



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 1 of 62

ATTENDEES

	Name	Designation/Position	Department/ Company
1.	Rachel Angela P. Anosan	Chairman, Independent	RCC
2.	Jesusito G. Morillos	Member, Independent	RCC
3.	Jordan Rel C. Orillaza	Member, Independent	RCC
4.	Emmanuel Genesis T. Andal	Member, Independent	RCC
5.	Dixie Anthony R. Banzon	Member (Principal), Generation Sector	RCC
6.	Jayson A. Francisco	Member (Principal), Generation Sector	RCC
7.	Carlito C. Claudio	Member (Principal), Generation Sector	RCC
8.	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
9.	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
10.	Virgilio C. Fortich Jr.	Member (Principal), Distribution Sector	RCC
11.	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
12.	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
13.	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
14.	Bryan Alvin A. Calasanz	Member (Alternate), Supply Sector	RCC
15.	Kristoffer Monico S. Ng	Member (Principal), Market Operator	RCC
16.	John Paulo O. Castro	DOE Observer	DOE
17.	Karen A. Varquez	Secretariat	PEMC
18.	Karlo D. Martin	Secretariat	PEMC
19.	Mary Rose L. Bisnar	Secretariat	PEMC
20.	Cedric Xian Mico L. Uy	Secretariat	PEMC
21.	Elvin Hayes E. Nidea	PEMC President / WESM Governance Officer	PEMC
22.	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
23.	Ira Lee P. Corectico	MAG / MSC Secretariat	PEMC
24.	John Eisendel M. Labay	MAG / MSC Secretariat	PEMC
25.	Arjay Rey R. Juario	MAG	PEMC
26.	Andrea J. Mendiola	Chief Legal Officer	PEMC
27.	Earl James G. Reyes	Legal	PEMC
28.	Gabriel R. Marmeto	Legal	PEMC
29.	Ma. Hazel M. Gubaton-Lopez	Proponent – EC Manual & Penalty Manual / Chief Enforcement and Compliance Officer	PEMC - ECO
30.	Hilary Romeli C. Florendo	Proponent	PEMC - ECO
31.	Josephine C. Corpuz	Proponent	PEMC - ECO



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 2 of 62

ATTENDEES

	Name	Designation/Position	Department/ Company
32.	Anthony Jose P. Asprer	Proponent	PEMC - ECO
33.	Darlene C. Dublar	Proponent	PEMC - ECO
34.	Mark Anthony C. Andrada	Proponent	PEMC - ECO
35.	Jeffrey B. Torejo	Proponent	PEMC - ECO
36.	Marvin Jay A. Masanda	Proponent	PEMC - ECO
37.	Carl Angelo B. Dela Cruz	Proponent	PEMC - ECO
38.	Ma. Pauline S. Figueroa	Proponent	PEMC - ECO
39.	Rhocen M. Camonggol	Proponent	PEMC - ECO
40.	Sheryll M. Dy	Proponent – Penalty Manual	IEMOP
41.	Mary Anne Santiago	Proponent	IEMOP
42.	Annsburg Resurreccion	Proponent	IEMOP
43.	Edmin Arellano	Proponent	IEMOP
44.	Marvi Francisco	Proponent	IEMOP

1.0 Call to Order

The meeting was called to order at 9:07 AM.

2.0 Determination of Quorum

The quorum was determined with fourteen (14) principal members and one (1) alternate member present. One (1) DOE Observer was also present in the meeting.

3.0 Adoption of Agenda

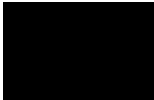
Ms. Karen A. Varquez (Secretariat) presented the proposed agenda that was sent to the RCC on 06 January 2026.

Additionally, under Agenda Item 5.2, the Secretariat presented the letter from IEMOP regarding its request for the deferment of the proposal in view of the ongoing review by the Energy Regulatory Commission (ERC) of the Omnibus Rules for the Customer Choice Program in the Retail Market. The RCC discussed this matter further in the latter part of the meeting (See Section 5.2 below).

✓ The RCC approved the proposed agenda as presented.

4.0 Draft Minutes of Previous Meetings

Ms. Mary Rose L. Bisnar (Secretariat) presented the draft minutes of the 253rd RCC (Regular) Meeting held on 12 December 2025. The draft minutes were circulated to the RCC on 13 January 2026, and subsequent comments were received from the members. Additional clerical comments were also raised during the meeting.





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 3 of 62

- ✓ The RCC approved the draft minutes, subject to the incorporation of the further revisions discussed.
- ✓ The Secretariat shall finalize and route the minutes via Adobe Sign for the RCC's signature.

5.0 Matters Arising from Previous Meeting

5.1 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

- Presenter/s: Ms. Mary Rose L. Bisnar (Secretariat)
- Action Requested: For approval
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting
Annex B – Draft RCC Resolution No. 2026-01

Proceeding/s:

Ms. Mary Rose L. Bisnar (Secretariat) presented the background of the proposal and its timeline and subsequently presented the draft RCC Resolution No. 2026-01, which was circulated to the RCC on 13 January 2026. She noted that once the resolution is approved, it is scheduled for presentation at the upcoming BRC meeting on 19 January 2026 and PEM Board meeting on 28 January 2026, respectively.

During the discussions, the following comments were raised for incorporation:

Comments received prior to the RCC Meeting

- Mr. Jayson A. Francisco (RCC – Generation) commented on the 11th Whereas Clause regarding the inclusion of data on the list of Generation Companies (GenCos) fully contracted with a single customer. He proposed the deletion of certain provisions in the clause, citing that these matters were not part of the item being deliberated and voted upon by the body, and that the situation experienced by the proponent may likewise apply to other GenCos.

Generalization of Clauses

- Mr. Kristoffer Monico S. Ng (RCC – Market Operator) commented also on the 11th Whereas Clause, suggesting the removal of the first sentence relating to the number of GenCos similarly situated as the Proponent. He noted that this may indirectly disclose sensitive information and questioned whether the detail was essential.

Mr. Jordan Rel C. Orillaza (RCC – Independent) commented that such information is important and suggested that it should be retained. Mr. Ng then committed to submit proposed rewording the Whereas Clause instead.

Clarification of Basis

- Ms. Rachel Angela P. Anosan (RCC – Independent) noted that the resolution should more clearly reflect the basis for the proposed disapproval, particularly with respect to the WESM Rules criteria and potential unintended consequences such as administrative burden on the Market Operator, and the consequent process or rule enhancements. She emphasized the



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 4 of 62

need for a clearer articulation of the basis for disapproval and recommended reviewing previous meeting minutes.

Mr. Darryl Lon A. Ortiz (RCC – System Operator) suggested to review the earlier minutes to identify the established basis.

Clerical Corrections

- Mr. Orillaza commented on the 3rd Whereas Clause, recommending that the term “meter quantity” be corrected to “metered quantity” for consistency.

Furthermore, Ms. Bisnar outlined the timeline for the submission of the proposed amendment to the RCC Resolution to the PEM Board, scheduled for 27 January 2026.

Agreement/s:

✓ The RCC agreed to the following:

- Review the draft RCC Resolution No. 2026-01 until 21 January 2026 to incorporate the comments discussed and the Market Operator’s proposed rewording of the Whereas Clause regarding Generation Companies similarly situated to the Proponent.

5.2 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”)

- Presenter/s: Ms. Karen A. Varquez (Secretariat)
- Action Requested: For deliberation and approval
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting

Proceeding/s:

As mentioned during the presentation of the Agenda, Ms. Varquez (Secretariat) informed the committee that IEMOP (the Proponent) requested through a letter dated 15 January 2026 to defer the discussion of the proposal. The request for deferral is to await the resolution of the ERC’s ongoing review of the Omnibus Rules for Customer Choice Programs in the Retail Market.

Agreement/s:

✓ The RCC approved IEMOP’s request to defer the discussion of the proposal.

6.0 New Business

6.1 Proposed General Amendments Relating to Enforcement Proceedings and Clarifying Compliance Guidelines

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
Mr. Anthony Jose P. Asprer (PEMC-ECO)
Mr. Jeffrey B. Torejo (PEMC-ECO)
- Action Requested: For deliberation and approval
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 5 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

Proceeding/s:

Mr. Karlo D. Martin (Secretariat) informed the Committee on a new rule change proposal submitted by PEMC on 06 January 2026. He further outlined the projected timelines for processing the proposal and presented the results of the Secretariat's preliminary assessment.

Mr. Jeffrey B. Torejo (PEMC–ECO) presented an overview of the proposal. As a presenter, he mentioned PEMC's proposal¹ filed in September 2023, which included the transfer of penalty collection from the Market Operator to the WESM Governance Arm, as well as the use of collected penalties to fund urgent and unforeseen WESM operational and governance needs. He noted that in May 2025, the DOE disapproved the said proposal, including the provisions that were not related to penalties. He further noted that in June 2025, the DOE instructed the Market Operator to implement a collection and distribution mechanism that would return collected penalties to end-users. To assist in facilitating this, PEMC updated and refiled the proposal to align with the DOE's directives, address identified procedural gaps, and reinforce enforcement integrity and operational clarity.

Mr. Anthony Jose P. Asprer (PEMC–ECO) then presented the details of the proposal, which seeks to amend the WESM Rules and the Enforcement and Compliance Manual (ECM). He presented the proposed changes to the current procedures available to Trading Participants for remedies such as requests for reconsideration, resolution, and appeal by transferring these provisions from the Penalty Manual to the EC Manual. He explained that the purpose of this amendment is to consolidate all enforcement proceedings under the EC Manual, while allowing the Penalty Manual to focus solely on the penalties and sanctions to be imposed on WESM members.

Mr. Asprer also provided details on the proposed changes to the timeline for compliance monitoring and assessment, as presented on Annex C, pages 49-50.

He noted that the proposal intends to revise the following timelines:

- Trading Participants to respond to the flagged breaches from three (3) days to five (5) days
- Issuance of Compliance Monitoring and Assessment Report by the Enforcement and Compliance Office from the 15th day to the 45th day following the covered monitoring month

Mr. Asprer also presented the details on the proposed changes to the Request for Investigation (RFI) verification process, as presented on Annex C, page 51.

¹ [Proposed Amendments to the WESM Rules and WESM Manuals on Penalty, and Enforcement and Compliance \(ORCP-WR-WM-23-07\)](#)



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 6 of 62

Mr. Asprer noted the proposed changes to the Request for Information (RFI) process, which include revising the timeline to five (5) Business Days for the RFI verification process and an additional five (5) Business Days for the issuance of the Notice of Investigation. This results in a total of ten (10) Business Days for the completion of both processes, with the timelines for the succeeding stages adjusted accordingly.

Mr. Asprer explained that a new provision was also added to address a recurring jurisdictional issue involving the prescriptive period for filing an RFI and the membership status of a WESM Member. The concern arises when an entity ceases to be a WESM Member before an RFI is filed, even though the alleged acts occurred within the two-year prescriptive period. This situation raised uncertainty about whether an investigation could still proceed.

He further emphasized that the added provision clarifies this gap by allowing investigations to be initiated even if the entity is no longer a WESM Member, provided it still possesses juridical personality. This ensures accountability for violations committed during its period of membership, particularly since such breaches continue to affect the party that filed the RFI.

Mr. Asprer explained that their proposal also incorporates provisions from the DOE circular issued on 17 July 2023. The circular specifies that even when a generating plant receives a Letter of Confirmation (LOC) for decommissioning or mothballing, the GenCo remains responsible for all existing claims and is not released from its obligations. It further provides that once the LOC takes effect, the plant is automatically deregistered from the WESM, and this must be reflected in the market manuals.

He noted that this creates a concern when a WESM Member with a pending investigation is later mothballed and deregistered before the case is completed. To address this, Mr. Asprer proposed adding a provision under the general principles or Section 9.5 to ensure that penalties remain enforceable for violations committed during membership, even if the entity is subsequently deregistered or transferred to a new owner. This measure is intended to prevent uncollectible penalties and uphold accountability.

Mr. Asprer then presented the details on the proposed changes to the Compliance Committee (CC) Review of Investigation Report (IR) process, as presented on Annex C, pages 54-55.

Mr. Asprer noted the proposed changes to the CC review of IR, specifically the revision of the review timeline from thirty (30) business days to ninety (90) business days. The proposed changes also introduce a process allowing the CC to require additional submissions or clarifications on the submitted IR. Once all clarifications have been completed, the case shall be deemed submitted for resolution, and this will mark the start of the ninety (90) business-day timeline.

During the presentation, the RCC raised the following points for clarification:



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 7 of 62

Definition of 'Business Days' used in the proposal

- Mr. Francisco sought clarification on the definition of "Business Days" as used in the proposal, specifically whether it refers to the operational days of the WESM, regardless of weekends and holidays.

Mr. Asprer confirmed the definition of "Business Days" as relayed by Mr. Francisco.

Proposed Extended Timelines

- Mr. Francisco emphasized that under the current procedure, the three (3) Business Days period for the submission of a Trading Participant's response to the initial breach flagging is difficult to comply with. He further inquired about the proposed extension of the response period from three (3) to five (5) Business Days, particularly in relation to the timelines for validation, verification, and assessment, which remain scheduled at the "end of the month," and the corresponding submission of supporting documents by Trading Participants.

Mr. Asprer confirmed the proposed timeline adjustments.

Mr. Francisco then sought clarification on how the timeline would apply in the case of the February billing period, where the billing period ends on 25 February and the notice of final flagging would be received on 26 February. He asked how the five (5) Business Days period would be reckoned whether from the receipt of the notice or from the end of the billing period.

Mr. Asprer explained that the five (5) Business Days period would commence from the receipt of the non-compliance flagging, and clarified that the 28th of February, being the "end of the month," would be the deadline for validation, verification, and assessment.

Mr. Francisco pointed out that under this scenario, the Trading Participant would effectively have only two (2) Business Days to respond, considering that the notice is received on 26 February and the validation, verification, and assessment deadline falls on 28 February. He asked whether an extension of the timeline would be available, citing the critical impact on Trading Participants.

Ms. Ma. Hazel M. Gubaton-Lopez (PEMC-ECO) clarified that the Trading Participants may respond within five (5) Business Days from receipt of the non-compliance flagging, even if the response period extends beyond the end of the month. She further explained that the "end of the month" timeline is intended to give emphasis on the forty-five (45) day timeline for the issuance of the report, which is reckoned from the end of the month covered in the monitoring.

- Mr. Jordan Rel C. Orillaza (RCC – Independent) requested that the proponent provide further justification for the proposed changes to the timelines especially when significant increase is proposed (e.g. from 15th day to the 45th day, and from 30 to 90 business days)..



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 8 of 62

DOE Disapproval² on the previously filed proposal

- Mr. Orillaza inquired about the extent of overlap between the current proposal and the previous one³, and how the revised proposal addresses the concerns raised by the DOE.

Ms. Gubaton-Lopez explained that the DOE disapproved the earlier proposal based on two key considerations. First, the previous proposal sought to transfer the collection of penalties from the Market Operator to the WESM Governance Arm. She explained that this transfer was proposed because, for some time, the Market Operator had ceased collecting penalties due to tax-related concerns and the need for system enhancements. As penalty collection is considered an enforcement and governance action, the proposal intended to align this function with the WESM Governance Arm.

Second, Ms. Gubaton-Lopez explained that the DOE directed the Market Operator to develop a flowback mechanism for the penalties collected. However, PEMC had previously proposed, as an alternative, the use of collected penalties to fund urgent and unforeseen WESM operational and governance needs. She noted that this approach, together with other non-penalty-related proposed revisions, was disapproved by the DOE.

She further added that PEMC sought guidance from the DOE on the other provisions that were likewise disapproved but were not directly related to the two main grounds for disapproval. The DOE subsequently advised PEMC to refile the proposal accordingly.

Mr. Orillaza requested if such can be included in the proposal document.

Agreement/s:

- ✓ The RCC approved the publication of the proposal on the PEMC website to solicit stakeholder comments, subject to the inclusion of the following:
 - An explanation on the matters previously disapproved by the DOE.
 - More comprehensive explanations regarding the proposed extension of the Compliance Monitoring and Assessment Timelines and to address DOE's comments to the related proposal (ORCP-WR-WM-23-07)

6.2 Proposed General Amendments Relating to Enforcement and Procedures and Penalty Administration

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
Mr. Jeffrey B. Torejo (PEMC-ECO)
- Action Requested: For information
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting

² [DOE Letter to PEM BOARD Re Proposed Amendments to WESM Rules, ECM and Penalty Manual](#)

³ [Proposed Amendments to the WESM Rules and WESM Manuals on Penalty, and Enforcement and Compliance \(ORCP-WR-WM-23-07\)](#)



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 9 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

Proceeding/s:

Mr. Torejo presented the proposed amendments to the WESM Penalty Manual (PM) and related manuals. He informed the Committee that the proposal was submitted to the Market Surveillance Committee (MSC) on 06 January 2026 to amend the WESM Penalty Manual consistent with the DOE's directives and the updated enforcement framework.

He explained that the proposal includes revisions to introduce a flowback mechanism for the return of collected penalty funds to end-users, adjustments to the enforcement timeline, specifically to ensure the exhaustion of remedies prior to the collection of penalties, and the transfer of procedural provisions relating to requests for reconsideration and appeal from the Penalty Manual to the Enforcement and Compliance Manual (ECM). The proposal also incorporates minor and clerical corrections for clarity and consistency.

Mr. Torejo further noted that these amendments were incorporated to align with previous DOE guidance, address procedural gaps identified during implementation, and reinforce enforcement integrity and operational clarity within the WESM governance framework.

Ms. Anosan clarified that since the proposal pertains to the amendment of the WESM Penalty Manual, which falls under the jurisdiction of the MSC, the matter was presented to the RCC for informational purposes.

During the discussion regarding the imposition of penalties, Mr. Virgilio C. Fortich Jr. (RCC-Distribution) inquired whether the framework distinguishes between unintentional errors made in "good faith" and willful violations.

Ms. Gubaton-Lopez clarified that the WESM Rules are mandatory by design and any breach results in a penalty. She further noted that the intent behind an action is only considered if the specific provisions of the Rules explicitly provide for such a distinction.

Agreement/s:

- ✓ The RCC noted the proposal and committed to providing formal comments during the MSC's public consultation period.

6.3 RCC Semestral Report (July to December 2025)

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For deliberation and approval
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting

Proceeding/s:

Mr. Martin presented the summary of the draft RCC Semestral Report covering the period July to December 2025 and noted that the report was circulated to the Committee on 13 January 2026 for review and comments. He informed the Committee that the report will be submitted to the



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 10 of 62

PEM Board on or before 30 January 2026, and that the commenting period for the draft will remain open until 22 January 2026.

He provided an overview of the topics included in the draft RCC Semestral Report, which cover the proposals processed by the RCC, proposals considered by the Committee, deferred proposals, urgent amendments under ongoing implementation, proposals for DOE approval, and amendments promulgated by the DOE. He also presented the accomplishments of the RCC relative to the 2025 RCC Work Plan, which form part of the Semestral Report.

Agreement/s:

- ✓ The RCC approved the draft RCC Semestral Report (July to December 2025), subject to any comments received by 22 January 2026.
- ✓ The Secretariat will finalize and route the report via Adobe Sign for the RCC's signature.

6.4 RCC Work Plan CY 2026

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For discussion and approval
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting

Proceeding/s:

Mr. Martin presented the RCC Work Plan for CY 2026 and mentioned that the activities listed are aligned with PEMC's Corporate Strategic Plan (CSP) for CY 2024–2026.

He noted that the Work Plan also includes the list of current Rules Change Proposals and their status, as well as the list of PEMC or WESM Governance Committee possible Rules Change Proposals.

During the discussions, the following comments were raised:

PEMC's Corporate Strategic Plan 2024–2026

- Mr. Emmanuel Genesis T. Andal (RCC–Independent) inquired about the reference used for the preparation of the RCC Work Plan.

Mr. Martin responded that the RCC Work Plan is aligned with PEMC's Corporate Strategic Plan (CSP) for CY 2024–2026.

Mr. Francisco suggested providing only the specific objectives upon which the RCC Work Plan is anchored.

Mr. Martin added that the Secretariat will request a copy of the CSP from the designated department.

RCC Regular Meeting Setup

- Mr. Martin presented the schedule of regular RCC meetings and the proposal to conduct quarterly in-person meetings. He also raised the need to identify an alternative schedule for the August 2026 RCC meeting, noting that the third Friday of the month falls on a



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 11 of 62

holiday. He suggested scheduling the meeting one week earlier for the Committee's consideration.

Mr. Francisco suggested that the in-person meetings also consider a hybrid setup to accommodate members who may not be able to attend onsite. Mr. Orillaza then asked for confirmation on whether a hybrid setup would be difficult to facilitate.

While the in-person meetings may be arranged as hybrid without any major difficulty, Mr. Elvin Hayes E. Nidea (PEMC-WGO) encouraged RCC members to attend onsite at PEMC.

Agreement/s:

- ✓ The RCC approved the proposed quarterly "in-person/hybrid" meeting and the meeting schedule for 14 August 2026.
- ✓ The RCC noted that the commenting period for the work plan will remain open until the RCC meeting in March 2026.

7.0 Other Matters

7.1 Update on Proposed Amendments

- Presenter/s: Mr. Cedric Xian Mico L. Uy (Secretariat)
- Action Requested: For information
- Material/s: Annex A – Presentation Material of 254th RCC (Regular) Meeting

Proceeding/s:

Mr. Uy provided the updates on the rules change proposals, as follows:

Status	Topic
Proposed Amendment's awaiting DOE's Approval	1. Dispatch Schedules below Minimum Stable Load 2. Reserve Conformance Standards and Related Enforcement Actions (Further revision to Urgent Amendment on the Ancillary Services Monitoring Manual) 3. Validation Process of Reported Discrepancies in the Dispatch Instruction Report
General Amendments for PEM Board Approval	1. Market Surveillance Committee Processes
General Amendments under RCC Evaluation or Finalization	1. Option to use the Final Metered Quantity as Final Bilateral Contract Quantity 2. Enforcement Proceedings and Clarifying Compliance Guidelines

MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 12 of 62



Status	Topic
Urgent Amendments Approved by the PEM Board / Ongoing Implementation	1. Dispatch Schedules below Minimum Stable Load 2. Reserve Conformance Standards and Related Enforcement Actions (Further revision to Urgent Amendment on the Ancillary Service Monitoring Manual)
Deferred Proposals	1. Must-Offer Rule (MOR) 2. Energy Storage Systems (ESS) 3. Harmonization of Market Rules and Manuals with ERC Resolution No. 13, Series 2024
Proposal Disapproved by DOE	1. Rules Change Process

Mr. Uy also provided further updates on the proposal disapproved by the DOE, which pertained to the proposed amendments to the Rules Change Process. He noted that on 09 January 2026, a DOE letter dated 22 December 2025 was transmitted to the PEM Board, stating that the DOE clarified that no amendments to the WESM Rules or the relevant manuals are deemed necessary at this time. Accordingly, the DOE found no basis to pursue further amendments on the subject matter.

Agreement/s:

- ✓ The RCC noted the updates on the rules change proposals.

7.2 DOE Updates

- Presenter/s:

Mr. Cedric Xian Mico L. Uy (Secretariat)
- Action Requested:

For information
- Material/s:

N/A

Proceeding/s:

Mr. Uy informed the RCC that there are no updates from the DOE.

Agreement/s:

- ✓ The RCC noted this information.

7.3 Schedule of Activities

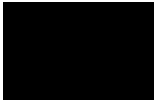
- Presenter/s:

Mr. Cedric Xian Mico L. Uy (Secretariat)
- Action Requested:

For information
- Material/s:

Annex A – Presentation Material of 254th RCC (Regular) Meeting

Proceeding/s:





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 13 of 62

Mr. Uy presented the following schedule of activities, for RCC's information:

Meetings	Schedule
RCC Meeting	23 January 2026
	20 February 2026
	20 March 2026
BRC Meeting	19 January 2026
PEM Board Meeting	28 January 2026

Concurrent with the deferral of the discussion regarding the Omnibus Rules, Mr. Uy informed the committee that the RCC Special Meeting scheduled for 23 January 2026 is cancelled. He also presented the upcoming schedule of regular RCC activities and highlighted that the rule change proposals on the MSC Process and Final Metered Quantity will be discussed at the upcoming Board Review Committee (BRC) and PEM Board meetings.

Mr. Uy further provided the RCC with a list of documents, together with their corresponding deadlines and the specific actions required from the RCC, as follows:

RCC Document Title	Deadline	Action Requested
RCC Resolution 2026-01 (JSI's Proposal)	23 January 2026	For Approval and Signature
Draft Minutes of the 253rd RCC Regular Meeting	21 January 2026	For Approval and Signature
RCC Semestral Report (July to December 2025)	22 January 2026 – Commenting Period 30 January 2026 – Submission to PEM Board	For Approval and Signature
RCC Work Plan for CY 2026	20 March 2026	Review and Comments

Regarding the Sectoral Certification, Mr. Fortich requested that the RCC Semestral Report (July to December 2025) be finalized prior to the issuance of the certification.

Agreement/s:

- ✓ The RCC noted the schedule of activities and agreed to finalize the RCC Semestral Report before providing the Sectoral Certification.

8.0 Adjournment

The meeting was adjourned at 11:24 AM.



MEETING MINUTES

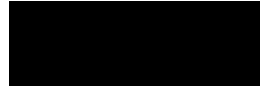
Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 14 of 62

Prepared by:



KARLO D. MARTIN
Rules Review Manager
Market Assessment Group

Reviewed by:



KAREN A. VARQUEZ
Rules Review Sr. Manager
Market Assessment Group

Noted by:

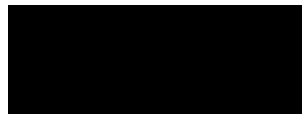


BIENVENIDO C. MENDOZA, JR.
Chief Market Assessment Officer

Approved by:



RACHEL ANGELA P. ANOSAN
Chairperson, Independent



JESUSITO G. MORALLOS
Member, Independent



JORDAN REL C. ORILLAZA
Member, Independent



EMMANUEL GENESIS T. ANDAL
Member, Independent



DIXIE ANTHONY R. BANZON
Member, Generation Sector
Masinloc Power Partners Co. Ltd. (MPPCL)



JAYSON A. FRANCISCO
Member, Generation Sector
Aboitiz Power Corporation (APC)



CARLITO C. CLAUDIO
Member, Generation Sector
Millennium Energy, Inc./Panasia Energy, Inc.
(MEI/PEI)

MARK D. HABANA
Member, Generation Sector
Vivant Corporation – Philippines (Vivant)



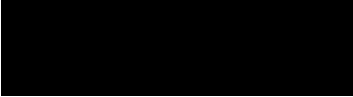


MEETING MINUTES

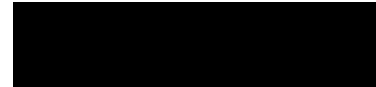
Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 15 of 62



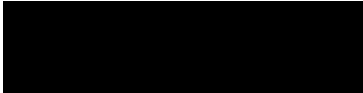
RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)



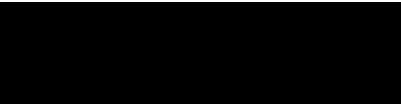
VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO II)



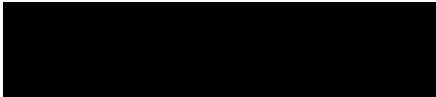
RUSSEL S. ALABADO
Member, Distribution Sector
Angeles Electric Corporation (AEC)



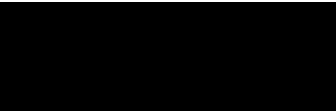
NELSON M. DELA CRUZ
Member, Distribution Sector
Nueva Ecija II Area 1 Electric Cooperative, Inc.
(NEECO II – Area I)



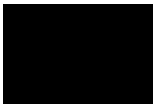
GIAN KARLA C. GUTIERREZ
Member, Supply Sector
First Gen Corporation (FGEN)



KRISTOFFER MONICO S. NG
Member, Market Operator
Independent Electricity Market Operator of the
Philippines (IEMOP)



DARRYL LON A. ORTIZ
Member, System Operator
National Grid Corporation of the Philippines
(NGCP)



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 16 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



DATA PRIVACY NOTICE

PLEASE BE INFORMED THAT THE **254TH RCC (REGULAR) MEETING** WILL BE RECORDED USING MS TEAMS FOR DOCUMENTATION PURPOSES AND KEPT IN MICROSOFT SHAREPOINT UNTIL SUCH PURPOSE IS ATTAINED OR THE RETENTION PERIOD AS MANDATED BY PEMC'S INFORMATION SECURITY AND DOCUMENTED INFORMATION POLICY HAS LAPSED.

YOUR VIDEO AND AUDIO MAY BE RECORDED.

BY CONTINUING TO STAY IN THIS MEETING, YOU CONSENT TO THIS RECORDING.

FOR ANY QUESTIONS, FEEL FREE TO CONTACT **RULES REVIEW DIVISION** AT **MAG_RRD@WESM.PH** AND/OR THE DPO AT **DPO@WESM.PH**



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 17 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



God our Father, we gather as your faithful servants and stewards of the resources you have given our nation.

We pray for wisdom that our deliberations in our RCC meeting will consistently be based on the best interest of WESM (in particular) and the government and the Filipino nation (in general), we are sworn to serve.



We pray for courage and boldness to face the challenges that we may meet in the course of performing our task, that calls for the highest standards of honesty, integrity and competence, in order to preserve the trust and confidence given to us by our people.



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 18 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



We pray that this nation will be able to achieve transparent and reasonable prices of electricity, in a regime of free and fair competition and full public accountability, to achieve greater operational and economic efficiency.

5



We call on you Heavenly Father to remind us that you can see through our hearts and know our innermost thoughts and intentions.

Guide us every step of the way as we strive to contribute our part for honest and efficient governance so deserved by our people.

These we ask in the name of Jesus Christ, your Son. Amen.

6



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 19 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



CALL TO ORDER



DETERMINATION OF QUORUM





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 20 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

DETERMINATION OF QUORUM

Representation/ Sector	Principal Member / Alternate Member		Attendance (AM)	Attendance (PM)	
Independent	Rachel Angela P. Anosan		✓		
	Jesusito G. Morillos		✓		
	Jordan Rel C. Orillaza		✓		
	Emmanuel Genesis T. Andal		✓		
Generation	Dixie Anthony R. Banzon	Michael Valer G. Mariano	✓		
	Jayson A. Francisco	Charm Krizia L. Medina	✓		
	Carlito C. Claudio	Jessie B. Victorio	✓		
	Mark D. Habana	Michelle S. Tuazon			
Distribution	Ryan S. Morales	Manuel Luis Zagala	✓		
	Russel S. Alabado	Alfredo C. Sanaga, Jr.	✓		
	Virgilio C. Fortich, Jr.	Getulio Z. Crodua	✓		
	Nelson M. Dela Cruz	Darwin T. Daymiel	✓		
Supply	Gian Karla C. Gutierrez	Bryan Alvin A. Calasanz	✓		
Transmission	Darryl Lon A. Ortiz	Clark N. Agustin	✓		
Market Operator	Kristoffer Monico S. Ng	Lilibeth Grace L. Vetus-Magtalas	✓		

ADOPTION OF THE AGENDA

MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 21 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting



ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
I. Call to Order		
II. Determination of Quorum		
III. Adoption of Agenda	Secretariat	For Approval
IV. Draft Minutes of Previous Meetings 253rd RCC (Regular) Meeting, 12 December 2025	Secretariat	For Approval
V. Matters Arising from Previous Meeting		
5.1 Proposed General Amendments to various WESM Manuals providing 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 Approval of the Draft RCC Resolution No. 2026-01	Secretariat	For Approval
5.2 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") Continuation of Line by line deliberation	Secretariat/IEMOP (Proponent)	For Deliberation and Approval

11



PROPONENT LETTER TO RCC FOR DEFERMENT OF PROPOSAL



15 January 2026
 OP-RPD-OUT-26-01-001

ATTY. RACHEL ANGELA P. ANOSAN

Chairperson

Rules Change Committee

Philippine Electricity Market Corporation

18th Floor, Robinsons Equitable Tower, ADB Avenue
 Ortigas Business Center, Pasig City

Re : Request to Defer Deliberations on Rules Change Proposal

Dear Chairperson Anosan:

We refer to our proposal entitled "Proposed Amendments for the Harmonization of WESM and Retail Rules and Manuals with ERC Resolution No. 13, Series of 2024 (The Omnibus Rules for Customer Choice Program)", docketed as ORCP-WR-WM-RR-RM-25-03, which is now pending deliberation before the Rules Change Committee (RCC).

We are formally requesting the RCC to defer further deliberations on the subject proposal, in view of the ongoing review of the Energy Regulatory Commission (ERC) of the Omnibus Rules for Customer Choice Programs in the Retail Market. As manifested by the ERC's representative during the 253rd RCC Meeting, the Honorable Commission intends to issue the revised Omnibus Rules by the second quarter of 2026.

The requested deferral will allow us to consider the provisions of the revised Omnibus Rules in further refining the subject proposal; and will mitigate the possibility of issuance of potentially inconsistent or conflicting guidelines. Upon issuance of the revised Omnibus Rules by the ERC, we shall promptly review our proposal and determine the necessity of amending the same for submission to the RCC.

Thank you and we look forward to your favorable action on our request.

Sincerely yours,

ROBINSON P. DESCANZO
 President and CEO



3F Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City, Philippines 1600
 Tel. (+632) 5518-9376 | www.iemop.ph

We refer to our proposal entitled "Proposed Amendments for the Harmonization of WESM and Retail Rules and Manuals with ERC Resolution No. 13, Series of 2024 (The Omnibus Rules for Customer Choice Program)", docketed as ORCP-WR-WM-RR-RM-25-03, which is now pending deliberation before the Rules Change Committee (RCC).

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The requested deferral will allow us to consider the provisions of the revised Omnibus Rules in further refining the subject proposal; and will mitigate the possibility of issuance of potentially inconsistent or conflicting guidelines. Upon issuance of the revised Omnibus Rules by the ERC, we shall promptly review our proposal and determine the necessity of amending the same for submission to the RCC.

Thank you and we look forward to your favorable action on our request.





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 22 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

ADOPTION OF THE AGENDA

Proposed Agenda	Presenter	Action Required
VI. New Business		
6.1 Proposed General Amendments Relating to Enforcement Proceedings and Clarifying Compliance Guidelines <i>Presentation of the Proposed Amendment and Preliminary Assessment</i>	Secretariat/PEMC (Proponent)	For Discussion and Approval for Publication in the PEMC Website for Comments
6.2. Proposed General Amendments Relating to Enforcement and Procedures and Penalty Administration <i>Presentation of the Proposed Amendment</i>	Secretariat/PEMC & IEMOP (Proponent)	For Information
6.3 RCC Semestral Report (July to December 2025)	Secretariat	For Discussion and Approval
6.4 RCC Work Plan CY 2026	Secretariat	For Discussion and Approval
VII. Other Matters		
7.1 Update on Proposed Amendments	Secretariat	For information
7.2 DOE Updates	DOE Observers	For information
7.3 Schedule of Activities	Secretariat	For information
VIII. Adjournment		



IV. DRAFT MINUTES OF PREVIOUS MEETING

- 253rd RCC (Regular) Meeting, 12 December 2025

MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 23 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



V. MATTERS ARISING FROM PREVIOUS MEETING



5.1 PROPOSED GENERAL AMENDMENTS TO VARIOUS WESM MANUALS PROVIDING 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





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 24 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

ACTION REQUESTED

- For Approval



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

Background



PROPONENT: JOBIN-SQM, INC. (JSI)



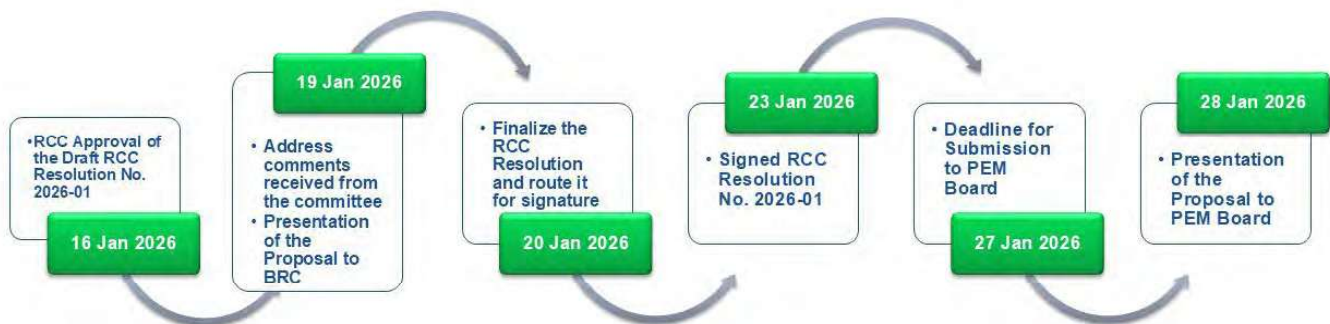


MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 25 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

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

Timeline of Proposal to be submitted to PEM Board



PROPONENT: JOBIN-SQM, INC. (JSI)

19



5.2 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”)



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 26 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



ACTION REQUESTED

- For deferment as requested by proponent



VI. NEW BUSINESS



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 27 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



6.1 PROPOSED GENERAL AMENDMENTS RELATING TO ENFORCEMENT PROCEEDINGS AND CLARIFYING COMPLIANCE GUIDELINES

6.2 PROPOSED GENERAL AMENDMENTS RELATING TO ENFORCEMENT AND PROCEDURES AND PENALTY ADMINISTRATION



ACTION REQUESTED

- **6.1 Proposed General Amendments Relating to Enforcement Proceedings and Clarifying Compliance Guidelines**
 - For Discussion and Approval for Publication in the PEMC Website for Comments
- **6.2 Proposed General Amendments Relating to Enforcement and Procedures and Penalty Administration**
 - For information



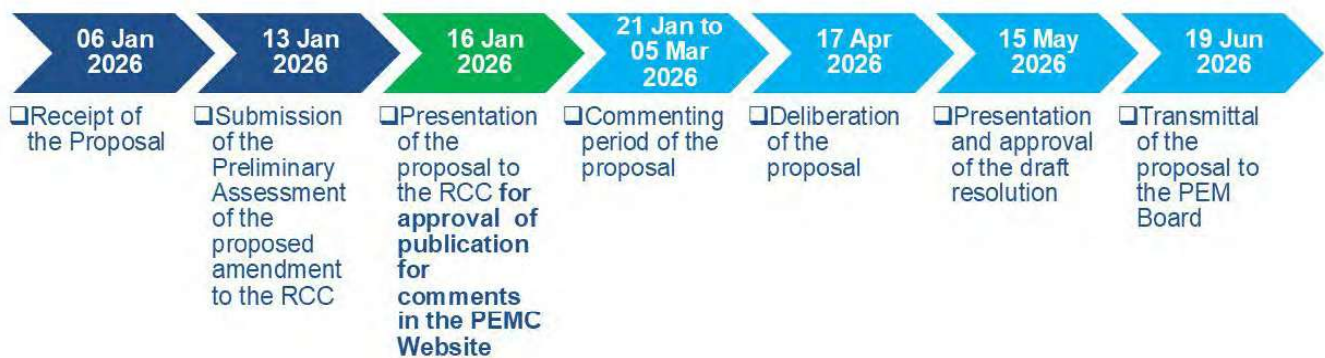


MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 28 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

TIMELINE OF ACTIVITIES

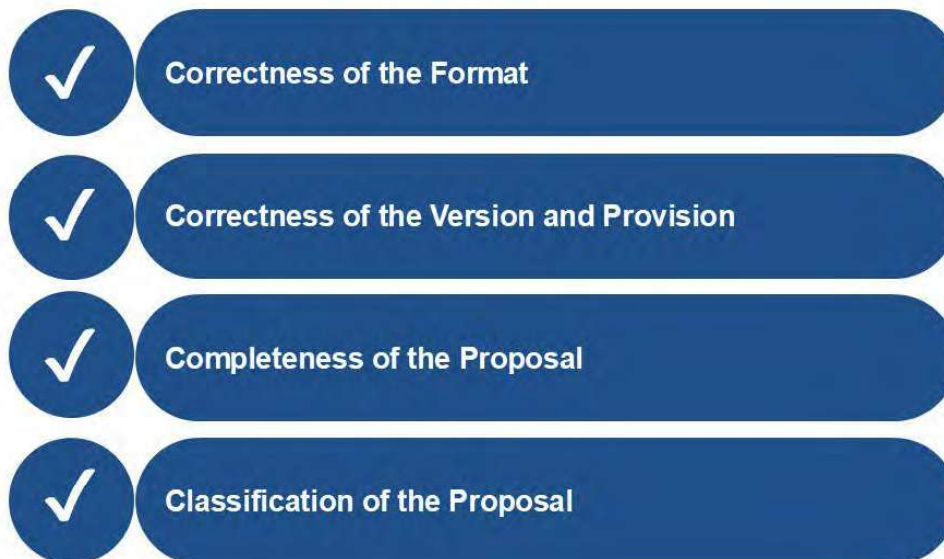
Proposed General Amendments Relating to Enforcement Proceedings and Clarifying Compliance Guidelines (Proponent: PEMC)



Concluded Activities
 Current Activity
 Upcoming Activities

Philippine Electricity Market Corporation

PRELIMINARY ASSESSMENT



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 29 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



6.3 RCC SEMESTRAL REPORT (JULY TO DECEMBER 2025)



ACTION REQUESTED

- For discussion and approval

Commenting Period: until 22 January 2026

Submission to PEM Board: on or before 30 January 2026





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 30 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

SUMMARY OF RCC SEMESTRAL REPORT (JULY TO DECEMBER 2025)

TOPIC	UPDATES/STATUS
Proposals processed by the RCC	Two (2) general amendments on the following topics: 1. Validation Process of Reported Discrepancies in the Dispatch Instruction Report 2. Market Surveillance Committee Processes
Proposals considered by the RCC	Two (2) rules change proposals: 1. Harmonization of the WESM and Retail Rules and Market Manuals with Omnibus Rules 2. Final MQ data as the basis for the Final BCQ of a Fully-contracted Generation Company
Deferred proposals and discussions	Two (2) rules change proposals: 1. Must-Offer Rule (MOR) 2. Energy Storage Systems (ESS)
Urgent Amendments Ongoing Implementation	Two (2) rules change proposals: 1. Dispatch Protocol on Issuance and Coverage of Dispatch Schedule below Minimum Stable Load (Pmin) 2. Ancillary Services Monitoring regarding Reserve Conformance Standards and Related Enforcement Actions



SUMMARY OF RCC SEMESTRAL REPORT (JULY TO DECEMBER 2025)

TOPIC	UPDATES/STATUS
Proposals for DOE's approval	Four (4) Proposals currently pending DOE promulgation: 1. Rules Change on the Effectivity of Urgent Amendments and Processing of General Amendments 2. Issuance and Coverage of Dispatch Schedules regarding Pmin 3. ASMM regarding the RCS and Related Enforcement Actions 4. Validation Process of Reported Discrepancies in the DIR
Amendments Promulgated by the DOE	One (1) General Amendment approved by DOE: 1. Department Circular No. DC2025-08-0011, "Adopting further amendments to the WESM Rules and Market Manuals to implement the Interruptible Load Program (ILP)" • Amended Market Rules and Manual a. WESM Rules b. Billing and Settlement Manual c. Dispatch Protocol Manual





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 31 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

UPDATES ON THE RCC WORK PLAN 2025

ACTIVITIES	TIMELINE	REMARKS/STATUS
1. Conduct of monthly and urgent meeting	Regular Activity	Completed. ✓ The RCC convened twelve (12) regular meetings
2. Approve Annual Committee Work Plan aligned with PEMC Corporate Strategic Plan	Q1	Completed. ✓ The 2025 RCC Work Plan was transmitted to PEM Board on 26 March 2025.
3. Approve Semestral Reports	Q1 and Q3	Completed. ✓ RCC Semestral Report (July to December 2024) and RCC Semestral Report (January to June 2025) were transmitted to the PEM Board in Q1 and Q3 of 2025, respectively.
4. Facilitate submission of Sectoral Certifications	Q1	Completed. ✓ Certifications were reported to PEM Board on 19 March 2025.
5. Participate in WESM events	Regular Activity, as requested or scheduled	Completed. ✓ The RCC participated on several WESM events such as AGMM 2025, MPT 2025, EMX 2025 and WCO Summit 2025.

UPDATES ON THE RCC WORK PLAN 2025

ACTIVITIES	TIMELINE	REMARKS/STATUS
6. Assess market rules and manuals, and proposed amendments (<i>RCC Resolutions on rules change proposal submitted to PEM Board</i>)	Regular Activity	Completed. ✓ The RCC approved five (5) RCC Resolutions on the proposed amendments.
7. Assess market rules and manuals, and proposed amendments (<i>Presentation during the Board Review Committee (BRC) and PEM Board Meeting</i>)	Regular Activity	Completed. ✓ The RCC attended five (5) BRC meetings and six (6) PEM Board and presented various rules change proposals.
8. Participate in DOE/ERC public consultations on market rules and manuals and propose amendments	Regular Activity, as scheduled	✓ <i>No activities/actions yet are required from the RCC.</i>
9. Enhance rules change process	Q3	✓ <i>No activities/actions yet are required from the RCC.</i>
10. Respond to survey on the provision of technical and administrative support to the RCC	Q4	Completed by July 2025 Survey on the Performance Monitoring and Evaluation of Governance Committee period Jan to Dec 2024.

MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 32 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



6.4 RCC WORK PLAN CY 2026



ACTION REQUESTED

- For discussion and approval





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 33 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

RCC WORK PLAN CY 2026

ACTIVITIES		OUTPUTS	2026			
			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, special, and caucus meetings. Schedule of Monthly RCC Meetings: 16 January 2026 (Regular) 23 January 2026 (Special) 20 February 2026 (Regular) 20 March 2026 (Regular) (in person) 17 April 2026 (Regular) 15 May 2026 (Regular) 19 June 2026 (Regular) (in person) 17 July 2026 (Regular) - xx August 2026 (Regular) 18 September 2026 (Regular) (in person) 16 October 2026 (Regular) 20 November 2026 (Regular) 11 December 2026 (Regular) (in person)	Minutes of meetings				
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	2026 RCC Work Plan				
3	Approve Semestral Reports	RCC Semestral Reports submitted to the PEM Board				
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness						
4	Facilitate submission of Sectoral Certifications as 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				
5	Participate in WESM-related events, as requested or scheduled	Attendance to the WESM events				

RCC WORK PLAN CY 2026

ACTIVITIES		OUTPUTS	2026			
			Q1	Q2	Q3	Q4
Objective 8: Responsive market rules and manuals						
6	Assess market rules and manuals and propose amendments ¹	RCC Resolutions on rules change proposals submitted to the PEM Board				
7		Presentation during the Board Review Committee (BRC) and PEM Board meetings				
8	Participate in DOE/ERC public consultations on market rules and manuals and propose amendments	Attendance to the DOE/ERC public consultations				
9	Enhance rules change process	Updated RCC Internal Rules and, as necessary, proposed amendments to the Rules Change Manual				
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				

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



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 34 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

RCC WORK PLAN CY 2026

Current Rules Change Proposals (as of xx March 2026)

Status	Proposal	Proponent
Urgent Amendment endorsed to and approved by the PEM Board	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load	PEMC
	Proposed Urgent Amendment revising the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC
General Amendment endorsed to and approved by the PEM Board	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	PEMC
	Proposed General Amendment revising the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC
	Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report	NGCP
General Amendment approved by the RCC	Proposed Amendments to the WESM Rules and Various WESM Manuals on Market Surveillance Committee Processes	PEMC
General Amendments under RCC evaluation	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 ")	IEMOP
	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	JSI
General Amendment deferred awaiting forthcoming issuance of ERC Rules on Energy Storage Systems	Proposed General Amendments to the WESM Rules and various WESM Market Manuals regarding Energy Storage Systems in view of the DOE DC2023-04-0008	IEMOP
General Amendment deferred awaiting updates from Proponent	Proposed Amendment to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule	GNPK

RCC WORK PLAN CY 2026

PEMC/WGC Possible Rules Change Proposals

PEM Board-Approved Goals / Objectives (2024-2026 PEMC Corporate Strategic Plan)	Topic	Proponent	2026	2027
GOAL 1: Provide a Reliable and Transparent WESM and REM through Effective and Efficient Governance				
Objective 1: Promotion of a culture of compliance and enhanced compliance monitoring	Battery Energy Storage Systems (BESS), including Plants with Hybrid Systems (VRES + ESS)	PEMC	✓*	
	Metering Services Providers (MSP) Obligations and Compliance	PEMC	✓*	
	Forecast Accuracy Standards	PEMC	✓*	
	Look Ahead Submissions for Day-Ahead Projections	PEMC	✓*	
	Appeal Process	PEMC	✓	
Objective 3: Market Design, Review, and Implementation of Mechanisms for the WESM	Implementation of Enhanced WESM Design and Operations (EWDO) including Reserve Market (RM)	PEMC	✓	
	Anti-Competitive Behavior (ACB)	PEMC & MSC	✓	
	Administered Pricing Methodology	MSC	✓*	
Objective 6: Provision of Continuing Stakeholder Support and Engagement and Enhanced Market Awareness	Bilateral Contract Quantity (BCQ) Declaration	MSC	✓*	
	Review of articles and bylaws for Voting Rights of Participants	PEMC	✓	
Objective 8: Responsive Market Rules and Manuals	WCO Certification and Registration Manual and Implementing Guidelines Procedures	PEMC	✓	
	Enhancement of the Enforcement and Compliance Manual and Penalty Manual	PEMC	✓	
	General Amendments based on Definition of Terms	PEMC	✓	

* - Proposals carried over from previous year (2025)



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 35 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



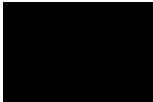
RCC WORK PLAN CY 2026

Schedule of Monthly RCC Meetings

Q1	16 January 2026 (Regular) 23 January 2026 (Special)	20 February 2026 (Regular)	20 March 2026 (Regular) (in person/Hybrid)
Q2	17 April 2026 (Regular)	15 May 2026 (Regular)	19 June 2026 (Regular) (in person/Hybrid)
Q3	17 July 2026 (Regular)	14 August 2026 (Regular) 21 August 2026 is holiday	18 September 2026 (Regular) (in person/Hybrid)
Q4	16 October 2026 (Regular)	20 November 2026 (Regular)	11 December 2026 (Regular) (in person/Hybrid)



VI. OTHER MATTERS





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 36 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

7.1 UPDATE ON THE PROPOSALS



UPDATES ON THE PROPOSALS

Urgent Amendments – Ongoing implementation (2)

	Proposal	Proponent	Update/Status
1	Proposed Urgent Amendments on WESM Manual on Dispatch Protocol (WESM DP) on Issuance and Coverage of Dispatch Schedules below Minimum Stable Load	PEMC	23 October 2024 – Approval of proposal (PEM Board Resolution No. 2024-77-05) 26 March 2025 – Extension of effectivity (PEM Board Resolution No. 2025-82-03) 26 Sep 2025 – Extension of effectivity (PEM Board Resolution No. 2025-88-03) Effectivity of WESM DP Issue 21.1: 25 October 2024 to 25 April 2026
2	Proposed Revision to the Urgent Amendments to the Ancillary Services Monitoring Manual (WESM ASMM) regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	10 December 2024 - Approval of proposal (PEM Board Resolution No.2024-79-01) 28 May 2025 – Extension of effectivity PEM Board Resolution No. 2025-85-03 27 Nov 2025 – Extension of effectivity (PEM Board Resolution No. 2025-90-02) Effectivity of the WESM ASMM Issue 1.2: 12 December 2024 to 12 June 2026





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 37 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (3)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Market Surveillance Committee Processes	MSC	- Commenting period: 25 June 2025 to 05 August 2025 - Comments received from APC, MEI/PEI & NGCP 19 Sept, 17 Oct, & 21 Nov 2025 – RCC Deliberation (3 Meetings) 12 December 2025 – RCC Approval 15 Jan 2026 - Submitted to PEM Board for Approval
2	Proposed General Amendments to various WESM Manuals providing 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	Jobin-SQM, Inc.,	- Commenting period: 26 August 2025 to 07 October 2025 - Comments received from ACEN, IEMOP, MEI/PEI, PEMC and SNAP 17 Oct, 21 Nov & 12 Dec 2025 – RCC Deliberation (3 Meetings) For approval of draft RCC Resolution as per Agenda 5.1



UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (3)

	Proposal	Proponent	Update/Status
3	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")	IEMOP	- Commenting period: 08 September 2025 to 20 October 2025 - Comments received from ACEN, APC, MERALCO, RESA and PEMC 21 Nov & 12 Dec 2025 – RCC Deliberation (2 Meetings) For deliberation per Agenda 5.2 (Requested to be Deferred by Proponent) pending ERC's revision on the Omnibus Rules.





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 38 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (2)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments to the WESM Rules and various WESM Market Manuals regarding Energy Storage Systems in view of the DOE DC2023-04-0008	IEMOP	- Commenting period 22 August 2024 to 07 October 2024 - Received comments from MERALCO, MEI/PEI, SPC/SIPC, MGEN, SNAP, APC, NGCP, ACEN, PEMC, and Technical Committee (TC) 13 December 2024 - Deferred (As requested by proponent) pending the forthcoming issuance of the ERC Rules on Energy Storage Systems 02 December 2025 - DOE IEC on CSP Policy and Public Consultation on ESS Policy
2	Proposed Amendment to the WESM Rules and WESM Manual on Dispatch Protocol regarding Must-Offer Rule	GNPK	18 October 2024 – RCC deferred deliberations pending DOE's response to GNPK 25 October 2024 – GNPK letter to DOE on issues and concerns (cc RCC) 05 March & 14 August 2025 – RCC letter to GNPK requesting for updates on the proposal 16 September 2025 – Receipt of GNPK response (GNPK is requesting the RCC to await the results of GNPK's consultation with DOE) 19 September 2025 – Deferred (Approved GNPK's request for deferment of their proposal)

UPDATES ON THE PROPOSALS

General Amendments – Disapproved by DOE (1)

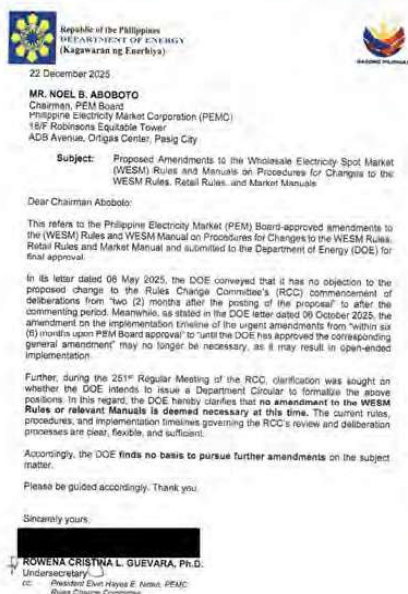
	Proposal	Proponent	Update/Status
1	Proposed Amendments to the Rules Change Process	RCC	28 August 2024 – Approval of proposal (PEM Board Reso No. 2024-75-01) 13 May 2025 – PEM Board received DOE's letter 20 May 2025 – RCC letter to PEM Board and WGO submitting recommendations 19 June 2025 (85th PEM Board Meeting) – PEM Board approved the RCC's response, which affirms its commitment to abide with the DOE directive and also raise the concern on the possibility of allowing the extension of the four-month evaluation period. 09 July 2025 – Submission of the response letter to the DOE 10 October 2025 – DOE letter to PEM Board in response to the letter transmitted on 09 July 2025 09 January 2026 - DOE Letter to PEM Board dated 22 December 2025.

MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 39 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting



PROPOSED AMENDMENTS TO THE RULES CHANGE PROCESS



This refers to the Philippine Electricity Market (PEM) Board-approved amendments to the (WESM) Rules and WESM Manual on Procedures for Changes to the WESM Rules, Retail Rules and Market Manual and submitted to the Department of Energy (DOE) for final approval.

In its letter dated 08 May 2025, the DOE conveyed that it has no objection to the proposed change to the Rules Change Committee's (RCC) commencement of deliberations from "two (2) months after the posting of the proposal" to after the commenting period. Meanwhile, as stated in the DOE letter dated 06 October 2025, the amendment on the implementation timeline of the urgent amendments from "within six (6) months upon PEM Board approval" to "until the DOE has approved the corresponding general amendment" may no longer be necessary, as it may result in open-ended implementation.

Further, during the 251st Regular Meeting of the RCC, clarification was sought on whether the DOE intends to issue a Department Circular to formalize the above positions. In this regard, the DOE hereby clarifies that **no amendment to the WESM Rules or relevant Manuals is deemed necessary at this time**. The current rules, procedures, and implementation timelines governing the RCC's review and deliberation processes are clear, flexible, and sufficient.

Accordingly, the DOE finds no basis to pursue further amendments on the subject matter.

Please be guided accordingly. Thank you.

UPDATES ON THE PROPOSALS

General Amendments – For DOE Promulgation (3)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments on WESM Manual on Dispatch Protocol on Issuance and Coverage of Dispatch Schedules regarding Minimum Stable Load	PEMC	26 March 2025 – Approval of proposal (PEM Board Resolution No. 2025-82-03) 24 April 2025 – Submitted to DOE for approval and ERC for information 02 & 24 September & 07 October 2025 – DOE public consultation
2	Proposed Revision to the Urgent Amendments to the Ancillary Services Monitoring Manual regarding Reserve Conformance Standards and related Enforcement Actions	PEMC	28 May 2025 – Approval of proposal (PEM Board Resolution No. 2025-85-02) 11 June 2025 – Submitted to DOE for approval and ERC for information 02 & 24 September & 07 October 2025 – DOE public consultation
3	Proposed Amendments to the WESM Manual on Dispatch Protocol relative to the Validation Process of Reported Discrepancies in the Dispatch Instruction Report	NGCP	25 November 2025 – Submitted to the DOE for approval and ERC for information.

MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 40 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



7.2 DOE UPDATES



7.3 SCHEDULE OF ACTIVITIES





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 41 of 62
 Annex A – Presentation Materials of 254th RCC (Regular) Meeting

SCHEDULE OF ACTIVITIES



58



OTHER MATTERS

- Sectoral Certification
- Publication of the Minutes of the 252nd RCC Regular Meeting
- List of RCC Documents: for review and for signature

59





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 42 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting

LIST OF RCC DOCUMENTS

RCC Document Title	Deadline	Action Requested
RCC Resolution 2026-01 (JSI's Proposal)	23 January 2026	For Approval and Signature
Draft Minutes of the 253 rd RCC Regular Meeting	21 January 2026	For Approval and Signature
RCC Semestral Report (July to December 2025)	22 January 2026 – Commenting Period 30 January 2026 – Submission to PEM Board	For Approval and Signature
RCC Work Plan for CY 2026	31 March 2026	Review and Comments

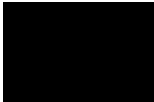
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The Philippine Electricity Market Corporation logo is positioned in the top right of the page, consisting of a blue square with a yellow 'PEMC' monogram and the company name in yellow text below it.

A background image of modern skyscrapers with glass facades, viewed from a low angle looking up, occupies the left side of the page. The buildings are in shades of blue and grey, with some windows reflecting light.

VII. ADJOURNMENT

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MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 43 of 62
Annex A – Presentation Materials of 254th RCC (Regular) Meeting



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 44 of 62
 Annex B – Draft RCC Resolution No. 2026-01



Resolution No. 2026-01

RULES CHANGE COMMITTEE

Proposed General Amendments to various WESM Manuals providing 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



Effective Date : xx January 2026
 Page : 1 of 9

WHEREAS, Bilateral Contract Quantity (BCQ) must be declared within a day after the relevant trading day in accordance with the WESM Rules and Billing and Settlement Manual (BSM) to ensure proper accounting and settlement of bilateral transactions, with such declarations reflecting agreed contractual quantities;

WHEREAS, Jobin-SQM Inc. (JSI) submitted a proposed amendment to the Registration, Suspension and De-Registration Criteria and Procedures (RSDCP) and BSM on 07 August 2025;

WHEREAS, the proposed amendment proposes to allow an option to use the final meter quantity (MQ) data as the basis for final bilateral contract quantity (BCQ) data of a Generation Company's capacity that is fully contracted to a customer to address the following transactions arising from discrepancies between daily MQ and final MQ:

1. Incidental WESM Transactions and corresponding tax-related transactions; and
2. Incidental Renewable Energy Certificate (REC) issuance;

WHEREAS, during the 249th RCC (Regular) Meeting¹ on 15 August 2025, the RCC approved the publication of the proposed amendment to solicit comments from the stakeholders, subject to the following revisions:

1. Include in the proposed amendment an illustration regarding the financial impact of MQ and BCQ discrepancy (i.e., BIR Transactions); and
2. Use the correct original provisions for the proposed amendments in Section 9.2.6 of the BSM;

WHEREAS, in view of the foregoing, JSI submitted its revised proposed amendment on 20 August 2025. Subsequently, the proposed amendment was published in the PEMC Website on 26 August 2025 to 07 October 2025, with comments received from ACEN Corporation, Independent Market Operator of the Philippines (IEMOP), Millenium Energy Inc./ Panasia Energy Inc., (MEI/PEI), Philippine Electricity Market Corporation (PEMC), and SN Aboitiz Power (SNAP);

WHEREAS, during the 251st RCC (Regular) Meeting² on 17 October 2025, the RCC discussed the proposed amendments, the comments and the corresponding response, specifically addressing the limited applicability of the proposed amendment to fully-contracted generators, the requisite Central Registration and Settlement System (CRSS) enhancements to automate the use of final MQ as final BCQ, prevailing concerns regarding data availability and accuracy, and the resulting financial implications for WESM billing and settlements;

WHEREAS, during the 252nd RCC (Regular) Meeting³ on 21 November 2025, the RCC further deliberated on the proposed amendments, focusing on the transmission of market metering data from the WESM Metering Service Provider (WMSP) to the Market Operator, the registration and settlement processes, and the clarification of the "final MQ" definition;

¹ <https://www.wesm.ph/market-governance/rules-change/rcc-minutes-of-meetings>

² Ibid

³ Ibid



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 45 of 62
 Annex B – Draft RCC Resolution No. 2026-01

Resolution No. 2026-01

Proposed General Amendments to various WESM Manuals providing 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

WHEREAS, during the 253rd RCC (Regular) Meeting⁴ on 12 December 2025, the RCC deliberated on the proposal's intent to mitigate unintended financial transactions and eliminate the tedious tax invoicing requirements for WESM transactions per the BIR ruling, while also considering a month-end redeclaration window that the Market Operator confirmed could be implemented should the proposal be approved;

WHEREAS, on the same meeting, the RCC discussed concerns that the proposal will cause WESM Customers to bear all spot transactions due to BCQ and MQ differences, which highlighted the longstanding issue on the accuracy of MQ data and the significance of the counter-party confirmation process;

WHEREAS, the discussion likewise noted that while accurate BCQ declarations benefit the Renewable Energy Market (REM) by aligning payments with RECs, the Market Operator is not privy to Power Supply Agreements and cannot verify "pay-as-produced" status without undue administrative burden;

WHEREAS, data revealed that only the Proponent raised this concern despite twenty (20)⁵ other Generation Companies being similarly situated as the Proponent;

WHEREAS, the RCC determined that the proposal addresses a unique scenario better resolved through revisions to the parties' Power Supply Agreement rather than rule amendments that could cause unintended consequences;

WHEREAS, after due deliberation, the RCC put the proposal to a vote and subsequently disapproved the motion by a majority vote;⁶

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

RESOLVED, that the RCC disapproved Proposed General Amendments to various WESM Manuals providing 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 attached as Annex A;

RESOLVED, that the said RCC decision is hereby endorsed to the PEM Board for approval and submission to DOE and ERC for information;

Done this xx day of January 2026, Pasig City.

⁴ Ibid

⁵ Since the Market Operator does not have access to private contracts, they cannot be entirely certain of a participant's total contract status. To estimate this, the Market Operator analyzed the list of generation companies alongside customer BCQ declarations, filtering for generators that declared only one customer and had active WESM transactions. Based on this data for the October and November 2025 billing periods, there were 20 generation companies fully contracted with a single customer.

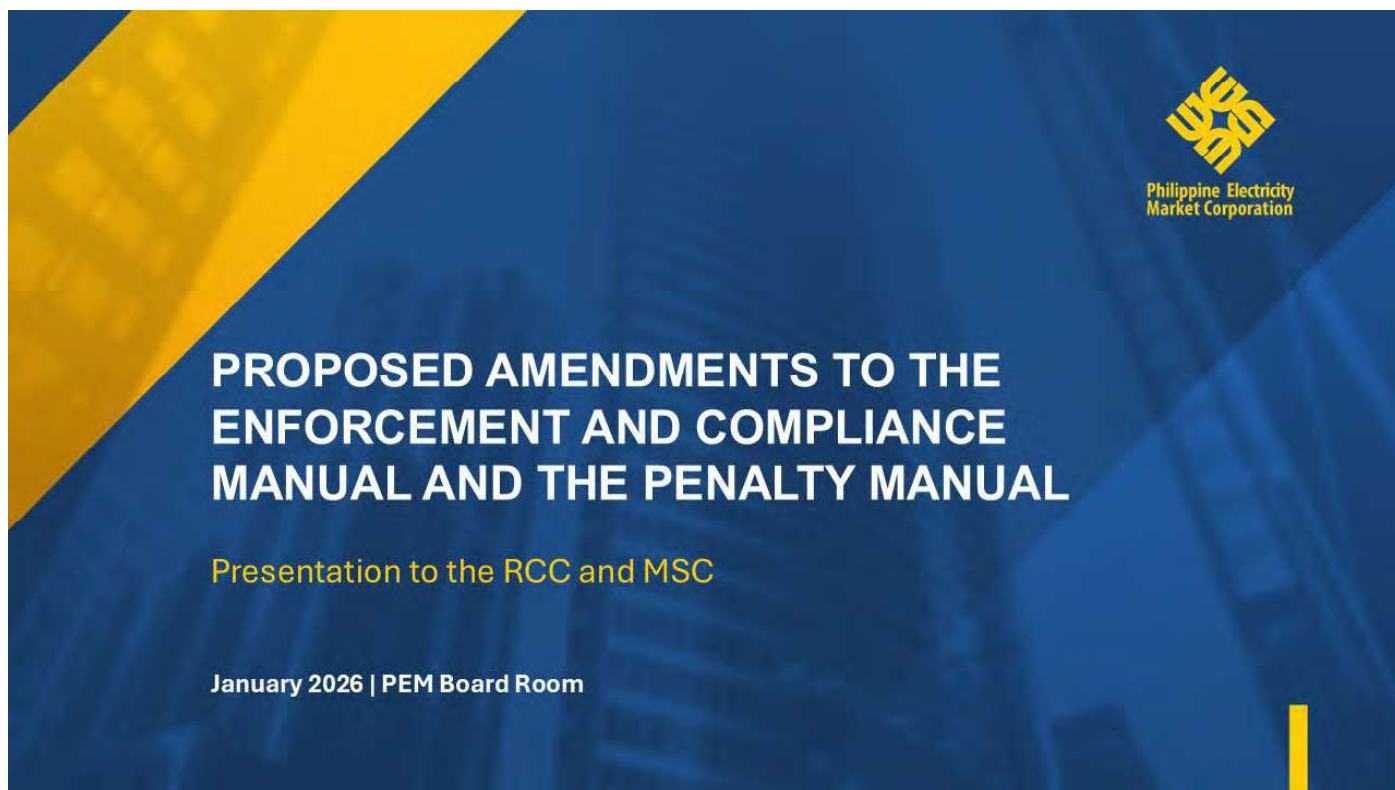
⁶ Disapproved (9): Alabado, Banzon, Dela Cruz, Fortich, Morales, Morillos, Ng, Orillaza, and Ortiz.
In Favor (4): Andal, Claudio, Francisco, and Gutierrez



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 46 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



OVERVIEW

Item	Description
Previous Filing	September 2023 – Filed rules change proposal (EC and Penalty Manual) - PEMC submitted key revisions, including: - Transfer of penalty collection from the Market Operator to the WESM Governance Arm - Use of penalties for urgent and unforeseen WESM operational and governance needs - May 2025 - DOE disapproved the full proposal, including non-penalty-related provisions that PEMC believes were well-founded and aimed at improving enforcement efficiency.
DOE Directive	June 2025 - DOE instructed the Market Operator to implement the collection and distribution mechanism, returning the collected penalties to end-users. This has been operational since June 2025 and is now proposed for formal inclusion in Section 6 of the Manual.
Rationale for Refiling	PEMC is refiling a refined, updated proposal that: - Aligns with DOE directives - Addresses procedural gaps - Reinforces enforcement integrity and operational clarity
Objectives of the Current Proposal	To codify current practices, update rule references, and uphold consistent, transparent, and enforceable penalties across all WESM participants.



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 47 of 62
Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

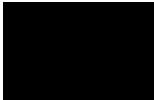
COVERAGE

Penalty Manual Issue 3.0	Enforcement and Compliance Manual Issue 1.0
Summary of Changes • Clarity in the Institutional Roles • Integration of Penalty Collection, Distribution, and Flowback Mechanism • Incorporation of Exhaustion of Available Remedies in WESM Governance • Clearer Timelines and Enforcement Mechanisms • Update of Rule References and Alignment of Terminology • Transfer of the Reconsideration and Appeal Procedures • Minor/Clerical Revisions for Consistency	Summary of Changes • Jurisdictional Clarification • Streamlined Investigation Timelines • Refined Process Flow • Filing Authority, Terminology and Notifications • Enhanced Provisions Relating to Remedial Measures • Integration of Reconsideration and Appeal Procedures • Minor/Clerical Revisions for Consistency
File with MSC; consultation with RCC, CC and PEM Board	File with RCC
General Amendment	General Amendment
Proponent: PEMC (or PEMC and IEMOP)	Proponent: PEMC



Proposed Rule Amendments to:

WESM Enforcement
and Compliance Manual



MEETING MINUTES

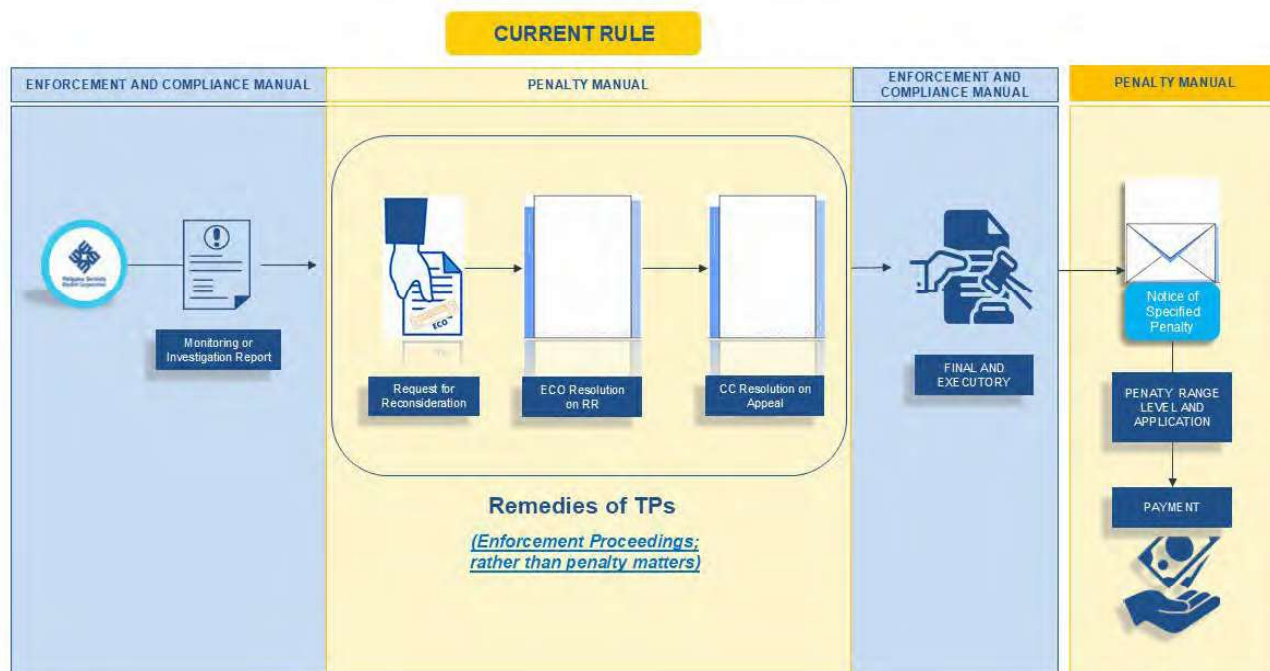
Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 48 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



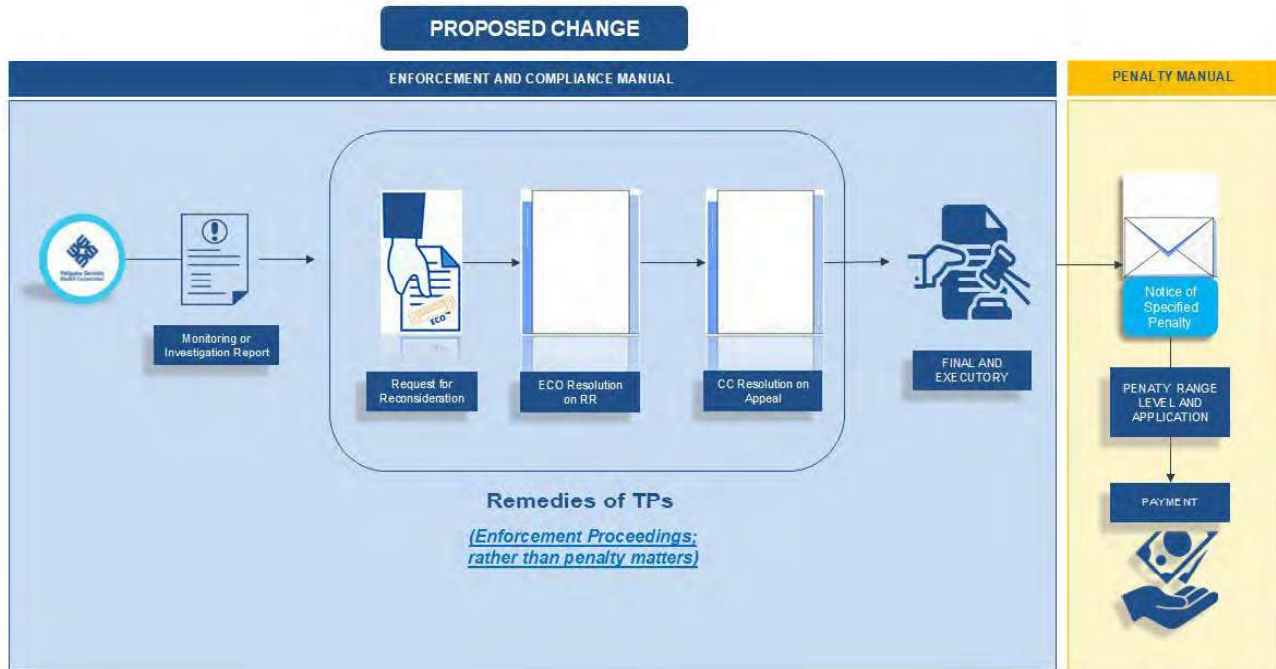
Summary of the Proposal:

1. Transfer of the provisions on Request for Reconsideration and Appeal proceedings from Penalty Manual to the Enforcement and Compliance Manual ■
2. Change in the timeline for compliance monitoring and assessment and other enforcement proceedings timeline ■
3. Additional provisions for RFI verification ■
4. Minor and clerical correction



MEETING MINUTES

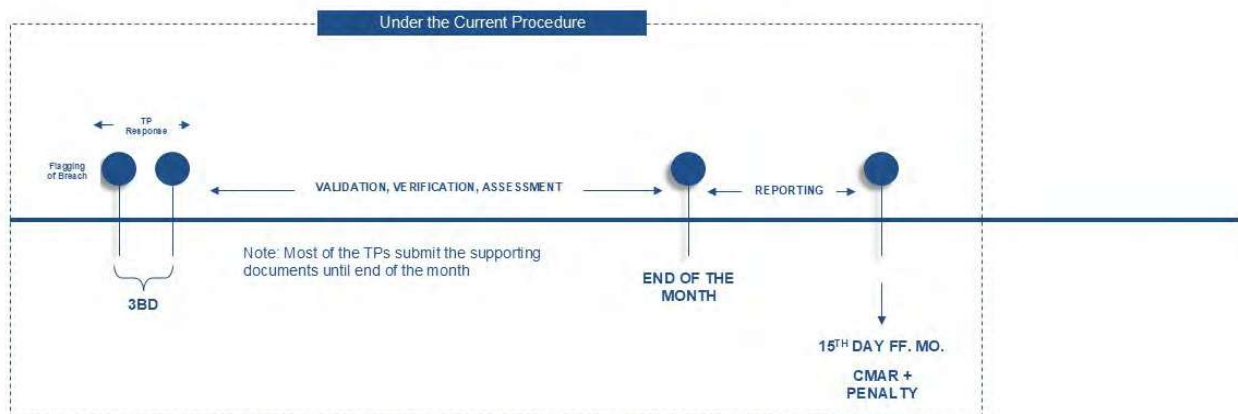
Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 49 of 62
 Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



7



COMPLIANCE MONITORING AND ASSESSMENT TIMELINE



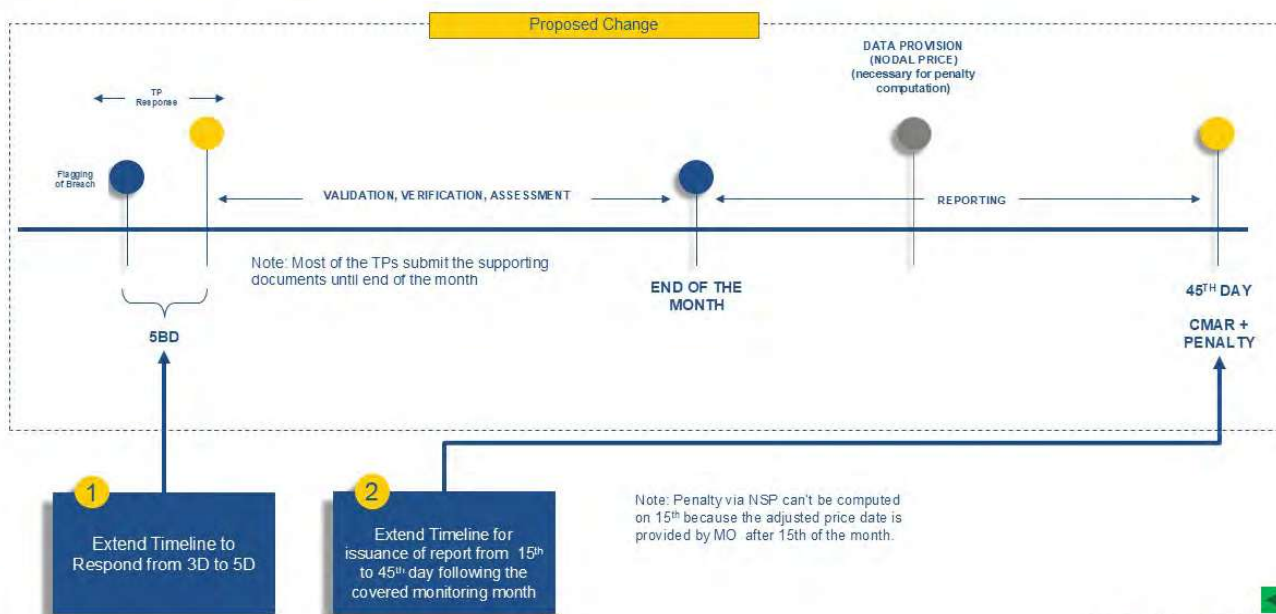
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MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 50 of 62
 Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

COMPLIANCE MONITORING AND ASSESSMENT TIMELINE



9

RATIONALE FOR EXTENDING ECO'S MONITORING REPORT TIMELINE TO 45 DAYS

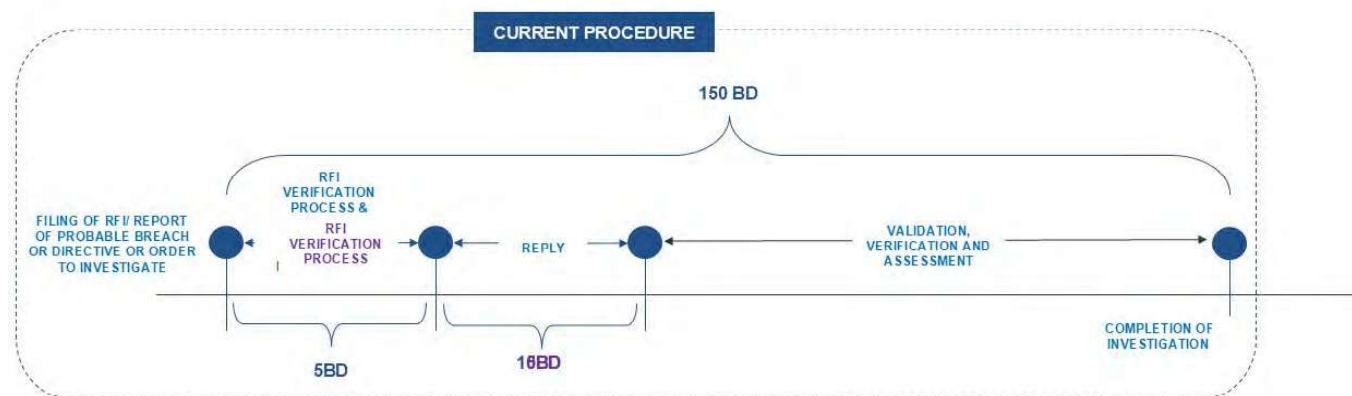
A. OVERLAPPING TIMELINES WITH OTHER MONITORING TYPE		B. VOLUME OF REPORTS ISSUED MONTHLY	
Monitoring Type	Due Date of the Reports	Monitoring Type	Average No. of Reports Per Month
FOR CMAR-OCC	15 days from the last day of the calendar month of the covered monitoring period	FOR CMAR-OCC	305
FOR CMAR-DCS	15 days from the last day of the calendar month of the covered monitoring period	FOR CMAR-DCS	305
FOR CMAR-MORM	15 days from the last day of the calendar month of the covered monitoring period	FOR CMAR MORM	49
FOR FINAL FAS RESULTS	70 days from the last day of the calendar month of the covered monitoring period	FOR FINAL FAS RESULTS	100
FOR CMAR-FAS	Every March 31 of the year following the covered monitoring period	FOR CMAR-FAS	100
FOR CMAR-LAS	45 days from the last day of the calendar month of the covered monitoring period	FOR CMAR-LAS	20
FOR CMAR-ROCC	20 days the last day of the calendar month of the covered monitoring period	FOR CMAR-ROCC	70
FOR CMAR-RCS	60 days the last day of the calendar month of the covered monitoring period	FOR CMAR-RCS	50
FOR INV REPORT	150 BD from RFI	FOR INV REPORT	1
FOR RESOLUTION ON RR	15 days from receipt of the Request for Reconsideration	RESOLUTION ON RR	5

- Monitoring activities overlap, making the timeline tight
- Too many reports are issued every month (covering Luzon, Visayas, and Mindanao WESM Members)
- Time management for ECO's current manpower setup

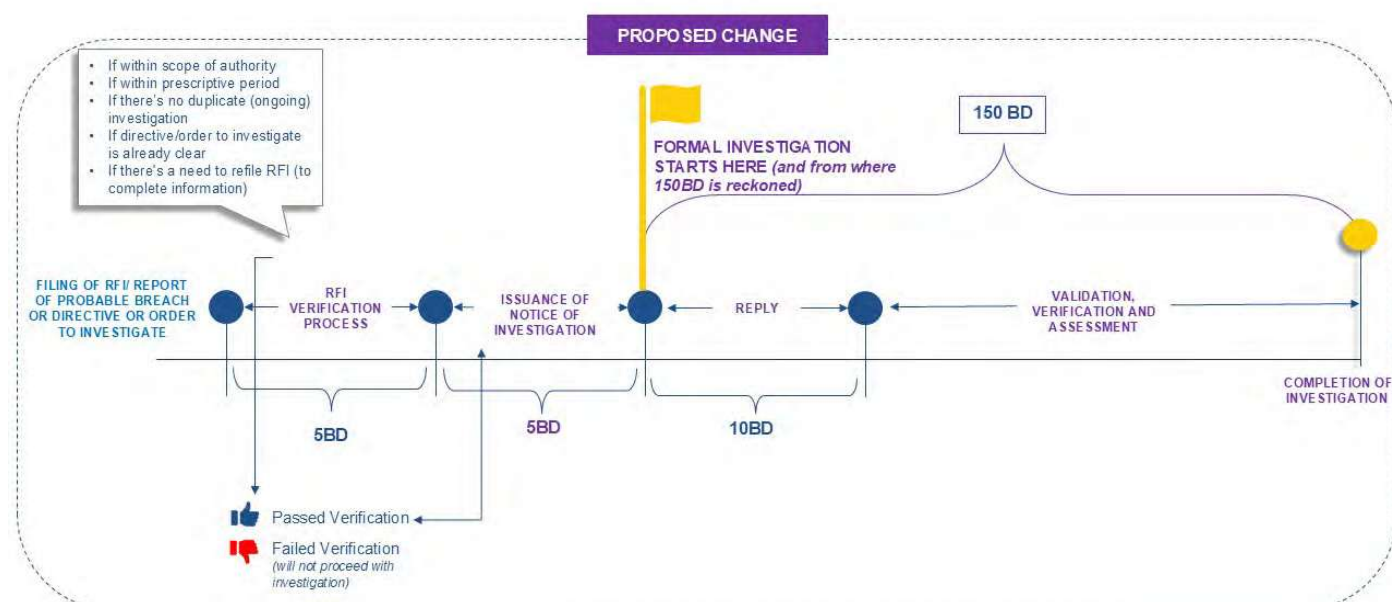
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MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 51 of 62
 Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



11



12

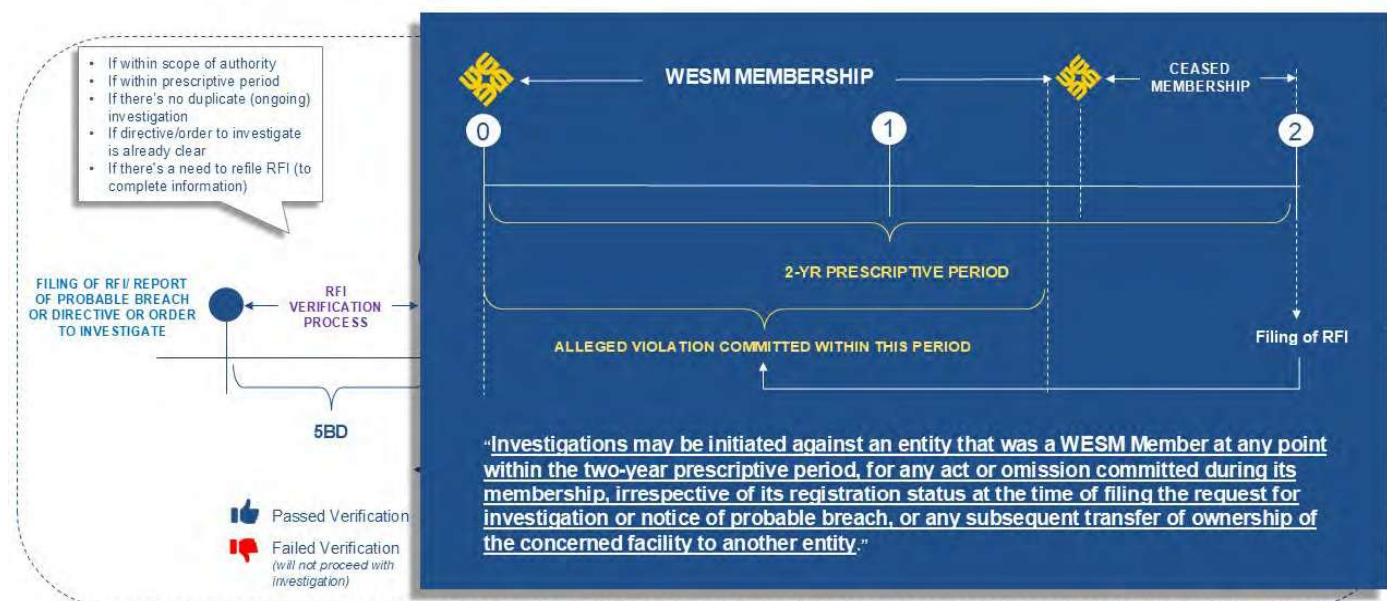
MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 52 of 62

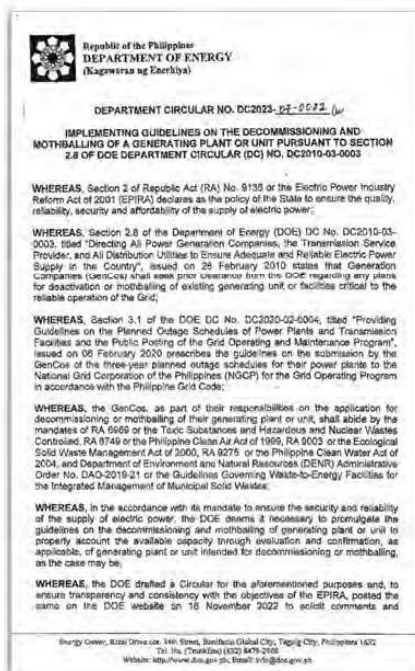
Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



JURISDICTIONAL CLARIFICATION



13



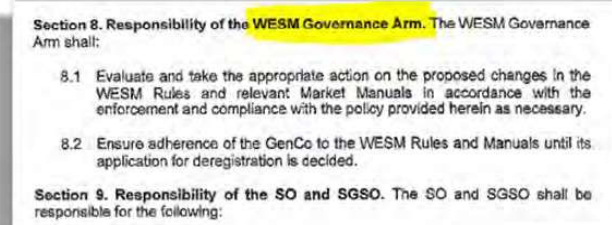
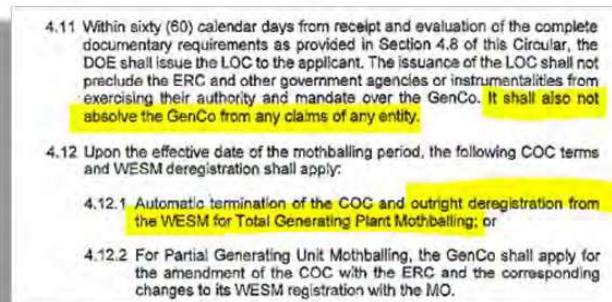
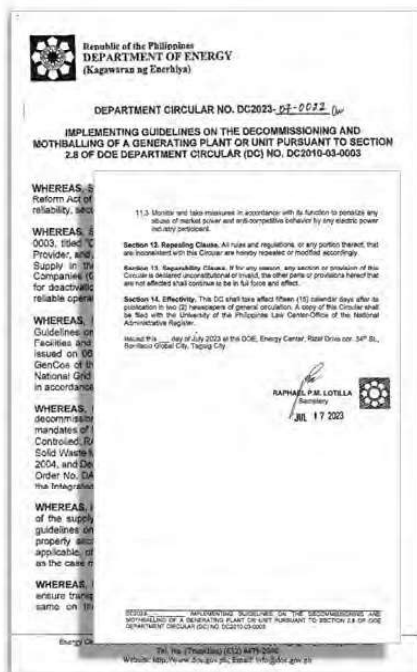
14



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 53 of 62

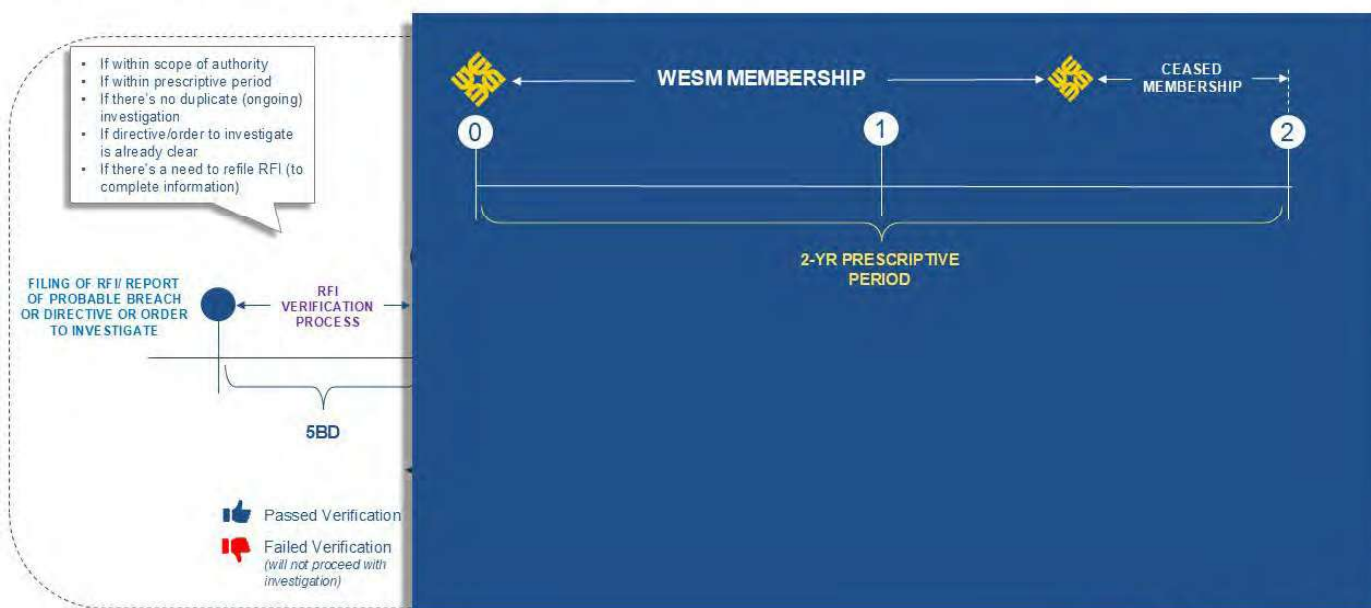
Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



15



RELATED PROVISION – Sec. 4.1.6 of the Penalty Manual



16



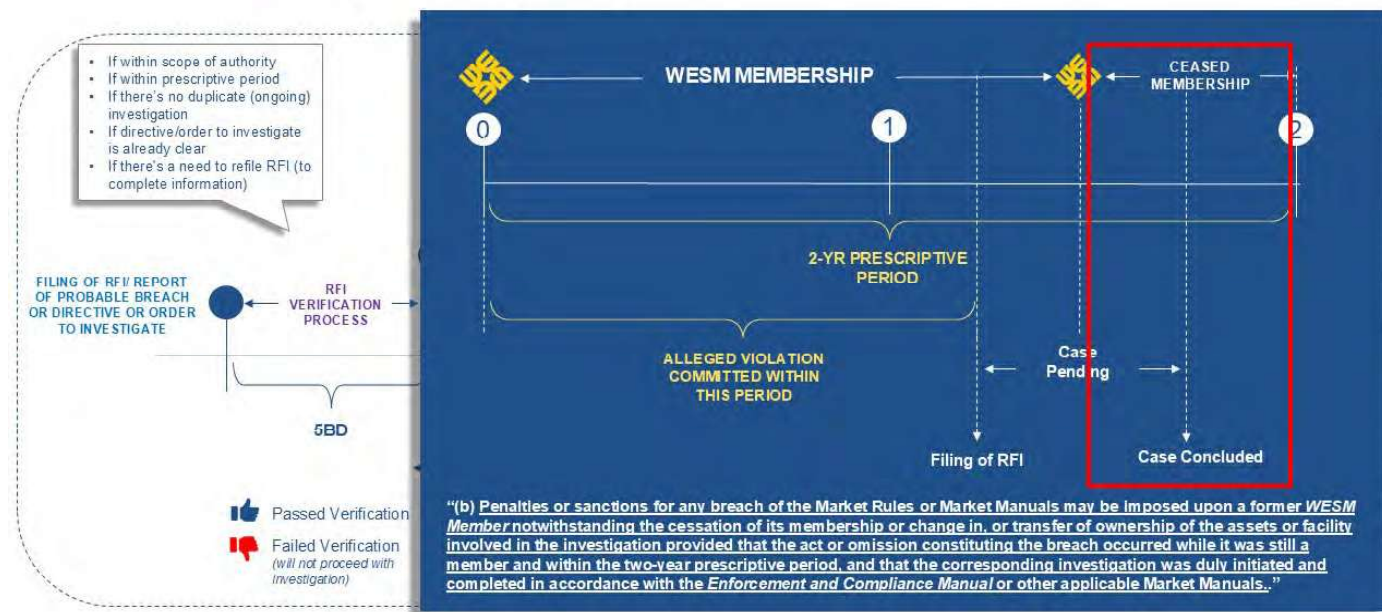
MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 54 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



RELATED PROVISION – Sec. 4.1.6 of the Penalty Manual



17



CURRENT RULE

On CC Review of Investigation Report



18

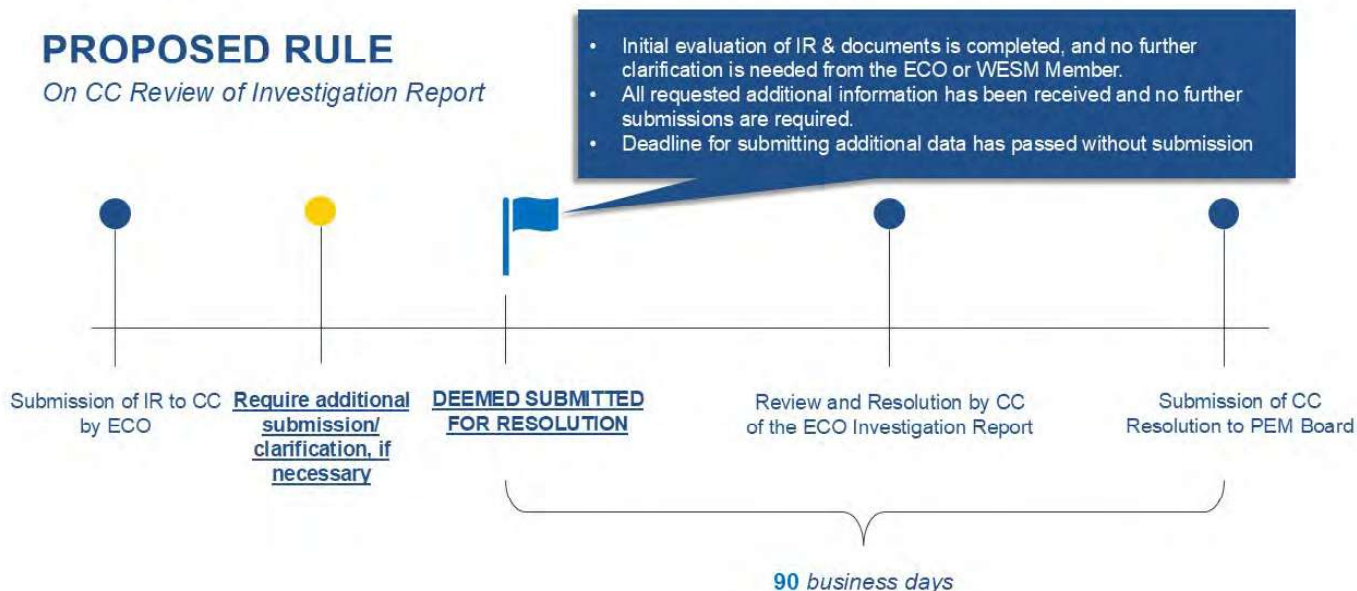




MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 55 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



19



JUSTIFICATION FOR EXTENDING CC REVIEW TIMELINE

Key Consideration	Summary Description
Purpose of Extension	Allows CC sufficient time to thoroughly review ECO's Investigation Report
Supplemental Submissions	Trading Participants often need time to provide additional documents or legal memorandum
Clarification from MO and SO	CC may request data from MO/SO, which follow their own timelines
Limited Meeting Frequency	CC meets monthly, making the 30-day review period impractical especially for complex appealed cases
Due Process & Review Quality	90 days enables fair, comprehensive evaluation and stronger enforcement outcomes

20





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 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 56 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

Area/Subject of Amendment	Brief Description	Area/Subject of Amendment	Brief Description
On Compliance Monitoring and Assessment Section	Revised the timeline - to afford the <i>WESM Member</i> more time to respond in consideration of the time to gather information from the person or unit in charge; and for ECO to have more time for quality assessment.	On Investigation Review / Remand of Cases	Revised for clarity – that there is no need for ECO to inform the concerned Trading Participants that a case is remanded.
On Enforcement Proceedings Section / Request for Reconsideration and Appeal Section / Glossary	- Added sections relating to Request for Reconsideration and Appeal Proceedings (as lifted from the WESM Penalty Manual). - Revised the timeline – provide a reasonable period for the resolution on the Request for Reconsideration and the disposition on Appeal.	Extended Timeline for Resolution of RR	- From 15 BD to 60 BD - May be extended if delay is beyond control of ECO (but not to exceed 30 BD from receipt of required information).
On Initiation of Investigation	- Added a provision for clarity on jurisdictional matters. - Added a provision on screening of RFI. This would prevent unnecessary efforts and time to investigate.	On Implementation of Enforcement Actions Section	Revised for consistency with the rule on exhaustion of remedies. The Notice of Specified Penalty will be issued only when the finding, resolution or decision becomes final and executory.
On Remedial Measures	Strengthen the need for imposition of remedial measures at any stage of proceedings (during or after the compliance monitoring or investigation)	Others	- Clerical correction - Italicized the words or terms that have been defined in the Market Rules/Market Manuals. - Consistent use of terminologies. - Removed redundant provisions. - Updated rule references which have already been changed by series of amendments.

21



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22



MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 57 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

Proposed Rule Amendments to:

WESM Penalty Manual

Proposed Changes:

1. Flowback Mechanism
2. Change in Timeline for Implementation of Enforcement Action (*Exhaustion of Remedies before Penalty Collection*)
3. Transfer of Provisions/Section on RR and Appeal from Penalty to EC Manual 
4. Minor and clerical correction





MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 58 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

PENALTY PRINCIPLES AND GUIDELINES

Financial penalties benefit electricity end users.

- All collected penalties and default interest are ultimately returned to end users
- Distribution is coursed through WESM Customers (*distribution utilities, electric cooperatives, retail electricity suppliers, bulk users, excluding those subject to penalties*)
- Only eligible transacting Members receive allocations.

Treatment of Penalties: Penalty distributions are separate from regular WESM settlements.

- Penalty amounts follow WESM settlement mechanisms
- Not part of energy or reserve settlement amounts
- Treated strictly as pass-through transactions by the Market Operator
- Includes both collections and remittances, plus any interest
- All activities must comply with timelines in the WESM Manual on Billing and Settlements

25



FLOWBACK MECHANISM

Proportional Allocation to WESM Customers

Penalty amounts collected by the Market Operator are allocated *proportionally*, based on:

- Each WESM Customer's billing statement amount for the relevant month, relative to the total billing amount of all WESM Customers for the same period

Allocation follows the methodology in the WESM Billing & Settlement Manual

Settlement Notice Integration

- Each WESM Customer's collected penalty amount is explicitly reflected in their settlement notice
- Ensures transparency and traceability of collected penalty flowback

When Adjustments are Required

If a lawful order from a court of competent jurisdiction, or the Energy Regulatory Commission (acting as a quasi-judicial body) requires: (a) Reversal; (b) Modification; and (c) Refund of previously allocated penalty amounts, the MO must implement adjustments or refunds in accordance with the order

26



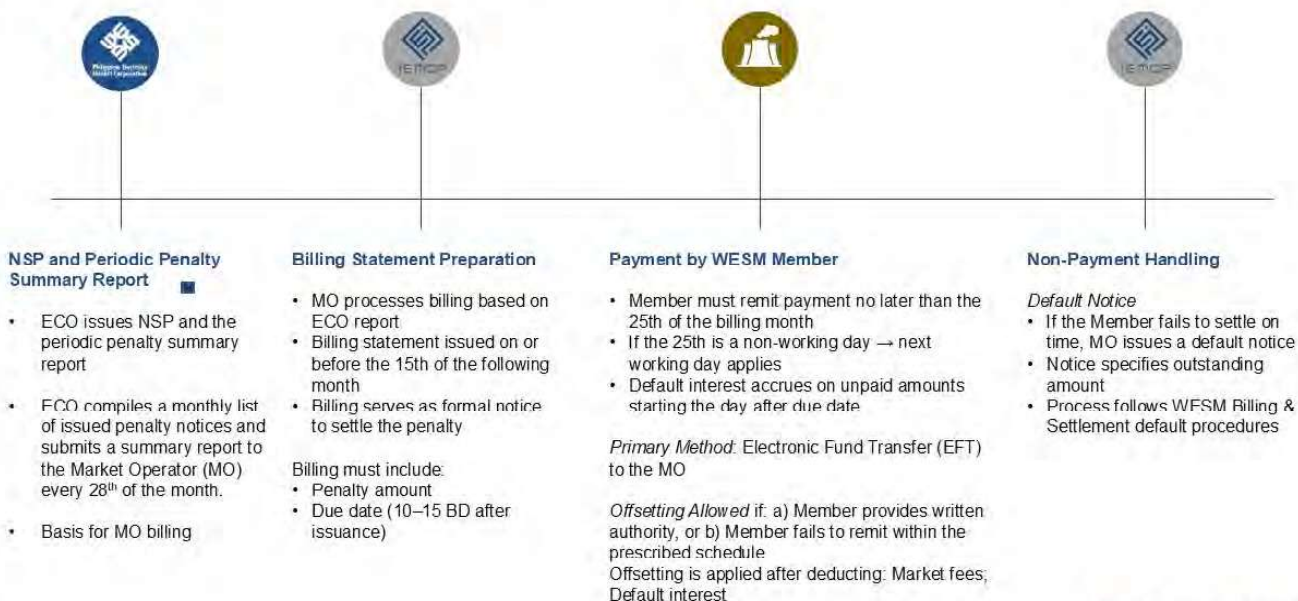
MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 59 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



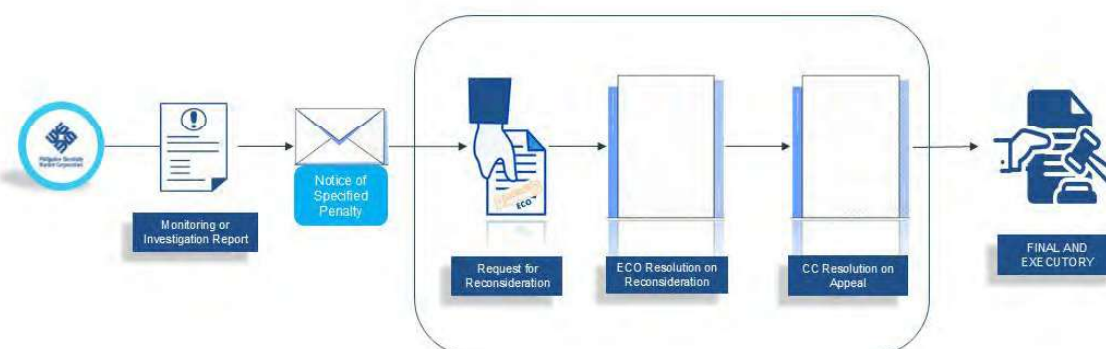
PENALTY BILLING AND COLLECTION PROCESS



27



WHEN IS A NOTICE OF SPECIFIED PENALTY ISSUED?



28

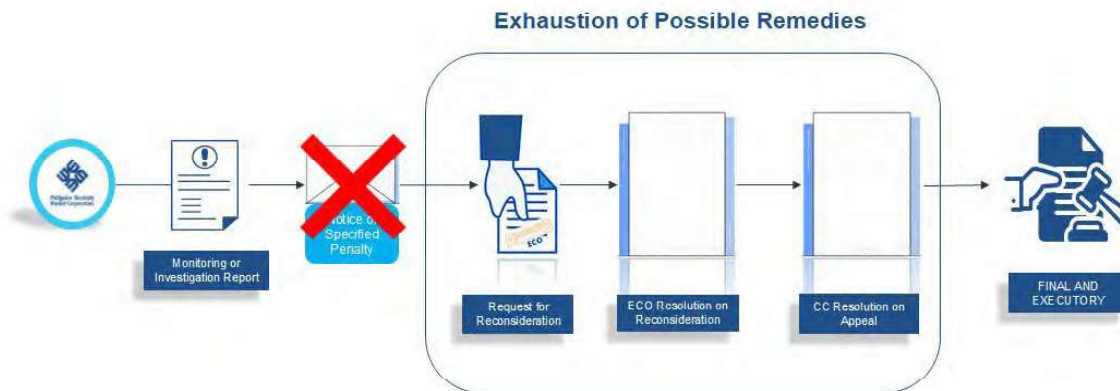


MEETING MINUTES

Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 60 of 62
 Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

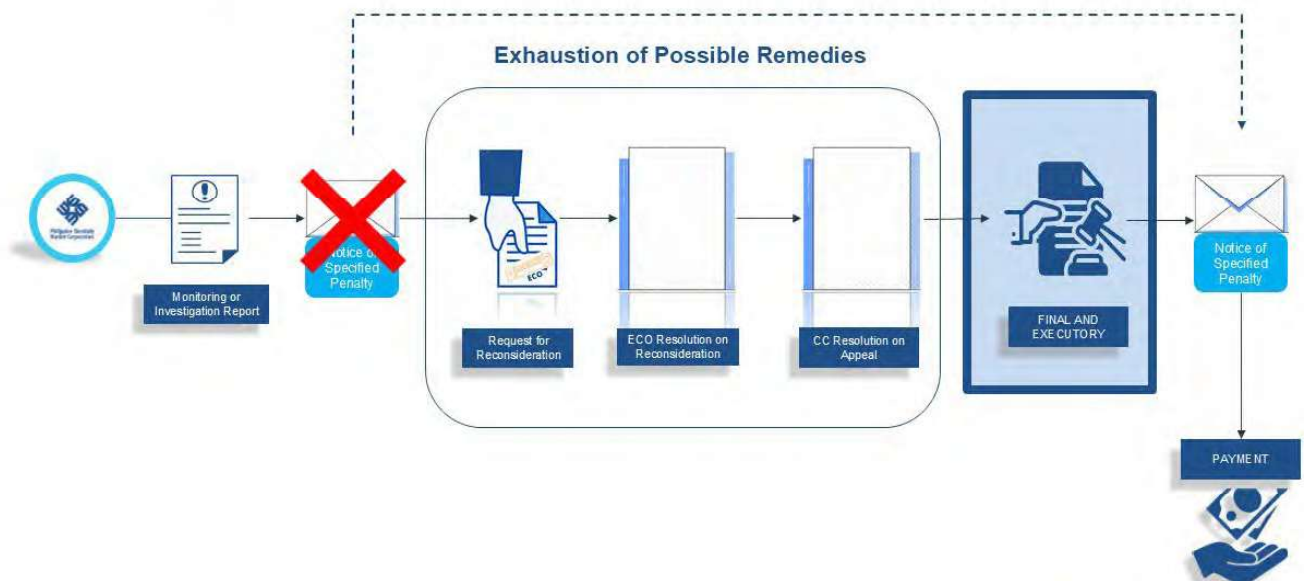


WHEN IS A NOTICE OF SPECIFIED PENALTY ISSUED?



29

WHEN IS A NOTICE OF SPECIFIED PENALTY ISSUED?



30

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Subject/Purpose : 254th RCC (Regular) Meeting
 Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
 Venue : Online via Microsoft Teams
 Page : 61 of 62

Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual

WHEN IS A FINDING OF BREACH FINAL AND EXECUTORY?



No appeal is filed after a **reconsideration is denied** by the Enforcement and Compliance Office *(for CMA-initiated cases)*



The **Compliance Committee affirms** the breach on appeal *(for CMA-initiated cases)*



The **PEM Board confirms** the breach after the case review (RR) *(for RFI-initiated cases)*



The **deadline to appeal or reconsider lapses** without any action



31

Area/Subject of Amendment	Brief Description	Area/Subject of Amendment	Brief Description
Clarify Institutional Roles	- Define roles of WESM Governance Arm (oversight, imposition of penalties, and governance), and Market Operator (billing, collection or flowback). - Ensure accountability and reduce procedural overlaps or gaps.	Establish Clearer Timelines and Enforcement Mechanisms	- Introduce defined periods for billing, payment, and reporting. - Specify triggers and procedures for suspension and deregistration of non-compliant entities. - Add contingency provisions to address enforcement challenges and ensure timely compliance.
Integrate Penalty Collection, Distribution or Allocation Procedures	- Formalize the billing, collection and allocation guidelines into the Penalty Manual under Section 6. - Include billing timelines, formats, and contingency measures (e.g., dissolution or non-payment).	Update Rule References and Align Terminology	- Replace outdated citations with current clause numbers. - Harmonize definitions and terms across WESM Rules and Market Manuals. - Align language with prevailing regulatory standards to avoid confusion.
Exhaustion of Remedies	- Provide basis for including exhaustion of remedies within the scope of the Penalty Manual. - Provide that penalties are imposed only after enforcement remedies have been availed of. - Define when a finding of breach is considered final and executory within the purview of the Governance Arm and the Market Operator, listing conditions that reflect exhaustion of remedies.	Transfer Reconsideration and Appeal Procedures	- Relocate reconsideration and appeal processes to the WESM Enforcement and Compliance Manual. - Allow the Penalty Manual to focus on penalty imposition and administration. - Centralize procedural remedies and due process under the Enforcement Manual to streamline documentation and avoid redundancy.

32

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Date & Time : 16 January 2026, 9:00 AM to 3:00 PM
Venue : Online via Microsoft Teams
Page : 62 of 62
Annex C – Presentation Materials for the Proposed Amendments to the EC and Penalty Manual



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A large banner with a blue and yellow background. On the left, a hand holds a smartphone displaying a QR code. The text on the phone screen says 'Follow us on our social media accounts scan QR code below'. The QR code has the PEMC logo in the center. On the right, the text 'Connect with PEMC' is written in large, bold, yellow letters. Below this, contact information is listed: email (pemc.info@wesm.ph), phone (+63 2 8631 8734), and address (18F Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City 1600, Philippines). At the bottom, social media handles for Facebook, LinkedIn, Twitter, and YouTube are listed as 'pemcinfo' or 'PEMC_Info'. The PEMC logo and name are in the top right corner of the banner.