

**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2016-10

**Proposed Amendments to the Guidelines Governing the Constitution of PEM
Board Committees**

WHEREAS, on 27 April 2016, the Rules Change Committee (RCC) received the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees ("Guidelines") from the Technical Committee (TC);

WHEREAS, the proposal intends to make the Guidelines consistent with the guidelines of the DOE on appropriate referencing of entities and to clarify provisions regarding the conduct of business, voting and procedures of the TC;

WHEREAS, the proposal was presented before the RCC during its 115th Meeting held on 01 June 2016, and was thereafter approved for posting in the Market Information Website to solicit comments from stakeholders and interested parties;

WHEREAS, the proposal was published on 03 June 2016 with the corresponding notice to participants;

WHEREAS, comments were received from the DOE, SN Aboitiz Power (SNAP) and MERALCO within the 30-working day commenting period which lapsed on 18 July 2016;

WHEREAS, the RCC, during its 117th Regular Meeting held on 03 August 2016, deliberated upon the proposed amendments to the Guidelines, giving due consideration to the comments received;

WHEREAS, the TC proposed, among others, to require consensus among its members, from the current majority vote, to arrive at decisions on matters needed to be resolved;

WHEREAS, the DOE expressed agreement with said proposal, but SNAP and MERALCO both disagreed as it might drag the TC in addressing time-sensitive issues, or delay the completion of its studies and recommendations;

WHEREAS, the RCC adopted the TC's proposed revision, accepting the latter's explanation that its members should have a common understanding of technical matters, hence consensus or unanimous voting is just appropriate;




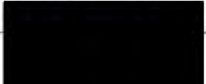
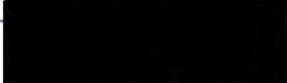
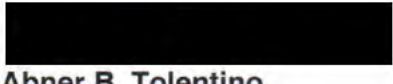
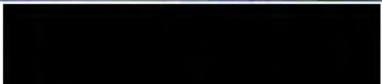

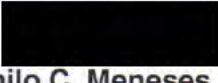
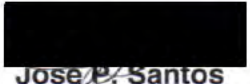
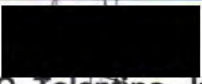
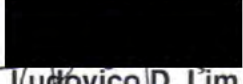

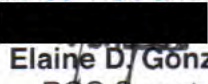
WHEREAS, during the same meeting, the RCC approved the proposed amendments, as revised, to be transmitted to the PEM Board for subsequent endorsement to the DOE;

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

RESOLVED, that the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees are hereby approved by the RCC;

RESOLVED FURTHER, that the attached Annex of the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees are hereby endorsed to the PEM Board for approval and endorsement to the DOE.

Done this 03 August 2016, Pasig City.

<p>Approved by:</p> <p>RULES CHANGE COMMITTEE</p> <p></p> <p>Maifa Lourdes G. de Castro Chairperson Independent</p>	
Members:	
<p>Concepcion I. Tanglao Independent</p>	<p> Francisco L.R. Castro, Jr. Independent</p>
<p> Allan C. Nerves Independent</p>	<p> Isidro E. Cacho, Jr. Market Operator Philippine Electricity Market Corporation (PEMC)</p>
<p> Ambrocio R. Rosales Transmission Sector National Grid Corporation of the Philippines (NGCP)</p>	<p> Abner B. Tolentino Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)</p>
<p> Jose Ildebrando B. Ambrosio Generation Sector NorthWind Power Development Corporation</p>	<p> Theo C. Sunico Generation Sector Vivant Corporation</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> Juanito O. Tolentino, Jr. Distribution Sector Mactan Electric Company (MECO)</p>	<p> Ludovico D. Lim Distribution Sector Antique Electric Cooperative, Inc. (ANTECO)</p>
<p> Correto H. Rivera Supply Sector TeaM (Philippines) Energy Corporation (TPEC)</p>	<p>Certified True and Correct:</p> <p> Elaine D. Gonzales RCC Secretary PEMC</p>

Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees

Title	Section	Provision	Proposed Amendment	Rationale
			General proposed amendment: <i>Except for DOE, ERC and PEMC, all other entities should be spelled out, eg. Market Operator, System Operator, Distribution Management Committee, Grid Management Committee, Technical Committee, etc.</i>	To be consistent with the guidelines of the DOE on appropriate referencing of entities.
DEFINITION OF TERMS	Article I.			
	(z)	"Technical Committee" or "TC" refers to one of the PEM Committees tasked to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code.	"Technical Committee" or "TC" refers to one of the PEM Committees tasked to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code.	See general proposed amendment.
TECHNICAL COMMITTEE	Article VIII.			
Composition	8.01	The TC shall consist of at least five (5) members with representative from Grid Management Committee, Distribution Management Committee, System Operator and independent members.	The Technical Committee shall consist of at least five (5) members with <u>a</u> representative from the following : a) one (1) member from the Grid Management Committee; b) one (1) member from the Distribution Management Committee; c) one (1) member from the System Operator; and d) at least two (2) independent members.	See general proposed amendment. For clarity on the number of members that will comprise the Technical Committee.

Title	Section	Provision	Proposed Amendment	Rationale
Appointment	8.02	<p>The PEM Board appoints the members and the Chairperson of the TC.</p> <p>The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the TC covers the areas of their concerned functions and responsibilities.</p>	<p>The PEM Board appoints the members and the Chairperson of the <u>Technical Committee</u>.</p> <p>The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the <u>Technical Committee</u> covers the areas of their concerned functions and responsibilities.</p> <p><u>The Chairperson of the Technical Committee shall be chosen from among the independent members of the Committee.</u></p>	<p>See general proposed amendment.</p> <p>See general proposed amendment.</p> <p>To require that the chairperson be an independent member, which is consistent with similar provisions relating to other PEM Board Committees.</p>
Qualifications	8.03	<p>In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules, a member of the TC must have sufficient relevant experience in one or more of the following areas:</p> <p>xxx</p>	<p>In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules, a member of the <u>Technical Committee</u> must have sufficient relevant experience in one or more of the following areas:</p> <p>xxx</p>	See general proposed amendment.
Responsibilities	8.04	<p>The TC, tasked to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code, shall have the following specific duties and functions:</p> <p>xxx</p>	<p>The <u>Technical Committee</u>, tasked to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code, shall have the following specific duties and functions:</p> <p>xxx</p>	See general proposed amendment.

Title	Section	Provision	Proposed Amendment	Rationale
	(b)	Provide a report on any matter of a technical nature relating to any WESM Member which in the reasonable opinion of the TC, causes: xxx	Provide a report on any matter of a technical nature relating to any WESM Member which in the reasonable opinion of the Technical Committee , causes: xxx	See general proposed amendment.
	(d)	From time to time, if the TC in its discretion deems necessary or appropriate, propose amendments to the WESM Rules in relation to technical matters, with a view to: xxx	From time to time, if the TC in its discretion deems necessary or appropriate, p Propose amendments to the WESM Rules in relation to technical matters, with a view to: xxx	See general proposed amendment. For clarity and for consistency with the enumeration of responsibilities in its format, the phrase should start with a verb.
	(f)	The TC shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.	The Technical Committee shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.	See general proposed amendment.
Term of Office	8.05	The term of office of each member of the Technical Committee shall be for three (3) years. The members of the TC may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms. Service by a member for less than one year shall not be considered one term.	The term of office of each member of the Technical Committee shall be for three (3) years. The members of the Technical Committee may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms. Service by a member for less than one year shall not be considered one term.	See general proposed amendment.
Conduct of Business,	8.07	(b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid committee decision.	(b) The vote of the majority of those A consensus among members present constituting is required to come up with	To require that Committee decisions should be consensus

Title	Section	Provision	Proposed Amendment	Rationale
Voting and Procedures			a quorum shall be sufficient for valid committee decision.	and not just based on the majority of vote of all members.
		(f) In the event of a deadlock, the Chairperson of the Committee shall be entitled to a second or casting vote.	(f) In the event of a deadlock, the Chairperson of the Committee shall be entitled to a second or casting vote.	Provision is no longer applicable since it is proposed that Committee decisions should be consensus.