and instructions of the Board and its Committees and those done in the regular course of the Company's business.

As to the voting results, Atty. Dela Fuente said that 100% affirmative vote from the Members present and voting were received and that therefore, the Motion has been approved and Resolution No. 2020-02 is adopted. The Corporate Secretary recorded the following votes for this agenda item as follows:

Yes	No	Votes tallied	Abstentions
1170302.05 votes (100.0%)	0 votes (0%)	1170302.05	3



## 9. APPROVAL OF THE 2019 AUDITED FINANCIAL STATEMENTS

The next order of business was the approval of the Company's Audited Financial Statements for the period ended December 31, 2019. The Chairman asked Dir. Elenita D. Go, the company's Treasurer to give a summary of the Audited Financial Statements.

Dir. Go said that PEMC's External Auditor, Navarro Amper and Company (Deloitte Philippines) expressed that PEMC's financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flow for the year ended in accordance with Philippine Financial Reporting Standards (PFRS).

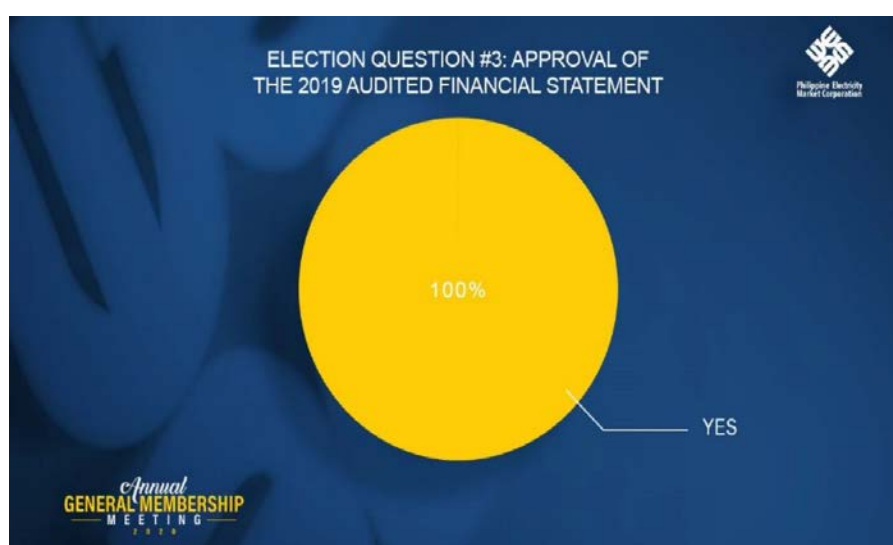
For the Statement of Assets, Liabilities and Fund Balance, Total Assets of PEMC is Php 1.007 billion. A decrease from Php 1.891 billion last year due to the transfer of hardwares and softwares such as the NMMS and CRSS to Independent Electricity Market Operator of the Philippines (IEMOP). Total Liabilities for 2019 is Php 464.79 million pesos. An increase of around Php 390.00 million due to the set up of payable to the funds of IEMOP which is currently with PEMC. Remaining Fund balance of PEMC is Php 543.18 million after said transfers.

For Statement of Receipts and Expenses, Total receipts in 2019 is Php 297.44 million which include the collection of Market Fees, interest income on Time Deposits and Financial penalty for breaches in the WESM Rules. Total Operating Expenses for 2019 is Php 235.21 million pesos. These are day to day expenses that is incurred for the market administration and governance such as but not limited to personnel expenses, rental, utilities, honoraria, training etc. Total Receipts over Expenses for 2019 is Php 62.23 million pesos.

Atty. Dela Fuente presented Management Resolution No. 2020-03 recommending approval of the 2019 Audited Financial Statements and moving for the adoption of the

said Resolution by the Members. As to the voting results, Atty. Dela Fuente said that 100% affirmative vote from the Members present and voting were received and that therefore, the Motion has been approved and Resolution No. 2020-03 is adopted. The Corporate Secretary recorded the following votes for this agenda item as follows:

Yes	No	Votes tallied	Abstentions
1164488.13 votes (100.0%)	0 votes (0%)	1164488.13	4



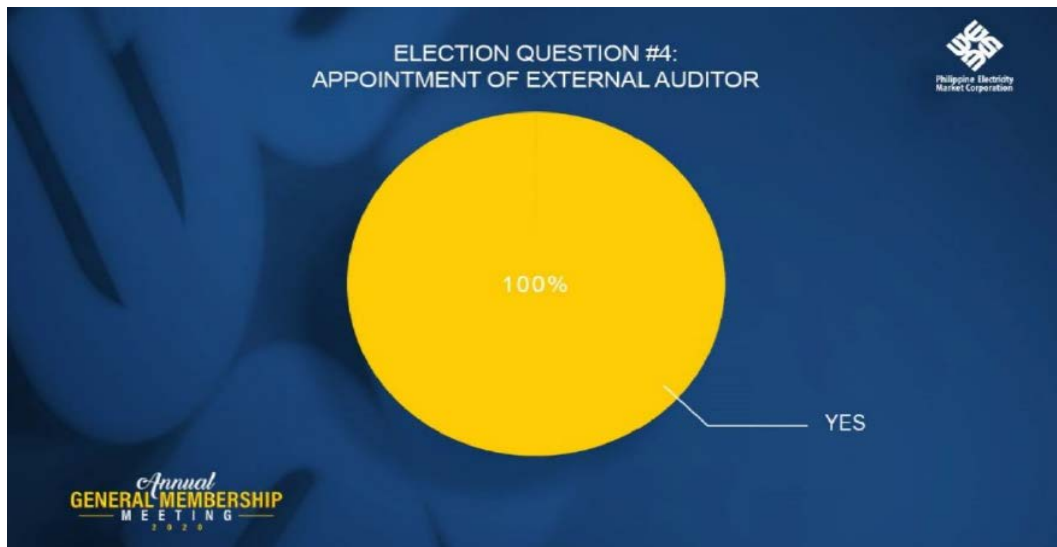
## 10. APPOINTMENT OF EXTERNAL AUDITORS

Director Juan Eugenio Roxas presented the next item on the agenda relative to the appointment of the Company's External Auditor. He said that PEMC has evaluated the performance during the past year of the Company's present external auditor, Navarro Amper & Co. (Deloitte) and PEMC is satisfied with their performance. He then said that the Board of Directors endorses the reappointment of Navarro Amper & Co. (Deloitte) as External Auditor of the Company for the year 2020.

The Chairman asked Atty. Dela Fuente if there are any questions from the Membership on this matter. Atty. Dela Fuente said that there were none.

Atty. Dela Fuente presented Management Resolution No. 2020-04 recommending approval of the reappointment of the Company's present external auditor, Navarro Amper & Co. (Deloitte) for the year 2020 and moving for the adoption of the said Resolution by the Members. As to the voting results, Atty. Dela Fuente said that 100% affirmative vote from the Members present and voting were received and that therefore, the Motion has been approved and Resolution No. 2020-04 is adopted. The Corporate Secretary recorded the following votes for this agenda item as follows:

Yes	No	Votes tallied	Abstentions
1202249.63 votes (100.0%)	0 votes (0%)	1202249.63	2



## 10. ADJOURNMENT

Since there was no other business to consider and there being no objections from the Membership, the Chairman declared the 2020 Annual General Membership Meeting as adjourned.

Prepared by:

  
**MARIAN VENUS S. SANTIAGO-DELA FUENTE**  
 Corporate Secretary





## 8.0 ANNEXES

### 8.1 Database of Actual Attendees of PEMC AGMM 2020

	Organization	First Name	Last Name	Email
1	Albay Power and Energy Corp.	Jona	Magayanes	aleco_wesm@yahoo.com
2	Angat Hydropower Corporation	Arlene	Evangelio	aevangelio@angathydro.com.ph
3	Antique Electric Cooperative, Inc.	Arjay	Tadi	antecowesm@yahoo.com.ph
4	Bacman Geothermal Inc.	Marvin	De Torres	detorres.mbp@energy.com.ph
5	Cabanatuan Electric Corporation	Annaliza	Abustan	izlsoriano@yahoo.com
6	Cagayan Electric Power and Light Co., Inc. (CEPALCO)	Alfredo	Sanaga, Jr.	acsanaga@cepalco.com.ph
7	Camarines Norte Electric Cooperative, Inc. (CANORECO)	Geddie	Orcales	canoreco_compliance@yahoo.com
8	Cebu Energy Development Corporation	Philip	Dasalla	Philip.Dasalla@globalpower.com.ph
9	DANECO	Armida Glenda	Sumugat	armida.talaugon@gmail.com
10	DANECO, INC.	Jeffry	Evalle	danecotrading@gmail.com
11	Energy Development Corporation	Gideon Adriel	Butalid	butalid.gae@energy.com.ph
12	Energy Development Corporation	Ramon	Diaz de Rivera	derivera@energy.com.ph
13	Energy Development Corporation	Kristian	Macariola	macariola.kl@energy.com.ph
14	Energy Development Corporation	Ruth Dianne	So	so.rdm@energy.com.ph
15	FDC Misamis Power Corporation	Vanessa	Pepino	vanessamae.pepino@fdcutilities.com
16	FDC Misamis Power Corporation	Juan Eugenio	Roxas	eugenio.roxas@fdcutilities.com
17	FDC Retail Electricity Corp	Mary Felicci	Ongchuan	maryfelicci.ongchuan@fdcutilities.com
18	FGP Corp.	Cyd	Cotingting	ctcotingting@firstgen.com.ph
19	First Farmers Holding Corp.	Rafael	Lizares	rtlizares@gmail.com
20	First Gas Power Corp. (FGPC)	Lorelie Donn	Manalo	lkmanalo@firstgen.com.ph
21	First Gas Power Corporation	Kathrina	Luces	kdmontalbo@firstgen.com.ph
22	First Gas Power Corporation; 2. FGP Corp.; 3. First NatGas Power Corp.	Francis Ian	Perez	fcperez@firstgen.com.ph

	Organization	First Name	Last Name	Email
23	First Gen Corporation	Carlos Lorenzo	Vega	CLVega@firstgen.com.ph
24	First NatGas Power Corporation	Gerald	Santonia	gvsantonia@firstgen.com.ph
25	Green Innovations For Tomorrow Corporation	Jefferson	Peña	innovations_green@yahoo.com
26	IEMOP	Richard	Nethercott	richard.nethercott@iemop.ph
27	Iloilo II Electric Cooperative, Inc.	Rommier	Caro	ileco2trader@yahoo.com
28	Iloilo II Electric Cooperative, Inc.	Jose Redmond Eric	Roquios	powerfuse69kv@yahoo.com
29	WGC - Rules Change Committee	Maila	de Castro	maila.gdc@gmail.com
30	Isabela Electric Cooperative, Inc.	Catherine May	Alberto	catherinemayalberto@yahoo.com
31	Isabela I Electric Cooperative, Inc.	Carlo Leo	Serrano	serranocaroleo@yahoo.com
32	ISECO	Egdon	Sabio	egdonfaith@yahoo.com
33	Jobin SQM, Inc.	Vida Joan	Toque	vjgtoque@emergingpowerinc.com
34	Kratos Res, Inc.	Jose Rommel	Orillaza	rommel.orillaza@powergroup.com.ph
35	LEYECO V	Jannie Ann	Dayandayann	info@leyeco-v.com.ph
36	Mapalad Energy Generating Corporation	Edgar	Cahayag	edgar_cahayag@yahoo.com
37	Mapalad Power Corporation	Jobert	Tejero	jatejero@alsonspower.com
38	MEGC	Elmer	Caoile	ercaoile@gmail.com
39	MERALCO	Rolando	Cagampan	rmcagampan@meralco.com.ph
40	MERALCO	Jose Ronald	Valles	jrvvalles@meralco.com.ph
41	MERALCO	Manuel Luis	Zagala	mlnzagala@meralco.com.ph
42	MGI/PSC/PWEI	Dave	Gadiano	dpgadiano@petrogreen.com.ph
43	Millennium Energy Inc.	Jessie	Victorio	jvictorio@mei.com.ph
44	Millennium Energy, Inc.	Noemi	Moreno	nmoreno@mei.com.ph
45	Millennium Power RES	Noemi	Moreno	nmoreno@mei.com.ph
46	WGC - Market Surveillance Committee	Francis	Mapile	fvm.inc@gmail.com
47	National Grid Corporation of the Philippines	Rolando	Santos	resantos@ngcp.ph
48	National Grid Corporation of the Philippines	Raul Joseph	Seludo	rgseludo@ngcp.ph
49	National Grid Corporation of the Philippines	Ermelindo	Bugaoisan Jr.	erbugaoisan@ngcp.ph
50	National Grid Corporation of the Philippines	Ronald Dylan	Concepcion	rpconcepcion@ngcp.ph
51	National Grid Corporation of the Philippines	Agnes	Dela Cruz	afdcruz@ngcp.ph

	<b>Organization</b>	<b>First Name</b>	<b>Last Name</b>	<b>Email</b>
52	National Grid Corporation of the Philippines	Francis Albert	Vicencio	fsvicencio@ngcp.ph
53	NORECO II	Fe Marie	Tagle	ogmnor2@yahoo.com
54	NORSAMELCO	Jennafin	Rojas	jennafinr@gmail.com
55	Nueva Ecija 1 Electric Cooperative	Jeremin	Silva	neeco1corplan@yahoo.com
56	OEDC	Joerome Walter	Bael	jwzbael@oedc.com.ph
57	Olongapo Electricity Distribution Company	Pacita Chavenia	Gabriel	pcdgabriel@cepalco.com.ph
58	Pampanga I Electric Cooperative Inc.	John Lorenz	Navarro	znerol26@gmail.com
59	Pampanga I Electric Cooperative, Inc. (PELCO I)	Remiluz	Maglaqui	remil.maglaqui@yahoo.com
60	Panasia Energy, Inc.	Noemi	Moreno	nmoreno@mei.com.ph
61	Panasia Energy, Inc.	Ethel	Odrunia	eodrunia@mei.com.ph
62	Pangea Green Energy Philippines inc.	Arthur	Cruz	acr.pangeagreen@gmail.com
63	PEDC and GESC	Jaime	Azurin	Jaime.azurin@globalpower.com.ph
64	PELCO 1	Oliver	Vergara	osvergara_pelco@yahoo.com
65	PEM BOARD	Elenita	Go	ellengo373@gmail.com
66	WGC - PEM Audit Committee	Felixberto	Bustos	felix.bustos@gmail.com
67	Petron Corp.	Geb	Bunado	gsbunado@petron.com
68	Petron Corporation	John Martin	Caquilala	jrcaquilala@petron.com
69	Power Sector Assets And Liabilities Management Corporation	Irene Joy	Garcia	ijbgarcia@psalm.gov.ph
70	Power Sector Assets and Liabilities Management Corporation	Elizabeth	Hisarza	eahisarza@psalm.gov.ph
71	Power Sector Assets And Liabilities Management Corporation	Irene Joy	Garcia	ijbgarcia@psalm.gov.ph
72	Prime Meridian Powergen Corporation	Christopher Kenneth	Balabbo	csbalabbo@firstgen.com.ph
73	Power Sector Assets And Liabilities Management Corporation	Abner	Tolentino	abtolentino@psalm.gov.ph
74	Power Sector Assets And Liabilities Management Corporation	Jasmine	Ninobla	jdninobla@psalm.gov.ph
75	QUEZELCO 1	Victor	Cada	quezelco1@yahoo.com
76	Quezon Power (Philippines), Limited. Co.	Mike	Rondario	mrondari@quezonservice.com
77	Samar II Electric Cooperative, Inc.	Gemil	Longara	gemlongara@yahoo.com

	Organization	First Name	Last Name	Email
78	San Buenaventura Power Ltd. Co.	Clarence Christopher	Ignacio	CIgnacio@quezonservice.com
79	San Buenaventura Power Ltd. Co.	Nicko	Mangabat	nmangaba@quezonservice.com
80	San Carlos Bioenergy, Inc.	Chris John	Natibo-oc	chrisjohn.natibooc.scbi@rhi.com.ph
81	San Carlos Bioenergy, Inc.	Jose Adonis	Perfecio	elvira.catalan.scbi@rhi.com.ph
82	San Carlos Bioenergy, Inc.	Peter	Salvador	peter.salvador.scbi@rhi.com.ph
83	San Miguel Energy Corporation	Daryl Andrew	Llanes	dllanes@smcgph.sanmiguel.com.ph
84	Sarangani Energy Corporation	Elsa	Mercado	egjalalon2003@yahoo.com
85	SN Aboitiz Power	Senen	Fenomeno	senen.fenomeno@snaboitiz.com
86	SN Aboitiz Power Magat Inc	Mariano	Guanzo	mariano.guanzo@snaboitiz.com
87	SN Aboitiz Power Magat Inc.	Fernando	De Belen	fernando.debelen@snaboitiz.com
88	SN Aboitiz Power Magat Inc.	Ariel	Yao	ariel.yao@snaboitiz.com
89	SN Aboitiz Power Magat Inc.,	Daisy Jane	Llanes	daisyjane.jacinto@snaboitiz.com
90	SNAPM	Jimmy	Lazaro	jimmy.lazaro@snaboitiz.com
91	Solar Philippines	Mark Joseph	Gerona	mark.gerona@solarphilippines.ph
92	Solar Philippines	Archie	Velasco	archie.velasco@solarphilippines.ph
93	South Premiere Power Corp.	Jose Ferlino	Raymundo	jraymundo@smcgph.sanmiguel.com.ph
94	SPARC-Solar Powered Agri-Rural Communities Corporation	Mely Rose	Gutierrez	acctg.sparc@gmail.com
95	SPDC	Genny Rose	Abrenica	gabrenica@smcgph.sanmiguel.com.ph
96	Sta. Clara Power Corporation	Carumae	Quimado	cquimado@yahoo.com
97	Sulu Electric Power & Light (Phils.), Inc.	Michael	Da Silva	action@pltdsl.net
98	TARELCO II	Ma Victoria	Calderon Tanglao	mvctanglao@yahoo.com
99	Tarlac Electric Inc.	Vitus	Romero	vitusrromero@teiph.com
100	TeaM Philippines Energy Corp.	Tristan	Taghoy	tristan.taghoy@teamenergy.ph
101	WGC - Technical Committee	Jordan Rel	Orillaza	jordan.orillaza@eee.upd.edu.ph
102	TEI	Vitus	Romero	vitusrromero@teiph.com
103	Therma Mobile Inc.	Nemeley	Jabla	nemeley.jabla@aboitiz.com
104	WGC - Technical Committee	Fortunato	Leynes	fortunato.leynes@gmail.com
105	Western Mindanao Power Corporation	John Paul	Holgado	jpholgado@alsonspower.com

## **Annex B**

### **PRESIDENT'S REPORT**

The Philippine Electricity Market Corporation as the governing body of the Wholesale Electricity Spot Market, ensures the effective and proactive governance of the power bourse to safeguard the interest and welfare of the Filipino consumers.

Since early 2018, PEMC has reshaped its identity focusing on its vision to become a Premier Electricity Market and Champion of Governance or PEMCGo.

Collectively, our MISSION is P-E-M-C – that is Power, Efficiency, Market, and Competition. These are all geared towards the achievement of the objectives of the market as provided in the EPIRA.

With the support of the PEM Board, WESM Governance Committees, WESM Members, and the policy-making and regulatory bodies, we are pleased to report the following accomplishments realized last year pursuant to our mandate...

#### **Power**

Our desire is for the market to be conducive to attracting new resources and investments to meet the growing demand of the Filipino consumers.

In 2019, PEMC, together with the Independent Electricity Market Operator of the Philippines or IEMOP, facilitated the certification audit of the New Market Management System and the Central Registration and Settlement System. The audit achieved near completion with the issuance of software certificates for key modules by the external auditor.

PEMC likewise participated in five (5) Energy Regulatory Commission hearings for the Price Determination Methodology petition.

Moreover, PEMC conducted consultation meetings with Market Participants to determine challenges, especially for the WESM Mindanao implementation. Together with the IEMOP, PEMC presented recommendations addressing commercial and operational concerns specific to Mindanao, and likewise participated in the conduct of WESM Mindanao Roadshows to boost awareness and participation of participants on the parallel operations programs.

As part of our strategy to provide and promote relevant market information to potential investors and current market players, PEMC also conducted various events in 2019, which were actively participated in by Market Participants and other interested parties. These include the first ever WESM Compliance Officer Summit and Electricity Market Exchange, which discussed the benefits and opportunities of introducing Electricity Derivatives market in the country.

Moreover, PEMC held 42 Compliance and Monitoring Assessment Conferences, 13 Compliance Trainings, 5 WESM Compliance Officer Accreditation Workshops, and 9 plant visits.

As you are aware, PEMC regularly publishes Market Assessment Reports to provide information and awareness among participants, interested parties, and partner agencies on the market results and performance. In 2019, we published:

- 12 Monthly Market Assessment Reports,
- 2 Quarterly Market Assessment Reports,
- 1 Annual Market Assessment Report,
- 4 Quarterly Retail Market Assessment Reports,
- 1 Annual Retail Market Assessment Report, and
- 9 Investigation Status Reports.

PEMC also presented its assessment and recommendations on the price spikes that occurred from April 10 to 15, 2019 to the Senate Committee on Energy.

## Efficiency

PEMC aims to establish performance management framework on market and system operations and market governance functions to become one of the best in the global electricity markets. With this goal in mind, PEMC continuously monitors and reports the results of the Market Operator Performance Standards to the PEM Board and Department of Energy.

We also signed the PEMC-IEMOP Data and Information Exchange Protocol on October 1, 2019 to streamline the process of data exchange between the two organizations, and how data will be accessed, used, and disclosed by and between the Parties.

## Market

With regard to the establishment of the Renewable Energy Market, PEMC, in coordination with the DOE and the United Nations Development Programme facilitated and approved the user acceptance test reports for the completion of the Philippine Renewable Energy Market System or PREMS.

Moreover, the main site and disaster recovery site for the PREMS were installed and configured successfully. PEMC likewise conducted pilot workshops for the RE Market participants and started the preparations for the ongoing participant registration.

## Competition

To ensure the Market Participants' adherence to market rules and manuals, PEMC completed 91 preliminary notice of investigations. Of these, 130 cases were issued with investigation reports and 69 investigation reports were approved by the PEM Board. 23 cases were imposed with penalties.

PEMC also implemented a streamlined process wherein initial non-compliances undergo pre-assessment prior to endorsement for investigation. In 2019, PEMC investigated a total of 133 cases composed of 57,680 intervals, about two percent (2%)

of which was found in breach for the Must-Offer Rule and less than one percent (1%) for the Real-Time Dispatch.

PEMC likewise initiated a rule change proposal for the WESM Compliance Officers Accreditation and developed the Guidelines for the Offer for Settlement, which were duly approved by the Market Surveillance Committee on May 20, 2019.

The past year was marked by these notable achievements. I believe that the burning enthusiasm and commitment of PEMC's Management and staff will prove to be instrumental in making PEMC a Premier Electricity Market and a true Champion of a multitude of opportunities for growth in the spot market and the entire power industry.

With our concerted efforts – yours and ours – we truly believe that together, we will achieve increased accessibility to electricity, spur market growth, and sustain industrial and economic prosperity.

Thank you and have a great day ahead!



## **ANNEX C**

### **CHAIRMAN'S MESSAGE**

Good afternoon!

It is a diligent task to maintain the efficiency and dynamism in the Wholesale Electricity Spot Market while fostering fair competition among the Market Participants at the same time. The Philippine Electricity Market Corporation remained steadfast amidst these challenges and accomplished a successful 2019. It has always been our resolute commitment to provide quality services to our stakeholders and industry partners, and that's the least that PEMC will deliver this 2020.

This 2020, our aim is to shine even brighter – GO RADIATE as we work towards the realization of PEMC's goals.

Go Radiate stands for -

G – Go Live of the New MMS in Luzon and Visayas

O – Open WESM Mindanao

Our goal is to recommend the commercial operations of the Enhanced WESM Design in Luzon and Visayas, and the opening of the WESM Mindanao within the year. In coordination with the Independent Electricity Market Operator of the Philippines and System Operator, we have been monitoring the progress of the preparatory activities and participants' readiness in this regard.

R – Renewable Energy Market Operations

As the designated Registrar, PEMC has started registration in February and organized trainings in May and July for the Renewable Energy Market.

Preparatory activities are also being conducted in coordination with the Department of Energy and Energy Regulatory Commission to ensure that the participants are ready for this new market.

A – Anti-Competitive Behavior Framework Formulation

As part of our goal to have an efficient market competition, we also aim to study and formulate an anti-competitive behavior framework in the WESM.

D – Derivatives Market for Electricity

This year, we have already commenced climate scanning activities to gauge the participants' appetite, knowledge, and concerns on the proposed development of a derivatives market for electricity in the country. We will also coordinate and seek policy direction and regulatory advice from the DOE and ERC.

I – Integrated Management System Certification

To ensure the quality of services that we provide to our customers and perform our business within internationally accepted standards and practices, PEMC seeks to be certified with ISO 9001 and ISO 27001 this year.

A – Audit of Market Operations and Metering Review

The 7<sup>th</sup> Market Operation Audit and 3<sup>rd</sup> Metering Review was initiated this month will be completed by next year with the help of an External Auditor.

T – Training and Information, Education, and Communication Initiatives

PEMC will boost its information and communication activities through the virtual trainings and providing online materials or videos regarding its governance functions.

E – Enforcement and Compliance Regime

And lastly, we shall continue to promote a culture of compliance in the WESM by continuously developing systems and procedures to deter breaches of the WESM Rules and further evolve the enforcement of penalties consistent with the objectives of the WESM.

We encourage our industry partners to take part more actively in working towards achieving these goals.

Together, let us face the new challenges ahead of us and make use of our learnings and experiences from 2019 to keep us ablaze towards becoming a Premier Electricity Market and Champion of Governance.

Let us unite as one. Let us GO RADIATE!