

**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2012-13

**Proposed Amendment to the Manual of Procedures
for Changes to the WESM Rules**

WHEREAS, the Philippine Electricity Market Corporation (PEMC)-Internal Audit Department (IAD), which conducted the Market Governance Administration Process Review on the Rules Change Committee (RCC) for year 2011, raised as its audit observation the *incomplete or not updated publication of amendments* following the publication requirements identified under the Manual of Procedures for Changes to the WESM Rules Issue 1.0 (the "Manual");

WHEREAS, in the exit conference of the IAD with the RCC on 05 October 2011, it was noted that "publish" as defined in Section 2 of the Manual is inconsistent with the provision in Section 10 where it appears that publication in the newspaper is mandatory;

WHEREAS, the RCC agreed that to address the said audit observation, the RCC will have to revisit the Manual to effect the necessary amendment/s thereof;

WHEREAS, the RCC, during its 64th Meeting held on 18 July 2012, reviewed the Manual and concluded that there is no conflict between Section 2 and Section 10 since both provisions clarified instances when publication in newspaper/s is required: (a) as may be deemed necessary by the PEM Board, amendments will have to be published in at least two (2) newspapers of general circulation (*Section 2*); and (b) advisories on amendments which shall be published in one (1) newspaper of general circulation (*Section 10*).

WHEREAS, the RCC agreed to propose amendments to Section 10 of the Manual for the following reasons:

- To clarify that only advisories on final amendments which would have a legal and binding effect need to be published in a newspaper of general circulation;
- To clearly reflect that that the instruction for newspaper publication would still have to come from the Department of Energy (DOE).

WHEREAS, during the RCC 65th Meeting held on 01 August 2012, the RCC also agreed to publish the proposal in the WESM public information website to solicit comments from market participants and other interested parties;

WHEREAS, on 07 September 2012, the proposal was published in the WESM public information website;

WHEREAS, during the 67th RCC Meeting held on 03 October 2012, the RCC, affirmed its 18 July 2012 agreement on the proposed amendments to the Manual subject to the evaluation of further comments, if any, to the proposal by interested parties;

WHEREAS, on 08 October 2012, MERALCO submitted its comments on the said proposal suggesting the harmonization of the proposed Section 10 (on Publication) with the definition of "publish" under Section 2;

WHEREAS, during the 68th RCC Meeting held on 14 November 2012, the RCC reviewed the comments submitted by MERALCO and upheld its previous agreement that there is no conflict between Section 2 and Section 10 of the "Manual" since both provisions merely clarified the instances when publication in newspaper/s is required, namely: (a) as may be deemed necessary by the PEM Board, amendments will have to be published in at least two (2) newspapers of general circulation (*Section 2*); and (b) advisories on amendments which shall be published in one (1) newspaper of general circulation (*Section 10*);

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

RESOLVED, that the proposed amendments to the Manual of Procedures for Changes to the WESM Rules Issue 1.0 (attached as Annex "A"), are adopted and approved;

RESOLVED FURTHER, that the proposed amendments to the to the Manual of Procedures for Changes to the WESM Rules be endorsed to the PEM Board for approval.

Done this 14 November 2012, Pasig City.

Approved by:
RULES CHANGE COMMITTEE

Rowena Cristina L. Guevara
Chairperson
University of the Philippines
(UP)

Members:

Epictetus E. Patalinghug
Independent
University of the Philippines
(UP)

Francisco L.R. Castro, Jr.
Independent
Tensaiken Consulting

Maia Lourdes G. de Castro
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Unitel Productions, Inc.

Cherry Aquino-Javier
Generation Sector
AES Philippines
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Cynthia R. Encarnacion
Generation Sector
National Power Corporation
(NAPOCOR)

Liberty Z. Dumiao
Generation Sector
Power Sector Assets and Liabilities Management
Corporation (PSALM)

Ralph A. Crisologo
Consumers Sector
SN Aboitiz Power
(SNAP)

Augusto D. Sarmiento
Distribution Sector (PDU)
Dagupan Electric Corporation
(DECORP)

Ciprinilo C. Meneses
Distribution Sector (PDU)
Manila Electric Company
(MERALCO)

Jose P. Santos
Distribution Sector (EC)
Ilocos Norte Electric Cooperative, Inc.
(INEC)

Sulpicio C. Lagarde Jr.
Distribution Sector (EC)
Central Negros Electric Cooperative, Inc.
(CENECO)

Conrado D. Pecjo
Supply Sector
Angeles Power, Inc.

Raul Joseph G. Seldo
Transmission Sector
National Grid Corporation of the Philippines
(NGCP)

Robinson P. Descanzo
Market Operator
Philippine Electricity Market Corporation
(PEMC)

Certified True and Correct:

Elaine D. Gonzales
RCC Secretary
PEMC

Annex "A"
**Proposed Amendment to the Manual of Procedures
for Changes to the WESM Rules**

Title	Provision	Proposed Amendment	RCC Proposed Amendment
Section 10. Publication	Subject to Section 7.4, consolidated amendments shall be published on a monthly basis in the WESM website. Advisories on amendments shall be published on a regular basis in one (1) newspaper of general circulation.	Subject to Section 7.4, consolidated amendments shall be published on a monthly basis in the WESM website. Advisories on amendments <u>as embodied in DOE Circulars</u> shall be published on the <u>first week of every calendar quarter</u> in one (1) newspaper of general circulation."	"Subject to Section 7.4, consolidated amendments shall be published on a monthly basis in the WESM website. Advisories on amendments as embodied in DOE Circulars shall be published in one (1) newspaper of general circulation <u>upon instruction by the DOE.</u> "