



**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2019-15

**Proposed Amendments to the WESM Rules and WESM Registration Manual to
Harmonize Market Operator Timelines with R.A. 11234 (“Energy Virtual One-
Stop Shop Act”)**

WHEREAS, the Independent Electricity Market Operator of the Philippines (IEMOP) submitted the subject proposal to the Rules Change Committee (RCC) on 10 June 2019 to harmonize provisions related to Market Operator timelines with Section 13 of R.A. 11234 (An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects or “EVOSS Act”), particularly the following:

- 1) Change the timeline for the Market Operator to approve applications to “within 15 calendar days” instead of the current “within 15 working days”;
- 2) Change the timeline for Market Participants to submit additional documents to “within 5 calendar days” instead of the current “within 5 working days”.

WHEREAS, the proposal also sought to add proof of disconnection among the requirements that a Trading Participant must submit to the Market Operator to de-register its facility;

WHEREAS, the RCC approved the publication of the proposal in the PEMC website on 21 June 2019 to solicit comments from industry stakeholders and interested parties;

WHEREAS, following the 30-working day commenting period from publication date on 25 June 2019, no comments were received and the RCC proceeded to deliberate the proposal during its 155th meeting on 16 August 2019;

WHEREAS, the RCC noted the IEMOP’s clarification that a facility must be disconnected first before it is de-registered in the WESM, hence the additional requirement of a proof of disconnection;

WHEREAS, on 20 September 2019 during its 156th meeting, the RCC further discussed the matter related to de-registration procedures arising from the recommendation of the Board Review Committee¹ for the RCC to reevaluate if the disconnection of a facility should indeed come first prior de-registration in the market;

WHEREAS, the System Operator stated that although it is ideal to have the disconnection and de-registration events coincide on the same date, the practice is that the former usually comes first over the latter;

WHEREAS, following the discussions, the RCC recognized that the time between when a facility is physically disconnected from the grid and when it is subsequently de-registered in the WESM poses ambiguity as to the status of that facility's compliance obligations in the market (i.e., must-offer rule);

WHEREAS, in order to further study and align the timing and procedures of the disconnection and de-registration processes, the body agreed to defer the endorsement to the PEM Board of the proposed change requiring proof of disconnection for facility de-registration, and only proceed with submitting the proposed changes to the Market Operator timelines pursuant to the EVOSS Act;

WHEREAS, there being no other matters left for deliberation, the RCC approved the endorsement of the proposal to the PEM Board;





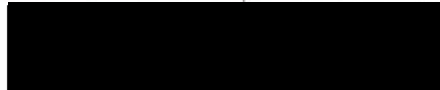
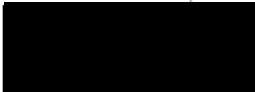

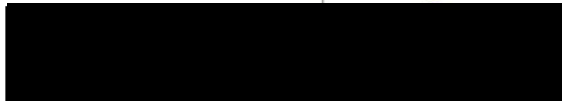

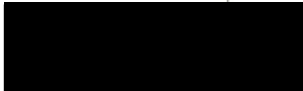
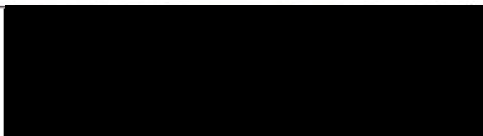
NOW THEREFORE, we, the undersigned in behalf of the sectors we represent, hereby resolve as follows:



RESOLVED, that the RCC approves the Proposed Amendments to the WESM Rules and WESM Registration Manual to Harmonize Market Operator Timelines with R.A. 11234 (Energy Virtual One-Stop Shop Act);

RESOLVED FURTHER, that the Proposed Amendments to the WESM Rules and WESM Registration Manual to Harmonize Market Operator Timelines with R.A. 11234 (Energy Virtual One-Stop Shop Act) (Annexes) are hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation;

Done this 20 September 2019, Pasig City.

¹ Board Review Committee Meeting held on 18 September 2019.

Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 Maila Lourdes G. de Castro Chairperson	 Francisco L.R. Castro, Jr.
 Allan C. Nerves	Concepcion I. Tanglao
Generation Sector Members:	
 Dixie Anthony R. Banzon Masinloc Power Partners Co. Ltd. (MPPCL)	 Abner B. Tolentino Power Sector Assets and Liabilities Management Corporation (PSALM)
Jose Ildebrando B. Ambrosio NorthWind Power Development Corp. (NorthWind)	 Cherry A. Javier Aboitiz Power Corp. (APC)
Distribution Sector Members:	
 Virgilio C. Fortich, Jr. Cebu III Electric Cooperative, Inc. (CEBECO3)	 Ryan S. Morales Manila Electric Company (MERALCO)
 Ricardo G. Gumalal Iligan Light and Power, Inc. (ILPI)	 Jose P. Santos Ilocos Norte Electric Cooperative, Inc. (INEC)
Supply Sector Member:	
 Lorreto H. Rivera TeaM (Philippines) Energy Corporation (TPEC)	

Market Operator Member:	
 Isidro E. Cacho, Jr. Independent Electricity Market Operator of the Philippines (IEMOP)	
System Operator Member:	
 Ambrocio R. Rosales National Grid Corporation of the Philippines (NGCP)	

Annex A

Proposed Amendments to the WESM Rules and WESM Registration Manual to Harmonize Market Operator Timelines with R.A. 11234 (Energy Virtual One-Stop Shop Act)

WESM Rules				
Title	Clause	Provision	Proposed Amendment	Rationale
APPLICATIONS FOR REGISTRATION – Further Information to Assess Application	2.5.3.1	Within five <i>Working Days</i> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application	Within five <i>Working</i> <i>Calendar</i> <i>Days</i> of receiving an application, the <i>Market Operator</i> shall advise the applicant of any further information which the <i>Market Operator</i> reasonably considers to be required to enable the <i>Market Operator</i> to properly assess the application	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234 (An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects).
APPLICATIONS FOR REGISTRATION – Further Information to Assess Application	2.5.3.2	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <i>Working Days</i> , the <i>Market Operator</i> may treat the application as withdrawn.	If the <i>Market Operator</i> has not received any further information as required under clause 2.5.3.1 within the next fifteen <i>Working Days</i> <i>Calendar</i> <i>Days</i> , the <i>Market Operator</i> may treat the application as withdrawn.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234
APPLICATIONS FOR REGISTRATION – Notice of Approval of Application	2.5.5.1	If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall send written notice of approval to the applicant within fifteen <i>Working Days</i> from receipt of: xxx	If the <i>Market Operator</i> approves an application under clause 2.5.4, the <i>Market Operator</i> shall send written notice of approval to the applicant within fifteen <i>Working Days</i> <i>Calendar</i> <i>Days</i> from receipt of: xxx	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234
APPLICATIONS FOR REGISTRATION – Notice of Approval of Application	2.5.5.2	The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven <i>Working Days</i> after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.	The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven <i>Working Days</i> <i>Calendar</i> <i>Days</i> after the date on which the <i>Market Operator</i> sends the notice of approval under clause 2.5.5.1.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234
APPLICATIONS FOR REGISTRATION – Notice of Non-Approval of Application	2.5.6.1	If the <i>Market Operator</i> does not approve an application for registration in a category to which an application relates, the <i>Market Operator</i> shall send within fifteen (15) <i>Working Days</i> written	If the <i>Market Operator</i> does not approve an application for registration in a category to which an application relates, the <i>Market Operator</i> shall send within fifteen (15) <i>Working Days</i> <i>Calendar</i> <i>Days</i>	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234

Annex A

WESM Rules				
Title	Clause	Provision	Proposed Amendment	Rationale
		notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.	written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.	
APPLICATIONS FOR REGISTRATION – Notice of Non-Approval of Application	2.5.6.2	The DOE and ERC shall, in all instances, be provided a copy of such written notice within five (5) <i>Working Days</i> after issuance to the application	The DOE and ERC shall, in all instances, be provided a copy of such written notice within five (5) <i>Working Calendar Days</i> after issuance to the application	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234

Annex B

Proposed Amendments to the WESM Rules and WESM Registration Manual to Harmonize Market Operator Timelines with R.A. 11234 (Energy Virtual One-Stop Shop Act)

WESM Manual on Registration, Suspension and De-registration Criteria and Procedures				
Title	Section	Provision	Proposed Amendment	Rationale
Assessment of Applications - Submission and Preliminary Assessment of Applications	2.5.5.1(b)	Within five (5) business days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> has not received the lacking requirement or additional information that it requires within the next fifteen business days, it may treat the application as withdrawn. The <i>Market Operator</i> shall notify the applicant in writing of the abandonment of the application.	Within five (5) <u>business calendar</u> days from receipt of application, the <i>Market Operator</i> shall advise the <i>Applicant</i> of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in <i>WESM Rules</i> clause 2.5.3.2, if the <i>Market Operator</i> has not received the lacking requirement or additional information that it requires within the next fifteen <u>business-calendar days</u> , it may treat the application as withdrawn. The <i>Market Operator</i> shall notify the applicant in writing of the abandonment of the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234 (An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects).
Approval of Applications - Notice of Approval	2.5.6.2(a)	For approved applications, the <i>Market Operator</i> shall send a notice of approval to the <i>Applicant</i> within fifteen (15) days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed an approval of the application.	For approved applications, the <i>Market Operator</i> shall send a notice of approval to the <i>Applicant</i> within fifteen (15) <u>calendar</u> days from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed an approval of the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234
Non-Approval of Applications/Remedies	2.5.7(a)	If an application is not approved, the <i>Market Operator</i> shall send within fifteen (15) <i>business days</i> from completion of application requirements a written notice to the <i>Applicant</i> advising the latter that its application has been disapproved and the reason for the same.	If an application is not approved, the <i>Market Operator</i> shall send within fifteen (15) <i>business calendar</i> days from completion of application requirements a written notice to the <i>Applicant</i> advising the latter that its application has been disapproved and the reason for the same.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234

Annex B

WESM Manual on Registration, Suspension and De-registration Criteria and Procedures				
Title	Section	Provision	Proposed Amendment	Rationale
REGISTRATION OF INTENDING WESM MEMBERS - Procedures for Application	2.10.2.2	Within five (5) days from receipt of the application, the <i>Market Operator</i> shall advise the <i>Applicant</i> if it requires submission of additional information as would enable it to properly assess the application.	Within five (5) <i>calendar</i> days from receipt of the application, the <i>Market Operator</i> shall advise the <i>Applicant</i> if it requires submission of additional information as would enable it to properly assess the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234
REGISTRATION OF INTENDING WESM MEMBERS - Approval/Disapproval of Application	2.10.3.2	Notice. Within fifteen (15) days from complete submission of the application and the additional information, the <i>Market Operator</i> shall issue to the <i>Applicant</i> the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed as an approval of the application.	Notice. Within fifteen (15) <i>calendar</i> days from complete submission of the application and the additional information, the <i>Market Operator</i> shall issue to the <i>Applicant</i> the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the <i>Market Operator</i> to act on the application within this period shall not be deemed as an approval of the application.	Reflect calendar days as used in the allowed time frame for market operator to release actions on applications as specified in Section 13 under RA 11234