



Rules Change Committee 2025 Semestral Report

July to December 2025

January 2026

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

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1.0 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 July to December 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.

2.0 ACCOMPLISHMENTS AND WORK PROGRESS

The RCC held six (6) regular meetings to discuss and deliberate proposed amendments to the Market Rules and Manuals, focusing on improving report validation processes, strengthening oversight, aligning market rules with ERC Omnibus Rules on Retail Market, and relating to issues arising from incidental market transactions.

For the second half of 2025, the RCC approved two (2) of the eight (8) proposals processed within the period, which were submitted by the Philippine Electricity Market Corporation (PEMC), National Grid Corporation of the Philippines (NGCP) – System Operator, Independent Electricity Market Operator of the Philippines (IEMOP) – Market Operator, GNPowder Kauswagan Ltd. Co. (GNPK), and Jobin SQM, Inc. (JSI). 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 (July to December 2025)

Proponent	Proposals carried over from Previous Periods	Proposals Received	Proposals Resolved
Market Participants / WESM Stakeholders	1 ³	1 ⁴	-
Market Operator	1 ⁵	1 ⁶	-
System Operator	1 ⁷	-	1
PEMC / WESM Governance Committees (WGCs)	3 ⁸	-	1
TOTAL	6	2	2

The details of the received and resolved proposals are described in *2.1 Summary of Proposals*, *2.2 Summary of Processed Proposals by RCC (July to December 2025)*, and *2.3 Deferred Proposals and Discussions (July to December 2025)*.

¹ WESM Rules, Clause 8.6.5.

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

³ Proposed Amendments to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule by GNPK

⁴ Proposed General Amendments to various WESM Manuals specifically on the option to use the Final Metered Quantity (MQ) data as the basis for the Final Bilateral Contract Quantity (BCQ) of a Fully-contracted Generation Company by JSI

⁵ Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Energy Storage Systems by IEMOP

⁶ Proposed General Amendments on the Harmonization of the WESM and Retail Rules and Market Manuals with ERC Resolution No. 13 Series of 2024 (“A Resolution Adopting the Omnibus Rules for Customer Choice Programs”) by IEMOP

⁷ Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report by NGCP

⁸ (1) Proposed General Amendment to the Ancillary Services Monitoring Manual regarding the Reserve Conformance Standards and Related Enforcement Actions, (2) Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load, and (3) Proposed Amendments to the WESM Rules and Various WESM Manuals on Market Surveillance Committee Processes

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 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.

As indicated in *Table 1: Proposals Received and Resolved by RCC per Proponent (July to December 2025)*, there were six (6) proposals carried over from previous periods, and two (2) of these proposals were deferred from further deliberations, covering rules on Energy Storage Systems, and Must Offer Rule. Further details on the deferred proposal are provided in *2.3 Deferred Proposals and Discussions (July to December 2025)*.

As of December 2025, four (4) General Amendments are currently pending DOE promulgation. Further details regarding the proposals endorsed by the PEM Board are presented in *2.4 Summary of Proposals Approved by the PEM Board and Submitted to the DOE*.

The RCC also resolved to extend the implementation of two (2) urgent amendments, as follows:

1. Proposed Amendments to the WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedule below Minimum Stable Load (Pmin).
2. Proposed Urgent Amendments to the WESM Manual on Ancillary Services Monitoring regarding Reserve Conformance Standards and Related Enforcement Actions.

Further details of the Urgent Amendments approved by the PEM Board are provided in *2.5 Ongoing Implementation of Urgent Amendments as Approved by the PEM Board*.

Additionally, the DOE promulgated Department Circular No. DC2025-08-0011, titled “Adopting Further Amendments to the Wholesale Electricity Spot Market (WESM) Rules and Various WESM Market Manuals on the Interruptible Load Program Implementation,” which took effect on 31 August 2025. The revised market documents were posted on the PEMC website on 03 September 2024. Further details are provided in *2.6 General Amendments promulgated by the DOE (July to December 2025)*.

All the proposals, minutes of the RCC’s deliberations, and resolutions can be found in the PEMC website.⁹

⁹ [Rules Change | Philippine Electricity Market Corporation \(wesm.ph\)](https://www.wesm.ph)

2.1 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 2.2 and 2.3 of this Report.

Table 2: Summary of Proposals Resolved by RCC (July to December 2025)

Item	Proponent	Control No.	Proposal	Submitted to RCC	Date Approved for Posting	Date Published	End of Commenting Period	Comments Received	Action Taken by RCC	RCC Resolution
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-2025	13-May-2025	11-Apr-2025	DOE, MSC, CENPRI, MEI/PEI, Meralco, Aboitiz Power, SPC/SIPC, PEMC, TC	Approved	2025-04 (17 October 2025)
2	PEMC	ORCP-WM-25-02	Proposed Amendments to the WESM Rules and Various WESM Manuals on Market Surveillance Committee Processes	14-May-2025	20-Jun-2025	25-Jun-2025	5-Aug-2025	APC, MEI/PEI, & NGCP	Approved	2025-06 (12 December 2025)

Table 3: 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	IEMOP	ORCP-WR-WM-RR-RM-25-03	Proposed General Amendments on the Harmonization of the WESM and Retail Rules and Market Manuals with ERC Resolution No. 13 Series of 2024 ("A Resolution Adopting the Omnibus Rules for Customer Choice Programs")	5-Aug-2025	5-Sep-2025	8-Sep-2025	20-Oct-2025	ACEN, APC, MERALCO, RESA, PEMC	On-going Deliberation	Discussed in 2 RCC regular meetings
2	Jobin SQM Inc.,	ORCP-WM-25-04	Proposed General Amendments to various WESM Manuals specifically on the option to use the Final Metered Quantity (MQ) data as the basis for the Final Bilateral Contract Quantity (BCQ) of a Fully-contracted Generation Company	7-Aug-2025	20-Aug-2025	26-Aug-2025	7-Oct-2025	PEMC, MEI/PEI, IEMOP, ACEN, SNAP	As of 12 December 2025: Resolved	RCC resolution for finalization
3	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	Deferment requested by proponent pending the issuance of ERC Rules on ESS
4	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	As of 16 October 2024: Deferred	Deferment requested by proponent pending the outcome of their consultation with DOE.

2.2 Summary of Processed Proposals by RCC (July to December 2025)

A. 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 the Dispatch Instruction Report (DIR) and to amend prescribed timeline to provide the System Operator, Market Operator, and the Generator Companies for 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 11 April 2025.

Further to the preliminary discussion during the 244th RCC Meeting on 14 March 2025, where a request was made to the Market Operator and 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.

Following the commenting period, the proposal received comments from ten (10) parties. The RCC received the NGCP's responses to the comments from the stakeholders on 19 May 2025 and discussed the proposal during the 247th RCC Meeting on 20 June 2025, wherein the RCC recommended the NGCP and the IEMOP to collaborate on the following:

1. Criteria for revalidation requests.
2. Timelines specifically for the Market Operator's submission of revalidation requests to the System Operator.
3. Exploring the possibility of integrating a second validation phase within the existing validation process, and the potential for extended timelines.

During the 248th RCC Meeting held on 18 July 2025, the SO presented its proposed criteria for the revalidation process as follows:

1. Eligibility of Revalidation Request
 - Discrepancies eligible for revalidation should be on dispatch instruction data between the SO and Generation Company
 - No new data outside the original scope will be considered
2. Submission of Requirements
 - Complete submission of required documentation or evidence to support the request
 - Correct format and submitted through IEMOP via email or IEMOP help desk portal
3. Timeliness

- Submitted on or prior the deadline for Generation Companies to file revalidation requests
4. Materiality Threshold
 - Minimum financial impact required to be considered for revalidation
 5. Limitations and Expectations
 - Limit to one (1) revalidation request for the same trading interval

At the same meeting, the RCC requested the MO and the SO to further revisit the entire validation process to review the timelines, materiality thresholds, and submission requirements. The RCC also requested the Proponent to prepare a presentation on the entire revised process, incorporating the proposed criteria, submission requirements, and timeliness, and PEMC-Legal to provide an opinion on the collection by the MO of a revalidation fee.

The RCC continued its deliberation on the proposal during the 249th RCC Meeting held on 15 August 2025. During the meeting, the SO presented the process for the DIR validation incorporating the proposed revalidation process and the criteria for the initial and revalidation request. PEMC-Legal advised that the appropriate rules change and regulatory approval processes should be undergone to implement a revalidation fee.

In view of the foregoing, the RCC approved, by majority of vote, the proposal of having an additional revalidation process for the reported discrepancies in DIR and agreed to exclude the materiality threshold in the proposed criteria for the revalidation process.

The RCC continued its deliberations on the proposal during the 250th RCC Meeting held on 19 September 2025 and approved the revised proposal under RCC Resolution No. 2025-04, incorporating several key changes:

3. Insertion of the proposed criteria for validation and revalidation;
4. Addition of a requirement for a certification on the veracity of the documents and information submitted as part of the criteria under Section 14.5.2; and
5. Rewording Section 14.5.4 to state that the SO shall validate the reported discrepancy instead of verifying it with the Generation Companies.

The PEM Board, during its 89th PEM Board Meeting on 23 October 2025, approved the proposal under PEM Board Resolution No. 2025-89-02. Subsequently, on 25 November 2025, the proposal was endorsed to DOE.

B. 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 oversight, provide greater procedural clarity, and establish a more efficient governance structure within the WESM by the MSC.

The proposal was endorsed to the RCC on 14 May 2025. During its 247th RCC Meeting on 20 June 2025, the RCC initially discussed the proposal and approved its publication on the PEMC website to solicit comments from stakeholders.

Following the commenting period from 25 June 2025 to 05 August 2025, the proposal received comments from three (3) parties. During the 250th RCC Meeting held on 19 September 2025, the MSC presented its responses to the comments received from the stakeholders. Several topics were discussed, including:

- The MSC's authority to review and propose amendments to WESM Penalty Manual; and
- The MSC's responsibility on the issuance of notification of possible anti-competitive behavior.

The RCC continued its deliberation of the proposal on 17 October 2025. During the meeting, the RCC discussed the following topics:

- Adoption of the Procedures in Chapter 8 for the amendments in WESM Penalty Manual and penalty provisions; and
- Roles of the MSC, RCC, Compliance Committee (CC), and PEM Board in processing proposed amendments to WESM Penalty Manual and penalty provisions.

The RCC continued its deliberations on 21 November 2025. The proponent considered the RCC's comments and revised its proposal as follows:

1. WESM Rules: added provisions to clarify the role of MSC in the review and amendment of the WESM Penalty Manual and other penalty provisions;
2. WESM Manual on Market Surveillance 2.0 (MSC Manual): revised terms to harmonize use across market documents; and
3. WESM Manual on Penalty Issue 3.0: Under Section 7.1.3, added detailed framework for the MSC regarding its responsibilities on the procedures for reviewing and approving any proposed amendments to the WESM Penalty Manual.

The RCC provisionally approved the proposal for finalization in December 2025, in consideration of the foregoing discussions and the following clarifications:

- Past revisions to the WESM Penalty Manual were coordinated with the RCC, published for stakeholder feedback, and reviewed through consultations;
- Future revisions, especially those affecting other market rules, will follow a more structured process that can be effectively implemented; and
- Most of the changes to the MSC Manual intended to harmonize and streamline MSC's responsibilities for compliance-related provisions and distinguish them from those of the CC.

During the 253rd RCC Meeting on 12 December 2025, the RCC provisionally approved its resolution with the following revisions to the proposal:

- Added the proposed revisions to the Guidelines Governing the Constitution of WESM Governance Committees for consistency with the revisions made to the WESM Rules and MSC Manual providing details on the MSC's responsibilities in the amendments of penalty provisions; and

- Reworded “Market Information Website” to “WESM Governance Arm Website” to refer to the website where MSC reports are published.

C. Proposed General Amendments on the Harmonization of the WESM and Retail Rules and Market Manuals with ERC Resolution No.13 Series of 2024 (“A Resolution Adopting the Omnibus Rules for Customer Choice Programs”) (ORCP-WR-RR-WM-RM-25-03)

The proposal was initiated by the IEMOP to reflect and harmonize the WESM and Retail Rules and Market Manuals with ERC Resolution No. 13, S. of 2024, entitled “A Resolution Adopting the Omnibus Rules for Customer Choice Programs” (the “Omnibus Rules”) and institutionalize the procedures adopted by the Central Registration Body for the Customer Choice Programs. With this proposal, IEMOP retracts its earlier submitted proposals on 1) Retail Competition and Open Access, and 2) No Outstanding Balance.

The proposal was endorsed to the RCC on 12 August 2025. During its 249th RCC Meeting on 15 August 2025, the RCC initially discussed the proposal and approved its publication in the PEMC website to solicit comments from stakeholders, noting that the proper formatting, clerical corrections, and transfer of deleted provisions of Retail Manual on GEOP Procedures shall be addressed prior the publication of the proposal.

Following the commenting period from 08 September 2025 to 20 October 2025, the proposal received comments from five (5) parties. During the 252nd RCC Meeting, the proponent facilitated the line-by-line discussion of the proposed amendments, comments and the corresponding response of IEMOP highlighting the following:

1. IEMOP agrees with the comment to align provisions and defined terms with the Omnibus Rules.
2. Issuance of Certificate of Contestability (CCON) should be in accordance with the Omnibus Rules and in consideration of previously issued CCON by the ERC.
3. The WESM Rules and Market Manuals already provide timelines for issuing adjustment bills in cases of Must-Run Unit (MRU), Administered Price (AP), and Secondary (SEC) Price Cap adjustments. To address residual billing concerns, IEMOP recommends establishing a protocol for adjustment billing between RES and customers.
4. Refinement of definitions to ensure flexibility for future threshold changes in line with the Omnibus Rules.
5. Clarification on which party is responsible for providing the information for the monthly report on retail customers to the ERC and DOE.
6. Timeline of the notification of Eligible End-Users to NSP of their intention to switch and intended switch date.

During the 253rd RCC Meeting, the proponent continued to discuss and present the comments received and IEMOP’s responses to the proposal, while the following were raised during the deliberation:

1. In relation to Section 3.2.1.3 of the Retail Rules, MERALCO requested the removal of the waiver of the NSP’s notification requirement and the issuance of switching

documents to the Retail Customer. The ERC noted the ERC Resolution No. 22, Series of 2025 on lowering the retail market threshold to 100 kW that prescribes a target switch date of not less than 90-day period for RCOA and RAP from the receipt of the notice by the NSP.

2. ERC is currently revising the Omnibus Rules with 2Q 2026 as their target date to finish;
3. RESA suggested IEMOP reinstate the breakdown of the WESM charges that were being provided prior the 5-minute market; and
4. IEMOP to check what virtual meter is and how separate it is with DU's Grid Off-take Metering Point

D. Proposed General Amendments to various WESM Manuals on the option to use the Final Metered Quantity (MQ) data as the basis for the Final Bilateral Contract Quantity (BCQ) of a Fully-contracted Generation Company (ORCP-WM-25-04)

The proposal was initiated by the Jobin-SQM, Inc., to address the incidental WESM transactions (and corresponding tax-related transactions) and Renewable Energy Certificate (REC) issuance of a fully-contracted Generation Company arising from discrepancies between daily MQ and final MQ.

The proposal was endorsed to the RCC on 12 August 2025. During its 249th RCC Meeting on 15 August 2025, the RCC initially discussed the proposal and approved its publication in the PEMC website to solicit comments from stakeholders. It was published on the PEMC website on 26 August 2025 until 07 October 2025. The proposal received comments from five (5) parties.

The proponent discussed its proposal and response to the comments received during the 251st RCC Meeting on 17 October 2025. To aid the RCC in deliberating the proposal, the following presentations were requested:

1. IEMOP/Market Operator – the affected processes of the proposal: from registration to settlements.
2. NGCP/System Operator – the process of providing the market metering data to the MO.
3. JSI/Proponent – clarification on the definition of the final metered quantity and the wording of the provisions.

During the 252nd RCC Meeting, the MO, SO and JSI presented the above-mentioned presentations with the following highlights:

- BCQ is declared in 5-minute intervals and must be submitted by D+1. Based on market rules, the Central Registration and Settlement System (CRSS) enforces a strict daily confirmation requirement. If the submission setup is not confirmed by default, then failure to confirm will result in a zero BCQ for settlement.
- In the CRSS, BCQ declarations do not require metered quantities and may be submitted independently.

- The proposal under discussion seeks to allow the gross energy settlement quantity (GESQ) to serve as the final BCQ, provided it is submitted before the settlement processing run.
- The proposal will cause all WESM exposure to be for the account of the Fully Contracted Generator's counterparty.

The proponent also presented their responses to RCC's request which were raised during the 251st RCC Meeting highlighting the following:

1. The proposed definition of final metered quantity is the GESQ of a trading participant used for the computation and issuance of final settlement statement and subsequent adjustments, and used for the re-calculation of bilateral contract
2. The proposed amendments allow participants to elect whether the final MQ will be used as the final BCQ for fully contracted facilities, subject to customer confirmation; MQ-related issues will follow existing WESM rules.
3. The proposal shall also apply to any metered quantity adjustment on the fully contracted generator, reflecting the correct value of the contracted MQ which shall be settled outside the market.

During the 253rd RCC Meeting, the committee finally deliberated on the proposal in consideration of the following points raised:

For the proposal:

- The current billing and settlement timeline may accommodate redeclaration at the end of the month.
- The proposal may have larger-scale benefits, such as having more accurate BCQs that would improve the accuracy of REC allocation.

For retaining of current rules:

- The proposal will cause disruption in the settlements of Distribution Utilities. While confirmation by the counterparty will still be necessary, there is no way for the counterparty to know for certain that there is metering error or there are resource constraints (e.g. no sunlight).
- Consider appropriateness in changing the WESM Rules to fit a specific situation of a Trading Participant (TP). The proposal is specific to JSI's concerns and may have unintended consequences.

On JSI's issues due to unintended WESM transactions (while being fully contracted):

- There is a need to find solutions to metering error as part of the solution for JSI's concern. Metering review could be part of the solution.
- JSI may address their concerns through its contract with its counterparty. While the financial aspect of the contract can be addressed through negotiations, the invoicing of unintended WESM transactions will remain. This is a tedious process that is currently experienced by all TPs.
- Power supply agreements/contracts are not submitted to the MO. Thus, the type of contract, e.g. pay-as-bid, is not considered in WESM settlements.

- Allowing BCQ re-declaration option to specific TPs may cause other TPs to request for it also.

Given the salient points raised during the deliberation, the RCC proceeded to a vote, resulting in the proposal being disapproved by majority.

2.3 Deferred Proposals and Discussions

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

A. 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 the 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 the coal-fired and thermal generating unit.

The proposal was 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 therefore suggesting GNPK to further review and revise the proposed amendment and the corresponding technical discussion. The RCC likewise deferred the approval of the publication. The RCC re-deliberated the submitted revised proposal during its 231st Meeting on 17 May 2024. Upon deliberation, RCC still deferred the approval of the proposal's publication due to the pending submission of a revised technical write-up, requesting further to update assumptions that are no longer applicable or are outdated.

Considering the comments from previous discussions, GNPK submitted the revised proposal and technical write-up on 13 June 2024 and presented the revised proposal during the 232nd RCC Meeting held on 21 June 2024. In the same meeting, the RCC approved the publication of the proposal in PEMC's website to solicit comments from the stakeholders and WESM Members. During the 30-day commenting period from 26 June 2024 to 06 August 2024, the proposal received comments from seven (7) parties.

The RCC deliberated the proposal along with the comments received and the corresponding response of the proponents during the 234th RCC Meeting on 16 August 2024. During the meeting, the RCC agreed that the conditions or mechanics of flame loss and steam bypass in coal plants need more elaborate discussion. As a result, the RCC decided to hold a caucus to further discuss the proposal.

During the 235th RCC (Caucus) Meeting on 03 September 2024, the RCC further deliberated the proposal, with key points of the discussion as follows:

1. The classification as "reserve shutdown" of generating units scheduled below their minimum stable load was clarified, indicating that shutting down under these circumstances cannot be labeled as such if the unit is already scheduled;

2. GNPk expressed the need for the proposed amendments to the WESM Rules to prevent penalties for shutdowns, specifically the proposed additional criteria for the Enforcement and Compliance Office's consideration;
3. Adherence to the Must-Offer Rule remains crucial, as it requires generators to submit offers that reflect their available capacity to ensure compliance; and
4. The solution to GNPk's issue could be addressed in the operational level.

In view of the discussions, the RCC suggested GNPk to consider either (1) writing a letter to the DOE to conduct visitation for better appreciation of GNPk's concern, or (2) discussing with the IEMOP on the MDOM's scheduling of generating plants below the minimum stable load.

On 16 October 2024, the RCC received an email update from GNPk, expressing its intention to meet with the DOE to discuss issues and concerns related to their proposal. Additionally, GNPk requested to defer the inclusion of the proposal in the following RCC meeting agenda until after they receive feedback from the DOE. The RCC acknowledged this update and approved GNPk's request during the 238th RCC Meeting held on 18 October 2024.

During the 250th RCC Meeting held on 19 September 2025, the letter submitted by GNPk on 16 September 2025 was presented, providing an update on GNPk's consultation with the DOE and included a request for the RCC to archive the proposal pending the outcome of said consultation. The RCC approved the request and agreed to archive the proposal accordingly.

B. Proposed Amendments to the WESM Rules and Various WESM Manuals regarding Energy Storage Systems (ORCP-WM-24-03)

The proposal was initiated by IEMOP 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 proposal was endorsed to the RCC on 26 July 2024. During the 234th RCC Meeting on 16 August 2024, the RCC agreed to publish the proposal for solicitation of comments, as submitted.

The proposal was published on the PEMC website on 22 August 2024 and was opened to receive comments until 07 October 2024. Within the 30-day commenting period, the proposal received comments from ten (10) parties.

The proponent requested the RCC to defer the deliberation of the proposal, initially during the 238th RCC Meeting on 18 October 2024 and again during the 239th RCC Meeting on 15 November 2024, to allow additional time to review and address stakeholders' comments and likewise reflect further revisions. During the 241st RCC Meeting on 13 December 2024, the RCC approved the IEMOP's request to defer the deliberation of the proposal, formalized through a letter sent to the RCC, which cited the impending issuance by the ERC of its Rules on Energy Storage Systems.

2.4 Summary of Proposals Approved by the PEM Board and Submitted to the DOE

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

Table 4: Proposals for DOE's Approval (As of December 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	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
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	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
3	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 (28 May 2025)	11-Jun-2025	Ongoing
4	NGCP	ORCP-WM-25-01	Proposed Amendments on WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report	13-May-2025	11-Apr-2025	DOE, MSC, CENPRI, MEI/PEI, Meralco, Aboitiz Power, SPC/SIPC, PEMC, TC	Approved	2025-04 (17-Oct-2025)	Approved	2025-89-02 (23-Oct-2025)	29-Oct-2025	Ongoing

2.5 Ongoing Implementation of Urgent Amendments as Approved by the PEM Board

From July to December 2025, the PEM Board approved the continuing implementation of two urgent amendments to strengthen market operations and compliance. The first amendment reinstates dispatch guidelines for generating units operating below their minimum stable load (Pmin). Its extension was approved under RCC Resolution No. RCC-RESO-25-03, “Extension of the Effectivity of Proposed Amendments to the WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedule below Minimum Stable Load (Pmin)” on 19 September 2025 and PEM Board Resolution No. 2025-88-03 on 24 September 2025 and subsequently submitted to the DOE on 26 September 2025.

The second amendment enhanced the monitoring and enforcement of Reserve Conformance Standards (RCS), specifically the issuance of Non-Compliance Notices, the response timelines for Ancillary Services Providers, and the collection of settlement adjustments, while harmonizing deadband settings for reserve facilities. Its extension was approved under RCC Resolution No. RCC-RESO-25-05, “Extension of Effectivity of Urgent Amendments to the WESM Manual on Ancillary Services Monitoring regarding Reserve Conformance Standards and Related Enforcement Actions” on 21 November 2025 and PEM Board Resolution No. 2025-90-02 on 27 November 2025 and submitted to the DOE on 28 November 2025.

Implementation of these proposals since 25 October 2024 and 12 December 2024, respectively, showed fairer compliance assessments and penalty enforcement (with collections temporarily paused pending ASM Manual amendments), improved compliance through proactive engagement by service providers, and successful stakeholder education campaigns. Both initiatives have significantly enhanced Reserve Market compliance and operational efficiency and are currently awaiting approval of the corresponding general amendments.

2.6 General Amendments Promulgated by the DOE (July to December 2025)

The DOE issued Department Circular No. DC2025-08-0011, adopting further amendments to the WESM Rules and Market Manuals to implement the Interruptible Load Program (ILP). The Circular became effective on 31 August 2025, and the revised market documents were posted on 03 September 2025. The amendments introduced provisions for BCQ re-declaration to reflect ILP transactions, required Trading Participants to submit capability estimates, and established procedures for ILP in billing and settlement. These changes have been fully integrated to enhance dispatch accuracy, settlement processes, and system reliability.

3.0 STATUS of 2025 WORKPLAN

The 2025 RCC Work Plan (Annex C) was developed to align with PEMC's corporate vision, mission, and desired outcomes under its CSP for 2024-2026.

For the second half of the year, the RCC has convened six (6) times¹⁰ to discuss the aforementioned proposals and issued four (4) rules change-related resolutions.

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.

¹⁰ Six (6) regular RCC meetings,

Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 Rachel Angela P. Anosan	
 Jordan Rei 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./ Panasia 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)	 Manila Electric Company (MERALCO)
 Nuz Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)	 Russel S. Alabado Angeles Electric Corporation (AEC)

Supply Sector Member:

Gian Karla C. Gutierrez
First Gen Corporation/First Gen Energy Solutions, Inc.
(FGEN)

Market Operator Member:

Kristoffer Monico S. Ng
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 December 2025

Sector	Representative Organization	Name	Membership
Independent	-	Rachel Angela P. Anosan <i>(Chairperson, 01 Nov 2024 to present)</i>	-
	-	Jesusito G. Morallos <i>(Chairperson, 01 Jul 2024 to 31 Oct 2024)</i>	-
	-	Jordan Rel C. Orillaza ¹¹	-
	-	Emmanuel Genesis T. Andal ¹²	-
Market Operations	Independent Market Operator of the Philippines (IEMOP)	Kristoffer Monico S. Ng	Principal
		Lilibeth Grace L. Vetus	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	Principal
		Charm Krizia L. Medina	Alternate
	Masinloc Power Partners Co. Ltd. (MPPCL)	Dixie Anthony R. Banzon	Principal
	San Miguel Global Power Holdings Corp. (SMGCP)	Michael Valer G. Mariano	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	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	Alternate

¹¹ Mr. Jordan Rel C. Orillaza was re-appointed effective on 07 December 2025 to 06 December 2028.

¹² Mr. Emmanuel Genesis T. Andal was re-appointed effective on 07 December 2025 to 06 December 2028.

ANNEX B: DOE and ERC Observers as of December 2025

Organization	Observers
DOE ¹³	<ol style="list-style-type: none"> 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 ¹⁴	<ol style="list-style-type: none"> 1) Sharon O. Montañer 2) Antoinette M. Badillo

¹³ Designation of DOE observers per DOE letter to PEMC dated 06 February 2024.

¹⁴ 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 2024-2026 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					<p><i>Completed</i></p> <p>The RCC convened the following:</p> <p>Twelve (12) Regular Meetings</p> <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) 7. 248th (2025-07) 8. 249th (2025-08) 9. 250th (2025-09) 10. 251st (2025-10) 11. 252nd (2025-11) 12. 253rd (2025-12)

ACTIVITIES		OUTPUTS	2025				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
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> 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					<i>Completed (with the submission of this report)</i> RCC Semestral Report for Jul-Dec 2024 was transmitted to PEM Board and published in the PEMC Website on 30 January 2025.
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					<i>Completed</i> Certifications were reported to the PEM Board on 19 March 2025.
5	Participate in WESM events, as requested or scheduled	Attendance to the WESM events					<i>Completed</i> Participated in the following WESM Events: <ul style="list-style-type: none"> Annual General Membership Meeting (19 Jun 2025, Quezon City) Market Participants' Townhall (21 March 2025, Mandaluyong City) Electricity Market Exchange (21 March 2025, Mandaluyong City)

ACTIVITIES		OUTPUTS	2025				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							<ul style="list-style-type: none"> WCO Summit (24 October 2025, Clark City, Pampanga)
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					<i>Completed</i> RCC submitted the following resolutions: <ol style="list-style-type: none"> RCC Reso 2025-01 (25 Mar 2025) RCC Reso 2025-02 (14 May 2025) RCC Reso 2025-03 (23 September 2025) RCC Reso 2025-04 (23 October 2025) RCC Reso 2025-05 (26 November 2025)
7		Presentation during the Board Review Committee (BRC) and PEM Board meetings					The RCC presented various rules change proposals in the following meetings: <ol style="list-style-type: none"> BRC Meeting <ol style="list-style-type: none"> 17 March 2025 19 May 2025 16 September 2025 13 October 2025 17 November 2025 PEM Board Meeting <ol style="list-style-type: none"> 26 March 2025 (82nd) 28 May 2025 (84th) 19 June 2025 (85th) 24 September 2025 (88th) 23 October 2025 (89th)

ACTIVITIES		OUTPUTS	2025				REMARKS/STATUS
			Q1	Q2	Q3	Q4	
							6. 27 November 2025 (90 th) Note: No scheduled BRC meeting in June 2025.
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 by July 2025</i> Survey on the Performance Monitoring and Evaluation of Governance Committee period Jan to Dec 2024.