

 ORCP-WR-19-09

**REQUEST FOR WESM RULES AMENDMENTS**

Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments to the WESM Rules can be submitted to:

 **PEM Board**

Attention: **PEM Committee Secretariat**

Philippine Electricity Market Corporation

18/F Robinsons Equitable Tower

ADB Avenue, Ortigas Center

Pasig City, 1605 Philippines

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1. **Proponent’s Information**

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1. **WESM Rules Amendment Information**

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|  Topic  | : | Proposal for the Establishment and Implementation of a WESM Compliance Officers’ Accreditation Program  |

Nature of Request (please indicate with **x**) [x]  Addition [x]  Alteration [ ]  Deletion [ ]  Clarification [ ] Clerical Correction |

| **Title** | **Section** | **Current WESM Rules** | **Proposed WESM Rules based on previous submissions to the DOE[[1]](#footnote-1)** | **Further Amendments** **to the Proposed/ Current WESM Rules**  | **Rationale/Comments** | **Comment(s)** | **Proposed Revised Wording** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Scope of Chapter 7 | 7.1  | In line with the principles of self-governance, expeditious, just and least expensive disposition of disputes and considering the continuous nature of the transactions and operations of the WESM, this chapter sets out: 1. The responsibilities for ensuring that all WESM members comply with the WESM Rules;

(b) The procedures on how the alleged breaches will be dealt with including: (1) The correct party to whom notice of an alleged breach of the WESM Rules by a WESM member shall be given; (2) The manner in which an alleged breach is to be investigated; (3) The manner in which a breach is to be sanctioned;  (c) Other provisions on how disputes are to be resolved; and (d) The appointment of an Enforcement and Compliance Officer, a Dispute Resolution Administrator and selection of mediators and arbitrators that shall form part of the arbitration panel. | In line with the principles of self-governance, expeditious, just and least expensive disposition of disputes and breaches of the WESM Rules or Market Manuals and considering the continuous nature of the transactions and operations of the WESM, this chapter sets out:  (a) The responsibilities for ensuring that all WESM Members comply with the WESM Rules; (b) The process for enforcement of the WESM Rules and Market Manuals including: 1. The procedures and responsibilities for carrying out enforcement proceedings, including the monitoring of compliance with the WESM Rules and Market Manuals, investigation of probable breach, and imposition of sanctions; and
2. the enforcement actions that can be taken as consequences of a breach, and the procedures and

(c) Other provisions on how disputes are to be resolved; and (d) The appointment of an Enforcement and Compliance Officer, a Dispute Resolution Administrator and selection of mediators and arbitrators that shall form part of the arbitration panel. | In line with the principles of self-governance, expeditious, just and least expensive disposition of disputes and breaches of the WESM Rules or Market Manuals and considering the continuous nature of the transactions and operations of the WESM, this chapter sets out:(a) The responsibilities for ensuring that all WESM Members comply with the WESM Rules;(b) The process for enforcement of the WESM Rules and Market Manuals including: 1. The procedures and responsibilities for carrying out enforcement proceedings, including the monitoring of compliance with the WESM Rules and Market Manuals, investigation of probable breach, and imposition of sanctions; and
2. the enforcement actions that can be taken as consequences of a breach, and the procedures and responsibilities for imposing and implementing the same;

(c) Other provisions on how disputes are to be resolved; **~~and~~** (d) The appointment of an Enforcement and Compliance Officer, a Dispute Resolution Administrator and selection of mediators and arbitrators that shall form part of the arbitration panel; and **(e) The designation and accreditation of the WESM Compliance Officers*.*** | Propose to include in the scope of the Chapter 7 the process for the accreditation of WCOs under the proposed WCO Accreditation Program. |  |  |
| ENFORCEMENT  | 7.2  |   |   |   |  |  |  |
|  |  | 7.2.9. Designation of a Compliance Officer for WESM Member, Market Operator and System Operator  | 7.2.9 Designation of a Compliance Officer for WESM Member, Market Operator and System Operator | 7.2.9 Designation **and Accreditation** of a Compliance Officer for WESM Member, Market Operator and System Operator | To extend the scope of this Section to accreditation of WESM Compliance Officers |  |  |
|  |  | 7.2.9.1 Each WESM Member, the Market Operator, the System Operator, Metering Service Provider and any other WESM Service Providers shall designate a Compliance Officer in their respective organizations. | 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. | 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:**1. **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.**
2. **Create an Accreditation Body who shall be responsible for implementing an accreditation program for all WESM Compliance Officers, recommending or establishing the competency standards, and accrediting or reviewing the compliance of all WESM Compliance Officers with the accreditation program referred to in the preceding paragraph.**
 | Recommends that:1. the accreditation be mandatory for all WESM Compliance Officers to achieve a high degree of compliance and thus avoid the cost of non-compliance; and
2. PEMC develops a detailed program for accreditation; and
3. PEMC creates an Accreditation Body for this purpose.
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|  |  | 7.2.9.2 The Compliance Officer shall: (a) Monitor and undertake necessary activities to ensure the full compliance of their respective organization to the EPIRA, the EPIRA Implementing Rules and Regulations, WESM Rules, and the WESM Market Manuals; and develop necessary procedures and guidelines for this purpose. (b) From time to time, if the Compliance Officer deems it necessary or appropriate, propose policies or amendments to the WESM Rules and/or WESM Market Manuals to enhance or develop the WESM enforcement and compliance, with the objective of promoting good commercial and technical practices.  (c) Be responsible in facilitating and coordinating with the WESM Enforcement Compliance Office (ECO), all matters relating to the enforcement and compliance of their respective organization, including the provision of the necessary information and data, as may be required by any of the WESM Governance Committees and by the ECO.  (d) Submit a report to the ECO concerning their respective organization’s compliance with WESM Rules and WESM Market Manuals on an annual basis or as may be determined by the ECO or any of the WESM Governance Committees.  | 7.2.9.2 The WESM Compliance Officer shall:(a) Monitor the activities and transactions in the WESM of his or her organization and carry out measures to ensure compliance with the EPIRA, its Implementing Rules and Regulations, the WESM Rules and Market Manuals; and put in place necessary procedures and guidelines for this purpose;(b) From time to time and if he or she deems it necessary or appropriate, propose amendments to the WESM Rules and WESM Market Manuals to enhance or develop the WESM enforcement and compliance and to promote good commercial and technical practices;(c) Be responsible in coordinating with the Enforcement Compliance Office (ECO), on all matters relating to the WESM enforcement, compliance and governance, including the provision of the necessary information and data, as may be required by any of the WESM Governance Committees and by the Enforcement and Compliance Office; and (d) Submit to the Enforcement and Compliance Office a report of his or her organization’s compliance with WESM Rules and Market Manuals covering such period, but not less frequent than annually, and in such form as may be prescribed by the Enforcement and Compliance Office.” | 7.2.9.2 The WESM Compliance Officer shall:(a) Monitor the activities and transactions in the WESM of his or her organization and carry out measures to ensure compliance with the EPIRA, its Implementing Rules and Regulations, the WESM Rules and Market Manuals; and put in place necessary procedures and guidelines for this purpose;(b) From time to time and if he or she deems it necessary or appropriate, propose amendments to the WESM Rules and WESM Market Manuals to enhance or develop the WESM enforcement and compliance and to promote good commercial and technical practices;(c) Be responsible in coordinating with the Enforcement Compliance Office (ECO), on all matters relating to the WESM enforcement, compliance and governance, including the provision of the necessary information and data, as may be required by any of the WESM Governance Committees and by the Enforcement and Compliance Office; **~~and~~** (d) Submit to the Enforcement and Compliance Office a report of his or her organization’s compliance with WESM Rules and Market Manuals covering such period, but not less frequent than annually, and in such form as may be prescribed by the Enforcement and Compliance Office**; and****(e) Undergo the accreditation process for WESM Compliance Officers.** | Recommends that the accreditation be mandatory for all WESM Compliance Officers to achieve a high degree of compliance and thus avoid the cost of non-compliance. |  |  |

1. Based on RCC Resolutions 2018- 06 (Annex A) and 2018-02 Annex B) ; Unless otherwise proposed to be amended, previous proposed amendments under Resolutions 2018-01 and 2018-06 already submitted to DOE are proposed to be adopted as recommended. [↑](#footnote-ref-1)