



Rules Change Committee 2025 Semestral Report

January to June 2025

July 2025

This Report is prepared by the
Philippine Electricity Market Corporation –
Market Assessment Group for the
Rules Change Committee



Table of Contents

I.	INTRODUCTION	1
II.	ACCOMPLISHMENTS AND WORK PROGRESS	1
II.A.	Summary of Proposals	3
II.B.	Summary of Processed Proposals by RCC (January to June 2025)	6
1)	Proposed General Amendments on WESM Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load (ORCP-WR-WM-24-08)	6
2)	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions (ORCP-WR-WM-24-6B)	7
3)	Proposed General Amendments to the WESM Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report (ORCP-WM-25-01)	9
4)	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Market Surveillance Committee Processes (ORCP-WR-WM-25-02)	10
II.C.	Deferred Proposals and Discussions	11
1)	Proposed Amendments related to Retail Competition and Open Access	11
2)	Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol Manual regarding Must-Offer Rule (ORCP-WR-WM-24-02)	12
3)	Proposed General Amendments to the WESM Rules and various WESM Manuals regarding Energy Storage Systems (ORCP-WR-WM-24-03)	13
II.D.	Summary of Proposals Approved by the PEM Board and Submitted to the DOE (January to June 2025)	14
III.	STATUS OF 2025 WORK PLAN	17
ANNEX A:	Members of the RCC as of June 2025	20
ANNEX B:	DOE and ERC Observers as of June 2025	21
ANNEX C:	Status of the Rules Change Committee Work Plan for 2025	22

I. INTRODUCTION

In compliance with its mandate under the WESM Rules¹ and the WESM Manual on the Procedures for Changes to the WESM Rules (“Rules Change Manual”), the Rules Change Committee (RCC) submits this Report, covering the period January to June 2025. This report sets out the following:

- i. All proposals to amend the Market Rules and Manuals which have been submitted or remanded to and deliberated upon by the RCC for the covered period; and
- ii. Status of RCC priorities outlined in the 2025 RCC Work Plan.

II. ACCOMPLISHMENTS AND WORK PROGRESS

The RCC held six (6) regular meetings to discuss and deliberate proposed amendments to the Market Rules and Manuals. These amendments aim to enhance market governance and improve the dispatch of renewable energy resources.

For the first half of 2025, the RCC approved two (2) of the nine (9) proposals processed within the period, which were submitted by the Philippine Electricity Market Corporation (PEMC) and National Grid Corporation of the Philippines (NGCP) – System Operator. The table below shows the tally of the received and resolved proposals per proponent.²

Table 1: Proposals Received and Resolved by RCC per Proponent (Jan to June 2025)

Proponent	Proposals carried over from Previous Periods	Proposals Received	Proposals Resolved
Market Participants / WESM Stakeholders	2	-	-
Market Operator	3	-	-
System Operator	-	1	-
PEMC / WESM Governance Committees (WGCs)	2	1	2
TOTAL	7	2	2

The details of the received and resolved proposals are described in *II.A Summary of Proposals* and *II.B Summary of Processed Proposals by RCC (January to June 2025)*,

As part of its consultation process, the RCC posts all general amendment proposals in the PEMC website to solicit comments from interested parties for a period of thirty (30) working days. Representatives of the organizations who submit comments as well as resource

¹ WESM Rules, Clause 8.6.5.

² Proposals that are not yet approved are undergoing review as of this writing.

persons are invited to participate in RCC deliberations on the proposals. The agreements reached by the RCC are then endorsed to the PEM Board for approval.

During the first half of 2025, the RCC issued two (2) rules change related resolutions. These resolutions were submitted to the PEM Board for endorsement to the DOE for approval and ERC for information. The PEM Board subsequently approved both resolutions and transmitted to the DOE and ERC.

The resolutions covered the following topics:

1. Guidelines on Dispatch Schedules below Minimum Stable Load (Pmin); and
2. Revisions to the timeline and procedures for monitoring of compliance for Reserve Conformance Standards and its technical considerations.

Further details of the PEM Board's approved proposal are provided in *II.D Summary of Proposals Approved by the PEM Board and Submitted to the DOE*.

As indicated in *Table 1: Proposals Received and Resolved by RCC per Proponent (Jan to June 2025)*, there were seven (7) proposals carried over from previous periods, and five (5) of these proposals were deferred from further deliberations, as decided by the RCC.

The deferred proposals cover the following topics:

1. Retail Competition and Open Access
2. Energy Storage Systems
3. Must Offer Rule
4. Non-security Over-riding Constraints

Further details on the deferred proposal are provided in *II.C Deferred Proposals and Discussions (January to June 2025)*. All the proposals, minutes of the RCC's deliberations, and resolutions can be found in the PEMC website.³

³ [Rules Change | Philippine Electricity Market Corporation \(wesm.ph\)](https://www.wesm.ph)

II.A. Summary of Proposals

The tables below present the status of rules change proposals submitted to RCC. Brief discussions on the proposals, both completed and on-going, are further provided in Sections II.B and II.C of this Report.

Table 3: Summary of Proposals Resolved by RCC (January to June 2025)

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution
1	PEMC	ORCP-WM-24-06B	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	N/A	N/A	16-Dec-2024	03-Feb-2025	ACEN, APC, MEI/PEI, MERALCO, MSC, NGCP, SMCGP, SNAP, & SPC/SIPC	Approved	2025-02 (08 May 2025)
2	PEMC	ORCP-WR-WM-24-08	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	N/A	N/A	30-Oct-2024	11-Dec-2024	ACEN, NGCP, & MSC	Approved	2025-01 (13 May 2025)

Table 4: Summary of On-going Proposals with RCC

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	Remarks
1	NGCP	ORCP-WM-25-01	Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report	15-Jan-2025	21-Feb-25	25-Feb-2025	10-Apr-2025	APC, CENPRI, DOE, IEMOP, MEI/PEI, MERALCO, MSC, PEMC, SPC/SIPC, & TC	-	On-going Deliberation
2	PEMC	ORCP-WR-WM-25-02	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Market Surveillance Committee Processes	14-May-2025	20-Jun-2025	25-Jun-2025	05-Aug-2025	-	-	On-going commenting Period
3	GNPower Kauswagan Ltd. Co.	ORCP-WR-WM-24-02	Proposed Amendments to the WESM Rules regarding Must-Offer Rule	05-Apr-2024	21-Jun-2024	26-Jun-2024	06-Aug-2024	PEMC, IEMOP, WGC-TC, WGC-MS, MEI-PEI, SNAP, APC, NGCP	-	-
4	IEMOP	ORCP-WR-WM-24-03	Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Energy Storage Systems	19-July-2024	16-Aug-2024	22-Aug-2024	07-Oct-2024	MERALCO, MEI/PEI, SPC/SIPC, MGEN, SNAP, APC, NGCP, ACEN, PEMC, TC	As of 13 December 2024: Deferred	As requested by proponent pending the issuance of ERC Rules on ESS
5	IEMOP	ORCP-WR-RR-WM-RM-22-11	Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program	11-Nov-2022	N/A	23-Nov-2022	09-Jan-2023	ACEN, MERALCO, NGCP, PEMC	As of 20 September 2024: Deferred	Awaiting IEMOP's submission of the revised proposal per ERC Resolution No. 13 Series of 2024 (Omnibus Rules for Retail Market)

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	Remarks
6	IEMOP	ORCP-RR-RM-23-06	Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures on No Outstanding Balance (Harmonization with ERC Resolution No. 01, Series of 2023)	N/A	N/A	30-Mar-2023	17-May-2023	MERALCO, NGCP, PEMC	As of 20 September 2024: Deferred	Awaiting IEMOP's submission of the revised proposal per ERC Resolution No. 13 Series of 2024 (Omnibus Rules for Retail Market)

II.B. Summary of Processed Proposals by RCC (January to June 2025)

1) Proposed General Amendments on WESM Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load (ORCP-WR-WM-24-08)

With the cessation of effectivity of the WESM Manual on Protocol for Central Scheduling and Dispatch of Energy and Contracted Reserve (PCSD) upon commencement of the Reserve Market⁴, the PEMC submitted urgent rules change proposal amending the WESM Manual on Dispatch Protocol to:

- i. Ensure the Trading Participant's ability to react accordingly when its generating unit/s are dispatched below Pmin or the System Operator's (SO) ability in maintaining grid stability and reliability from such consequent and permitted actions made by generating units; and
- ii. Implement the order of the DOE, as contained in DOE Advisory 2024-08-SEC, for the Governance Arm, the Market Operator and the System Operator to perform all action required to ensure the alignment of rules, systems and procedures for the successful commercial operations of the co-optimized energy and reserve market

The RCC proceeded to deliberate and subsequently submitted the proposal to the PEM Board on 22 October 2024 through RCC Resolution No. 2024-07 dated 18 October 2024. The proposal was presented during the 77th PEM Board Meeting on 23 October 2024 and was approved, as submitted, by the PEM Board through PEM Board Resolution No. 2024-77-05.

The revised Dispatch Protocol Manual Issue 21.1 was published in the PEMC Website and became effective on 25 October 2024 and was posted in the PEMC Website on 30 October 2024 to solicit comments from stakeholders until 11 December 2024. The proposal received comments from three (3) parties.

During the 242nd RCC Meeting on 17 January 2025, PEMC's Enforcement and Compliance Office presented implementation updates on the urgent amendments covering the November and December 2024 billing periods. The RCC proceeded to deliberate on the proposal considering the comments and PEMC's corresponding responses.

During the 243rd RCC Meeting on 21 February 2025, the Secretariat presented a summary of the assessment report related to the approved urgent amendment. The report identified reasons for a generating unit to be scheduled below its minimum stable load, including during startup and shutdown procedures, as well as when providing

⁴ Per Section 1.3.1 of WESM-PCSD: *"This Protocol shall apply to the Market Operator, the System Operator and all WESM Members, including intending WESM Members, and WESM Participants in the electric power industry for a limited period and shall immediately cease upon commencement of the commercial operation of the WESM reserve market pursuant to the provisions of the DOE Department Circulars Nos. DC2014-03-0009 and DC2019-12-0018"* (Emphasis supplied)

contingency reserve and dispatchable reserves. The ECO has implemented the Section 11.4.4 of the WESM Manual on Dispatch Protocol accordingly, and as part of report's recommendation, the ECO must maintain continuous compliance monitoring and the urgent amendment's effectivity should be extended for an additional six (6) months. The RCC approved the proposal, as amended, for endorsement to the PEM Board which included the recommendation to extend the effectivity of the urgent amendments by six (6) months.

The proposal was endorsed to the PEM Board (RCC Resolution No. 2025-01), as amended, on 25 March 2025 and presented during the 82nd PEM Board Meeting on 26 March 2025. The PEM Board provisionally approved the proposal thru PEM Board Resolution 2025-82-03 (26 March 2025) subject to their comment on the clarification of the definition of generating units considered to be "In service" in the proposed amendments to Section 2.1. of the Dispatch Protocol Manual to harmonize the same with the definition of "Availability" in the WESM Rules". During the 245th RCC Meeting on 18 April 2025, the RCC agreed to retain the definition of "In service" as proposed in RCC Resolution No. 2025-01.

2) Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions (ORCP-WR-WM-24-6B)

The PEMC submitted the subject rules change proposal to the RCC on 19 November 2024. The proposal aims to address several operational and technical challenges identified in the implementation of the Reserve Conformance Standards (RCS) monitoring and enforcement process.

The proposal was initially discussed during the 239th RCC Meeting on 15 November 2024. During the meeting, PEMC's Enforcement and Compliance Office (ECO) discussed various issues and concerns encountered during the implementation process of the first urgent amendment approved by the PEM Board on 28 August 2024⁵. ECO emphasized the need of filing an urgent amendment relative to:

- i. data collection particularly due to completeness and volume of data resulting to delayed creation and issuance of Non-Compliance Notice;
- ii. tight timeline in responding by ASPs to the issued Non-Compliance Notice;
- iii. complex transaction adjustments; and
- iv. adjustments leading to negative purchases.

Since the newly submitted urgent proposal intends to revise a previous urgent proposal that is still in effect, the RCC requested the PEMC-Legal to provide its opinion on whether it is allowed to revise a PEM Board-approved urgent amendment and its effectivity.

⁵ PEM Board Resolution No. 2024-75-04

On 22 November 2024, the RCC held its 240th RCC (Special) Meeting. During this meeting, PEMC-Legal confirmed that an original urgent amendment (ORCP-WR-WM-24-06) may be further revised through another urgent amendment and the six-month effectivity of the first set of urgent amendments shall be refreshed. Additionally, PEMC-Legal pointed out that upon adoption of the second urgent amendment, the original urgent amendment will be deemed superseded and all processes under which the original urgent amendment was assessed and deliberated will be terminated, including deliberations of the corresponding general amendment of the original urgent amendment.

The proposal was endorsed to the PEM Board on 06 December 2024 thru RCC Resolution No. 2024-08 and approved by the PEM Board through the PEM Board Resolution No. 2024-79-01 on 10 December 2024. The revised market documents were posted in the PEMC website on 10 December 2024 and took effect beginning 11 December 2024 and was published in the PEMC Website on 16 December 2024. The proposal received comments from nine (9) parties.

The RCC deliberated on the proposal along with the comments received and the corresponding responses of the proponent during the 243rd, 244th, 245th RCC (Regular) Meetings held on 21 February, 14 March, and 18 April 2025, respectively. During the deliberations, the following matters were discussed and clarified:

1. Further revision to Section 5.2.1 – specifically on the submission of Rated Capacity Information; Deletion of the phrase “Based on declared/tested capacity” to be consistent with the definition of Rated Capacity, and revision of source of this data from the System Operator to the Market Operator;
2. Clarification on the new provision under Section 5.5.4 regarding the ECO’s process on assessing the dispatchable reserve facility failure to comply with the Dispatch Instruction;
3. Further revisions to Section 5.6.2 to clarify the source of the Rated Capacity data, and the inclusion of the formula for Frequency Prior to Frequency Driven Event on sub-item (b);
4. Further revision to Section 5.8 – specifically on the sustainability requirements of dispatchable reserve facilities to be consistent with Section 5.5.3;
5. Clarification on the usage of the term “monitoring period” to have same meaning as “billing period” for purposes of ECO’s compliance monitoring and evaluation;
6. Further revision in the process of Revalidation and Reassessment under Section 7.5.2 – Introducing the joint review process of ECO with the concerned ASP on the RRA results before finalization; and
7. Necessary revisions to clarify the applicability of the metrics.

During the 245th RCC meeting, the Secretariat presented a summary of the Assessment Report related to the approved urgent amendment. The report highlighted that the implementation of the WESM Manual on Ancillary Services Monitoring (ASM Manual) has positively impacted the compliance monitoring framework and promoted compliance by ASPs in the Reserve Market. It was recommended that the urgent amendment’s

effectivity should be extended for an additional six (6) months. The ECO, SO and MO were urged to continue coordination efforts to ensure timely and complete data for RCS monitoring.

The RCC approved the endorsement to the PEM Board of the proposal, including the amendments to the Section 15.6 of the WESM Manual on Dispatch Protocol to harmonize the changes in the ASM Manual regarding the deadband settings for reserve facilities operating on Governor Control Mode and the extension of effectivity of the urgent amendments by an additional six (6) months (from 12 June 2025 to 12 December 2025). The proposal was endorsed to the PEM Board thru RCC Resolution No. 2025-02 and was approved thru PEM Board Resolution 2025-84-02 (28 May 2025).

3) Proposed General Amendments to the WESM Dispatch Protocol relative to Validation Process of Reported Discrepancies in the Dispatch Instruction Report (ORCP-WM-25-01)

The proposal was initiated by the National Grid Corporation of the Philippines (NGCP) to enhance the validation process of reported discrepancies in DIR and to amend prescribed timeline to provide the System Operator, the Market Operator, and the Generator Companies a sufficient period to assess and validate reported discrepancies thoroughly.

The proposal was endorsed to the RCC on 15 January 2025. During the 243rd RCC Meeting on 21 February 2025, the RCC initially discussed the proposal and subsequently approved the posting of the proposal in the PEMC website to solicit comments, as submitted. The proposal was published on the PEMC website on 25 February 2025 and was opened to receive comments until 10 April 2025. The proposal received comments from ten (10) parties.

Further to the preliminary discussion during the 244th RCC Meeting on 14 March 2025, where a request was made to the Market Operator and the System Operator to present their processes for validating discrepancies reported by Generation Companies, the RCC subsequently discussed these presentations during 245th RCC Meeting on 18 April 2025.

During the 247th RCC Meeting on 20 June 2025, RCC addressed the following topics based on the comments submitted by stakeholders and the corresponding response from NGCP:

1. Primary reasons and examples for necessitating revalidation, Frequency and resolution of these revalidation requests, and limiting the revalidation process to exceptional cases.
2. Roles and responsibilities of the Market Operator and the System Operator in the revalidation process– including the corresponding review timeline.
3. Potential effects of the proposed extended timelines on the billing and settlement process, as well as on the compliance monitoring process

The RCC recommends that the Market Operator (MO) and the System Operator (SO) collaborate on the following:

1. Establishing criteria for revalidation requests.
2. Defining timelines, specifically for the MO's submission of revalidation requests to the SO.
3. Exploring the possibility of integrating a second validation phase within the existing validation process, and the potential for extended timelines

4) Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Market Surveillance Committee Processes (ORCP-WR-WM-25-02)

The proposal was initiated by the Market Surveillance Committee (MSC) to enhance and clarify the procedures/ processes of the Market Surveillance Committee (MSC), mainly to ensure effective operation of the Committee and to further enhance its functions, necessary to streamline operations, clarify responsibilities, and align with current structural and procedural realities.

The proposal was endorsed to the RCC on 14 May 2025. During the 247th RCC Meeting on 20 June 2025, the RCC initially discussed the proposal and subsequently approved the posting of the proposal in the PEMC website to solicit comments, as submitted. The proposal was published on the PEMC website on 25 June 2025 and was opened to receive comments until 05 August 2025.

II.C. Deferred Proposals and Discussions

The RCC likewise discussed the following proposals which were deferred awaiting further developments:

1) Proposed Amendments related to Retail Competition and Open Access

On 11 July 2023, during the Philippine Electricity Market Corporation – Energy Regulatory Commission (PEMC-ERC) Coordination Meeting, ERC’s guidance was requested on whether to i) continue the deliberations on the proposals related to the retail market, or ii) defer the discussions and wait for the ERC’s unifying issuance on retail. The ERC suggested to defer deliberations on the proposal citing the following reasons:

- a. Ongoing review of the Retail Competition and Open Access – Technical Working Group;
- b. Additional opt-out policy on retail aggregation; and
- c. Pending implementation of the retail aggregation pilot program by the MERALCO and the University of the Philippines – Diliman due to concerns regarding their supply contract.

On 28 August 2024, ERC officially released the ERC Resolution No. 13 Series of 2024, entitled “*A resolution adopting the Omnibus Rules for Customer Choice Program in the Retail Market.*” Subsequently, as of 06 March 2025, IEMOP confirmed, thru a letter addressed to the RCC Chairperson, their intention to submit a consolidated substitute rules change proposal in lieu of the following proposed amendments:

i. Proposed General Amendments to the WESM Rules, Retail Rules and Market Manuals on the Implementation of Electric Retail Aggregation Program

- Submitted by IEMOP on 11 November 2022 to harmonize the existing procedures on retail transactions with the policies under ERC Resolution No. 04, Series of 2022, as urgent amendments considering the target implementation date of the Electric Retail Aggregation Program (“Program”) on 26 December 2022 as prescribed in Article 2, Section 1 of the Retail Aggregation Rules;
- As concurred by the PEM Board, the RCC processed and deliberated the proposal in April and May 2023 (213th – Caucus, 215th – Caucus and 216th – Regular) with the comments received from AC Energy, PEMC, NGCP, and Manila Electric Company, Inc. (MERALCO);
- The proposal was harmonized with the DOE-approved rules for the implementation of Green Energy Option Program (GEOP) under Department Circular No. DC2023-01-0004, which became effective on 26 February 2023.

ii. Proposed Urgent/General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of ERC Resolution No. 01, Series of 2023

- Submitted by IEMOP on 10 March 2023 as an urgent amendment to (i) comply with Section 1a and 1b of ERC Resolution No. 01, Series of 2023 that only Eligible End-Users undergoing initial switch shall be required to submit certification of No Outstanding Balance to the Central Registration Body, and (ii) adopt definition introduced in Section 1a of ERC Resolution No. 01, Series of 2023 to include definition for Eligible End-Users, and revise definition of Contestable Customers; and
- As concurred by the PEM Board, the RCC processed the proposal as general amendment, which received comments from MERALCO, NGCP and PEMC in May 2023.

2) Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol Manual regarding Must-Offer Rule (ORCP-WR-WM-24-02)

The proposal was initiated by GN Power Kauswagan Ltd. Co (GNPK) to amend the guidelines on submission of bids and offers in the market and to incorporate the technical conditions of coal-fired and thermal generating units.

The proposal was initially endorsed to the RCC on 11 April 2024. During the 230th RCC Meeting on 19 April 2024, the proposal was presented to the RCC for the approval of its publication in the PEMC Website to solicit comments from the WESM Members and stakeholders. The RCC determined that the proposal is not yet refined due to concerns about the proposed exemption to the 'must-offer rule' and grid limitations. The RCC therefore suggested GNPK to further review and revise the proposed amendment and the corresponding technical discussion. The RCC likewise deferred the approval of the publication. During its 231st (Regular) Meeting (17 May 2024), the RCC, having reviewed the revised proposal, again deferred the approval of the proposal's publication due to the pending submission of the revised technical write-up with updated assumptions on the grid status in Mindanao, among others.

During the 232nd (Regular) Meeting on 21 June 2024, GNPK presented the revised proposed amendment highlighting the consideration of the comments and suggestions from the previous discussions and omitted the amendments in relation to transmission-related constraints. The RCC approved the publication of GNPK's Proposed General Amendments to the WESM Rules regarding Must-Offer Rule to solicit comments.

During the thirty (30)-working day commenting period from 26 June 2024 to 06 August 2024, the proposal received comments from APC, IEMOP, MEI/PEI, NGCP, PEMC, SNAP, the WESM Technical Committee (TC) and MSC.

The RCC deliberated the proposal along with the comments received and the corresponding response of the proponent during the 234th RCC Meeting on 16 August 2024. Further discussions took place during the 235th RCC Meeting on 03 September

2024. The RCC suggested GNPk consider either one of the following options: (1) write a letter to the DOE to conduct a visitation for better appreciation of GNPk's concern, or (2) discuss with IEMOP the MDOM's scheduling of generating plants below the minimum stable load (Pmin).

The RCC acknowledged the updates from GNPk on 16 October 2024, informing the committee of its intention to meet with the DOE to discuss the issues and concerns related to the subject proposal, and requesting to defer the inclusion of the subject proposal in the agenda of the following RCC meetings until after they receive feedback from the DOE. The RCC noted the updates and approved GNPk's request during the 238th RCC Meeting on 18 October 2024.

3) Proposed General Amendments to the WESM Rules and various WESM Manuals regarding Energy Storage Systems (ORCP-WR-WM-24-03)

The IEMOP submitted rules change proposal on 19 July 2024 to provide implementing procedures and guidelines related to the participation of Energy Storage Systems (ESS) in the WESM in view of the DOE Department Circular DC2023-04-0008.

The RCC approved the publication of the proposal in the PEMC Website to solicit comments from stakeholders and WESM participants during the 234th RCC Meeting on 16 August 2024.

During the thirty (30)-working day commenting period from 22 August 2024 to 07 October 2024, the proposal received comments from APC, ACEN, MERALCO, Meralco PowerGen Corporation (MGen), MEI/PEI, NGCP, PEMC, SNAP, SPC/SIPC, and the TC.

IEMOP requested deferral of the deliberations on the proposal, first on 11 October 2024 and again on 15 November 2024 to afford them more time to respond to, and address the comments received. The RCC approved these requests during its 238th and 239th RCC Meetings on 18 October and 15 November 2024, respectively.

During the 241st RCC Meeting on 13 December 2024, the RCC acknowledged and approved further deferral of the deliberations on the proposal as requested by IEMOP through a letter to the RCC dated 12 December 2024. This request was made in light of the upcoming issuance by the Energy Regulatory Commission of the rules regarding Energy Storage Systems, which IEMOP shall consider in refining their proposal and mitigate the possibility of conflicting guidelines.

II.D. Summary of Proposals Approved by the PEM Board and Submitted to the DOE (January to June 2025)

The table below presents the status of rules change proposals approved by the PEM Board and submitted to the DOE for approval.

Table 5: Summary of Proposals Approved by the PEM Board and Submitted to the DOE (January to June 2025)

Item	Proponent	Control No.	Proposal	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board	PEM Board Resolution	Date Submitted to DOE	DOE Approval
1	IEMOP	ORCP-WR-WM-23-05	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Interruptible Load Program (ILP) Implementation	31-Mar-2023	18-May-2023	MERALCO, NGCP, & PEMC	Approved	2023-13 (22 Dec 2023)	Approved	2024-68-03 (31 Jan 2024)	15-Feb-2024	Ongoing (Public consultations – Min: 03 April 2024, Vis: 17 April 2024, Luz: 23 April 2024)
2	PEMC	ORCP-WR-WM-23-07	Proposed General Amendments to the WESM Manual on Enforcement and Compliance Manual in Alignment with the Penalty Manual Revisions	20-Sep-2023	06-Nov-2023	ACEN, APC, & SPC/SIPC	Approved	2023-15 (22 Dec 2023)	Approved	2024-68-06 (31 Jan 2024)	15-Feb-2024	Disapproved (Letter to PEMC dated 11 April 2025)
3	PEMC	ORCP-WR-WM-24-01	Proposed Amendments to the WESM Rules and WESM Manual on Rules Change on the Effectivity of Urgent Amendments and Processing of General Amendments	03-Apr-2024	16-May-2024	MERALCO	Approved	2024-04 (02 Jul 2024)	Approved	2024-75-01 (28 Aug 2024)	25-Sep-2024	Ongoing (Submitted to the DOE on 25 September 2024)

Item	Proponent	Control No.	Proposal	Date Published	Deadline of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution	Action Taken by PEM Board	PEM Board Resolution	Date Submitted to DOE	DOE Approval
4	PEMC	ORCP-WR-WM-24-08	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	30-Oct-2024	11-Dec-2024	ACEN, MSC, & NGCP	Approved	2025-01 (13-Mar-2025)	Approved	2025-82-03 (26-Mar-2025)	24-Apr-2025	Ongoing
5	PEMC	ORCP-WR-WM-24-06B	Proposed Revision to the Urgent Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions	16-Dec-2024	03-Feb-2025	APC, ACEN, MEI/PEI, MERALCO, MSC, NGCP, SMGCP, SNAP, & SPC/SIPC	Approved	2025-02 (08-May-2025)	Approved	2025-85-02 (26-May-2025)	11-Jun-2025	Ongoing

Of the five (5) proposals submitted for the DOE's approval, the "*Proposed General Amendments to the WESM Manual on Enforcement and Compliance Manual in Alignment with the Penalty Manual Revisions*" was disapproved. As indicated in the DOE letter dated 11 April 2025, addressed to the PEM Board, the DOE advised the following:

1. Current procedures in the Enforcement and Compliance Manual and WESM Penalty Manual are complete to meet the objectives of their issuance. The DOE determined that the proposed amendments do not address the issues on penalty collection.
2. Disapproval of the proposal and directs MO and Governance Arm to strictly comply with the provisions, including the collection of penalties
3. Proposed amendments may be revisited and reconsidered at a later time, in consideration of the ongoing review of the WESM structure and framework (by the DOE).

A preliminary discussion between PEMC and IEMOP had already been conducted. The next steps involve coordination with the DOE and ERC to discuss the implementation of the DOE's decisions.

III. STATUS OF 2025 WORK PLAN

The 2025 RCC Work Plan (Annex C) was developed to align with PEMC's corporate vision, mission, and desired outcomes towards 2026.

For the first half of the year, the RCC has convened six (6) times⁶ and issued two (2) rules change-related resolutions. Notably, the Committee discussed topics including guidelines for Trading Participants having dispatch schedules below the minimum stable load, timeline and procedures for monitoring compliance for Reserve Conformance Standards, Validation Process of Reported Discrepancies in Dispatch Instruction Report, and Market Surveillance Committee Processes

The Committee consistently directs its efforts and resources to realize PEMC's priority activities as reflected in pertinent DOE and ERC directives and PEMC's Corporate Plan, which necessitates continuing review of the Market Rules and Manuals and crafting of new market documents, if necessary.

⁶ Six (6) regular meetings,

Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 Rachel Angela P. Anosan	 Jesusito G. Morillos
 n Rel C. Orillaza	 Emmanuel Genesis T. Andal
Generation Sector Members:	
 Dixie Anthony R. Banzon Masinloc Power Partners Co. Ltd. (MPPCL)	 Jayson A. Francisco Aboitiz Power Corp. (APC)
 Carlito C. Claudio Millennium Energy, Inc./ Pansia Energy, Inc. (MEI/PEI)	 Mark D. Habana Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
 Virgilio C. Fortich, Jr. Cebu III Electric Cooperative, Inc. (CEBECO III)	 Ryan S. Morales Manila Electric Company (MERALCO)
 Nelson M. Dela Cruz Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)	 Angeles Electric Corporation (AEC)

Supply Sector Member:
 Gian Karla C. Gutierrez First Gen Corporation/First Gen Energy Solutions, Inc. (FGEN)
Market Operator Member:
 Isidro E. Cacho, JR. Independent Electricity Market Operator of the Philippines (IEMOP)
System Operator Member:
 Darryl Lon A. Ortiz National Grid Corporation of the Philippines (NGCP)

ANNEX A: Members of the RCC as of June 2025

Sector	Representative Organization	Name	Membership
Independent	-	Rachel Angela P. Anosan <i>(Chairperson, 01 Nov 2024 to present)</i>	-
	-	Jesusito G. Morillos <i>(Chairperson, 01 Jul 2024 to 31 Oct 2024)</i>	-
	-	Jordan Rel C. Orillaza	-
	-	Emmanuel Genesis T. Andal	-
Market Operations	Independent Market Operator of the Philippines (IEMOP)	Isidro E. Cacho, Jr.	Principal
		Kristoffer Monico S. Ng	Alternate
System Operations	National Grid Corporation of the Philippines (NGCP)	Darryl Lon A. Ortiz	Principal
		Clark N. Agustin	Alternate
Generation	Aboitiz Power Corporation (APC)	Jayson A. Francisco ⁷	Principal
		Charm Krizia L. Medina ⁸	Alternate
	Masinloc Power Partners Co. Ltd. (MPPCL)	Dixie Anthony R. Banzon	Principal
	San Miguel Global Power Holdings Corp. (SMCGP)	Michael Valer G. Mariano ⁹	Alternate
	Millennium Energy, Inc./ Panasia Energy, Inc. (MEI/PEI)	Carlito C. Claudio	Principal
		Jessie B. Victorio	Alternate
	Vivant Corporation – Philippines (Vivant)	Mark D. Habana	Principal
Michelle S. Tuazon		Alternate	
Distribution	Manila Electric Company (MERALCO) – Private Distribution Utility	Ryan S. Morales	Principal
		Manuel Luis N. Zagala	Alternate
	Angeles Electric Corporation (AEC) – Private Distribution Utility	Russel S. Alabado	Principal
	Cagayan Electric Power and Light Co., Inc. (CEPALCO) – Private Distribution Utility	Alfredo C. Sanaga, Jr.	Alternate
	Cebu III Electric Cooperative, Inc. (CEBECO III) – Electric Cooperative	Virgilio C. Fortich, Jr.	Principal
	Cebu I Electric Cooperative, Inc. (CEBECO I) – Electric Cooperative	Getulio Z. Crodua ¹⁰	Alternate
	Nueva Ecija II Area 1 Electric Cooperative, Inc.	Nelson M. Dela Cruz	Principal
Agusan del Norte Electric Cooperative, Inc.,	Darwin T. Daymiel	Alternate	
Supply	First Gen Corporation/First Gen Energy Solutions, Inc. (FGEN)	Gian Karla C. Gutierrez	Principal
	TeaM (Philippines) Energy Corporation (TPEC)	Bryan Alvin A. Calasanz ¹¹	Alternate

⁷ Atty. Jayson A. Francisco was appointed as representative of the Generation Sector in RCC effective on 01 March 2025

⁸ Ms. Charm Krizia L. Medina was appointed as Alternate of Atty. Francisco effective on 01 March 2025

⁹ Mr. Michael Valer G. Mariano was appointed as Alternate of Mr. Banzon effective on 01 March 2025

¹⁰ Mr. Getulio Z. Crodua was reappointed as Alternate of Mr. Fortich, Jr. effective on 01 March 2025

¹¹ Mr. Bryan Alvin A. Calasanz was appointed as Alternate of Ms. Gutierrez effective on 01 March 2025

ANNEX B: DOE and ERC Observers as of June 2025

Organization	Observers
DOE ¹²	1) Luningning G. Baltazar 2) Antonio S. Barcelona 3) Noriel Christopher R. Reyes 4) John Paulo O. Castro 5) Jhannelyn D. Marasigan 6) Chrismah Joy D. Quinones 7) Jane May M. Mea
ERC ¹³	1) Sharon O. Montañer 2) Antoinette M. Badillo

¹² Designation of DOE observers per DOE letter to PEMC dated 06 February 2024.

¹³ Designation of ERC observers per ERC letter to PEMC dated 06 December 2022.

ANNEX C: Status of the Rules Change Committee Work Plan for 2025

The Rules Change Committee strives to attain a timely resolution of all rules change proposals it receives and shall continuously direct its efforts to work on priority activities for further enhancements to the Market Rules and Manuals. The activities in the Work Plan are aligned with PEMC's 2023-2025 Corporate Strategic Plan and shall be updated as necessary as more contributions are received from industry sectors and stakeholders or as directed by the DOE or ERC.

Legend: Submission/Completion of Report/Inputs/Comments
 Regular Activity

ACTIVITIES	OUTPUTS	2025				REMARKS/STATUS	
		Q1	Q2	Q3	Q4		
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance							
Objective 4: Availability of Adequate Support to the PEM Board and its Committees							
1	Conduct of monthly and urgent meetings	Minutes of meetings					<i>Completed</i> The RCC convened the following: Six (6) Regular Meetings <ol style="list-style-type: none"> 1. 242nd (2025-01) 2. 243rd (2025-02) 3. 244th (2025-03) 4. 245th (2025-04) 5. 246th (2025-05) 6. 247th (2025-06)
Objective 5: Availability of Accurate and Updated Market Reports, Rules, Manuals, and Other Relevant Public Information About the WESM and REM							
2	Approve Annual Committee Work Plan aligned with PEMC Corporate Strategic Plan	2025 RCC Work Plan submitted to the PEM Board by March 2025					<i>Completed</i>

ACTIVITIES		OUTPUTS	2025				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							2025 RCC Work Plan was transmitted to PEM Board on 26 March 2025.
3	Approve Semestral Reports	RCC Semestral Reports submitted to the PEM Board in January and July 2025					<p><i>Completed (with the submission of this report)</i></p> <p>RCC Semestral Report for Jul-Dec 2024 was transmitted to PEM Board and published in the PEMC Website on 30 January 2025.</p>
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness							
4	Facilitate submission of Sectoral Certifications as a proof of informing within the previous calendar year on matters pertaining to rules changes and other activities of the Committee	Sectoral Certifications submitted to the RCC/PEM Board					<p><i>Completed</i></p> <p>Certifications were reported to the PEM Board on 19 March 2025.</p>
5	Participate in WESM events, as requested or scheduled	Attendance to the WESM events					<p><i>Completed</i></p> <p>Participated in the following WESM Events:</p> <ul style="list-style-type: none"> • Annual General Membership Meeting (19 Jun 2025, Quezon City) • Market Participants' Townhall (21 March 2025, Mandaluyong City)

ACTIVITIES		OUTPUTS	2025				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							<ul style="list-style-type: none"> Electricity Market Exchange (21 March 2025, Mandaluyong City)
Objective 8: Responsive market rules and manuals							
6	Assess market rules and manuals and propose amendments	RCC Resolutions on rules change proposals submitted to the PEM Board					<p><i>Completed</i></p> <p>RCC submitted the following resolutions:</p> <ol style="list-style-type: none"> RCC Reso 2025-01 (25 Mar 2025) RCC Reso 2025-02 (14 May 2025)
7		Presentation during the Board Review Committee (BRC) and PEM Board meetings					<p>The RCC presented various rules change proposals in the following meetings:</p> <ol style="list-style-type: none"> BRC Meeting <ol style="list-style-type: none"> 17 March 2025 19 May 2025 PEM Board Meeting <ol style="list-style-type: none"> 26 March 2025 (82nd) 28 May 2025 (84th) 19 June 2025 (85th) <p>Note: No scheduled BRC meeting in June 2025.</p>

ACTIVITIES		OUTPUTS	2025				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
8	Participate in DOE/ERC public consultations on market rules and manuals and propose amendments	Attendance to the DOE/ERC public consultations					<i>No activities/actions yet are required from the RCC.</i>
9	Enhance rules change process	Updated RCC Internal Rules and as necessary, proposed amendments to the Rules Change Manual					<i>No activities/actions yet are required from the RCC.</i>
GOAL 3: Achieve Organizational Excellence and Operational Efficiency							
Objective 6: Continuing Improvement in the Delivery of Service to Internal and External Clients							
10	Respond to survey on the provision of technical and administrative support to the RCC	Response to survey on WESM Governance Committee (WGC) Support by PEMC					<i>Completed</i> Survey on the Performance Monitoring and Evaluation of Governance Committee period Jan to Dec 2024.