

**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2012-10

Proposed Amendments to the WESM Dispute Resolution Market Manual

WHEREAS, on 09 May 2012, the Dispute Resolution Administrator (DRA) submitted the proposed amendments to the WESM Dispute Resolution Market Manual (DRMM) to the Rules Change Committee (RCC), for consideration and approval;

WHEREAS, the proposed amendments were submitted in conformity with Department of Energy Circular 2012-02-0001 "Adopting Further Amendments to the WESM Rules on Dispute Resolution Provisions", which incorporated changes to the framework and structure of the WESM dispute resolution process;

WHEREAS, following the PEM Board Resolution No. 2012-59 for the conduct of public consultations on the proposed revisions to the DRMM, specifically on the matter of fees and costs involved in the WESM Dispute Resolution Processes, the proposed amendments were presented during the Public Consultations held in Visayas on 11 April 2012 and in Luzon on 23 April 2012;

WHEREAS, the proposed amendments include:

- a) A comprehensive set of rules for the operation of an institutional arbitration that ensure procedural and substantive due process;
- b) Provisions that ensure the existence and validity of a binding arbitration agreement as a major source of the arbitrator's jurisdiction or mandate and the binding effect, sufficiency in form and substance, finality and enforceability, of the resulting arbitral award;
- c) Accreditation of pool of arbitrators and mediators from a wide array of experts and professionals who have the education, training and experience to mediate or arbitrate;
- d) Collaboration with certified Alternative Dispute Resolution (ADR) providers;
- e) Provisions for challenge and replacement of arbitrators as remedy;
- f) Protocol for the parties' pro-active and efficient dispute resolution management;
- g) Setting fees and costs to defray the material and professional service requirements of dispute resolution.

WHEREAS, during the 61st RCC Meeting on 09 May 2012, the RCC agreed to publish the proposed amendments in the public information website to solicit comments from the market participants and other interested parties;

WHEREAS, the RCC reviewed and deliberated on the proposed amendments during the 62nd RCC Meeting held on 06 June 2012, the 63rd RCC Meeting held on 29 June 2012, and the 64th RCC Meeting held on 18 July 2012;

WHEREAS, on 05 September 2012, during its 66th meeting, the RCC agreed to adopt the said proposal for endorsement to the PEM Board, incorporating the RCC comments/suggestions as deliberated upon during the meeting, subject to the further review of the matrix on the proposed amendments by RCC member Atty. Maila Lourdes G. de Castro and the Dispute Resolution Administrator (DRA) Jesusito G. Morillos;

WHEREAS, the copy of the final matrix, as reviewed by Atty. de Castro and DRA Morillos, was submitted to the RCC on 02 October 2012;

WHEREAS, on 03 October 2012, the RCC affirmed its 05 September 2012 approval of the proposed amendments to the DRMM;

NOW THEREFORE, we, the undersigned and in behalf of the sector we represent, hereby resolve as follows:

RESOLVED, that the proposed amendments to the WESM Dispute Resolution Market Manual, (attached as Annex "A") are adopted and approved in full;

RESOLVED FINALLY, that the proposed amendments to the WESM Dispute Resolution Market Manual be endorsed to the PEM Board for approval.

Done this 03 October 2012, Pasig City.

<p>Approved by: RULES CHANGE COMMITTEE Rowena Christina L. Guevara Chairperson University of the Philippines (UP)</p>	
Members:	
<p>Epictetus E. Pataingnug Independent University of the Philippines (UP)</p>	<p>Francisco L.R. Castro, Jr. Independent Tensaiken Consulting</p>
<p>Maila Lourdes G. de Castro Independent Unitel Productions, Inc.</p>	<p>Cherry Aquino-Javier Generation Sector AES Philippines (AES)</p>
<p>Cynthia H. Encarnacion Generation Sector National Power Corporation (NAPOCOR)</p>	<p>Liberty Z. Dumlaog * Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)</p>
<p>Ralph M. Crisologo Generation Sector SN Aboitiz Power (SNAP)</p>	<p>Augusto D. Sarmiento Distribution Sector (PDU) Dagupan Electric Corporation (DECORP)</p>
<p>Ciprinilo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO)</p>	<p>Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)</p>
<p>Sulpicio C. Lagarde Jr. Distribution Sector (EC) Central Negros Electric Cooperative, Inc. (CENECO)</p>	<p>Conrado D. Pecjo Supply Sector Angeles Power, Inc.</p>
<p>Rafael Joseph G. Saludo Transmission Sector National Grid Corporation of the Philippines (NGCP)</p>	<p>Robinson P. Descanzo Market Operator Philippine Electricity Market Corporation (PEMC)</p>
	<p>Certified True and Correct: Elaine D. Gonzales RCC Secretary PEMC</p>

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