



RULES CHANGE COMMITTEE

Proposed Amendments to the WESM Rules and Various WESM Manuals on Market Surveillance Committee Processes

Effective Date : 12 December 2025

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WHEREAS, on 14 May 2025, the Market Surveillance Committee (MSC) submitted to the Rules Change Committee (RCC) proposed amendments to WESM Rules and various WESM Manuals which aim to:

1. Enhance the MSC's role in overseeing the WESM and clarify its procedures regarding the review of proposed changes to the WESM Penalty Manual and other penalty provisions; and
2. Enhance and clarify the procedures/processes of the MSC regarding the following:
 - a. Reports, specifically, the timescales, naming, and submission process to various entities; and
 - b. Interface with the Enforcement and Compliance Office (ECO), which currently reports to the Compliance Committee (CC), removing the ECO from the MSC purview;

WHEREAS, the RCC approved the publication of the proposal in the WESM Governance Arm website to solicit comments from the stakeholders during its 247th RCC (Regular)¹ Meeting on 20 June 2025;

WHEREAS, during the commenting period from 25 June to 05 August 2025, the proposed amendments received comments from Aboitiz Power Corporation (APC), Millenium Energy Inc./Panasia Energy Inc. (MEI/PEI), and National Grid Corporation of the Philippines (NGCP);

WHEREAS, during its 250th RCC (Regular) Meeting¹ on 19 September 2025, the RCC discussed the proposed amendments, the comments and the corresponding responses of the Proponent, including queries regarding the MSC's authority to review and submit amendments to the WESM Penalty Manual directly to the DOE and its responsibility on the issuance of notification of possible anti-competitive behavior;

WHEREAS, during the 251st RCC (Regular) Meeting² on 17 October 2025, the RCC agreed to adhere to the prevailing responsibilities of the MSC that were delegated by the DOE under DOE DC2021-08-0026³ and amendments thereto. The RCC requested the MSC to revise its proposed amendments to the WESM Rules to provide a separate sub-section in processing amendments to the WESM Penalty Manual in consideration of the current responsibilities of the relevant entities as follows:

Entity	Responsibility in processing amendments to the WESM Penalty Manual
MSC	- Review and, as necessary, propose amendments - Conduct consultation/s with the RCC, CC, and PEM Board - Endorse the proposed amendments to the DOE for final approval
RCC, CC, and PEM Board	Provide comments upon consultation of the MSC
DOE	Final approval of the proposed amendments endorsed by the MSC

WHEREAS, during the 252nd RCC (Regular) Meeting⁴ on 21 November 2025, the RCC discussed and approved the MSC's revised proposed amendments with the following revisions:

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

² Ibid.

³ Adopting Further Amendments to the Wholesale Electricity Spot Market (WESM) Rules and Its Market Manuals for the Implementation of Enhancements to WESM Design and Operations Provisions for Market Surveillance, Enforcement and Compliance), 30 July 2021

⁴ Ibid.

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1. Reflection in the WESM Penalty Manual of the detailed framework outlining the MSC's procedures and timelines for the review of the proposed amendments to the WESM Penalty Manual, which includes the procedures and timelines to be observed by the MSC in consulting the RCC, CC, and PEM Board;
2. New proposed amendments on WESM Rules Clause 7.2.5.5 to provide reference to the specific procedures on the MSC's review and amendment of the WESM Penalty Manual and other penalty provisions;
3. In view of the foregoing, withdrawal of the proposed amendments under WESM Rules Clause 8 and the proposed new Section 5.6 on WESM Market Surveillance Manual; and
4. Harmonization of the terms used in the proposed amendments;

WHEREAS, to ensure alignment and completeness, amendments to Section 6.4 of the WESM Guidelines Governing the Constitution of the WESM Governance Committee Manual are proposed concurrently with amendments to the WESM Rules and WESM Market Surveillance Manual regarding the responsibilities of the MSC;

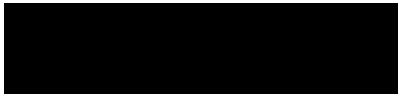
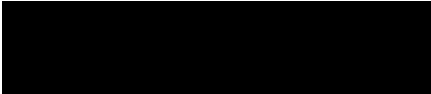
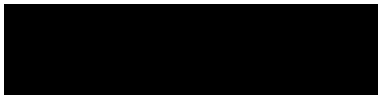
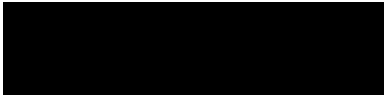
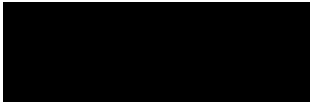
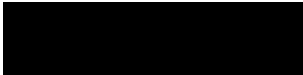
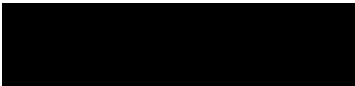
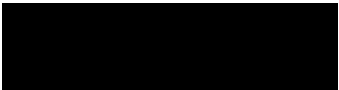
NOW THEREFORE, we, the undersigned, on behalf of the sectors we represent, hereby resolve, as follows:

RESOLVED, to approve the amendments to the WESM Rules, WESM Market Surveillance Manual, and WESM Guidelines Governing the Constitution of the WESM Governance Committee Manual, as presented in full in Annex A.

RESOLVED FURTHER, to endorse these amendments to the PEM Board for approval, and for subsequent submission to the DOE for final approval, and to the ERC for information.

Done this 12th day of December 2025, Pasig City.

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Market Surveillance Committee Processes

Approved by: THE RULES CHANGE COMMITTEE	
Independent Members:	
 RACHEL ANGELA P. ANOSAN Chairperson	 JESUSITO G. MORALLOS
 JORDAN REL C. ORILLAZA	 EMMANUEL GENESIS T. ANDAL
Generation Sector Members:	
 DIXIE ANTHONY R. BANZON Masinloc Power Partners Co. Ltd. (MPPCL)	 JAYSON A. FRANCISCO Aboitiz Power Corp. (APC)
 CARLITO C. CLAUDIO Millenium Energy, Inc./Panasia Energy, Inc. (MEI/PEI)	 MARK D. HABANA Vivant Corporation – Philippines (Vivant)
Distribution Sector Members:	
 RYAN S. MORALES Manila Electric Company (MERALCO)	 VIRGILIO C. FORTICH, JR. Cebu III Electric Cooperative, Inc. (CEBECO III)
 NELSON M. DELA CRUZ Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)	 RUSSEL S. ALABADO Angeles Electric Corporation (AEC)

Supply Sector Member:
GIAN KARLA C. GUTIERREZ First Gen Corporation (FGC)
Market Operator Member:
KRISTOFFER MONICO S. NG Independent Electricity Market Operator of the Philippines (IEMOP)
System Operator Member:
DARRYL LON A. ORTIZ National Grid Corporation of the Philippines (NGCP)



Proposed Amendments to the WESM Rules and Various WESM Manuals on
Market Surveillance Committee Processes

Annex A

WESM RULES as of 05 November 2024

Title	Section	Provision	Proposed Amendment	Rationale
Chapter 1 – Introduction 1.6 Market Surveillance Committee	1.6.2 Responsibilities of the Market Surveillance Committee	The <i>Market Surveillance Committee</i> shall from time to time as necessary and appropriate or whenever the <i>PEM Board</i> directs: xxx (d) Assist the <i>Rules Change Committee</i> in relation to its assessment of proposals to amend the <i>WESM Rules</i> under Chapter 8.	The <i>Market Surveillance Committee</i> shall from time to time as necessary and appropriate or whenever the <i>PEM Board</i> directs: xxx (d) Assist the <i>Rules Change Committee</i> in relation to its assessment of proposals to amend the <i>WESM Rules</i> under Chapter 8; <u>and</u> <u>(e) Initiate or process proposed changes to the WESM Penalty Manual pursuant to Clause 7.2.5.5.</u>	To reflect the responsibility of the MSC to review proposed amendments to the WESM Penalty Manual pursuant to Clause 7.2.5.5 of the WESM Rules.
Chapter 7 – Enforcement and Disputes	7.2.5.5	A <i>WESM Penalty Manual</i> shall be adopted and promulgated by the DOE which shall specify the: (a) Acts or omissions constituting breach of the <i>WESM Rules</i> or <i>Market Manuals</i> for which penalties can be imposed; (b) Penalties, financial and non-financial, that can be imposed for each type of <i>breach</i> , which should be commensurate to the nature and gravity of the breach; and	A <i>WESM Penalty Manual</i> shall be adopted and promulgated by the DOE which shall specify the: (a) Acts or omissions constituting breach of the <i>WESM Rules</i> or <i>Market Manuals</i> for which penalties can be imposed; (b) Penalties, financial and non-financial, that can be imposed for each type of <i>breach</i> , which should be commensurate to the nature and gravity of the breach; and	To provide clarification on the responsibility and the procedures that will be followed by the MSC to review any proposed amendments related to penalties imposed in the WESM.

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WESM RULES as of 05 November 2024

Title	Section	Provision	Proposed Amendment	Rationale
		(c) Procedures for and respective obligations of responsible persons or entities in implementing penalties. The <i>Market Surveillance Committee</i> shall review the <i>WESM Penalty Manual</i> from time to time as may be necessary, and in consultation with the <i>Rules Change Committee</i>, <i>Compliance Committee</i> and the <i>PEM Board</i>, recommend changes thereto, provided, that changes on the same shall be subject to the approval of the DOE.	(c) Procedures for and respective obligations of responsible persons or entities in implementing penalties. The <i>Market Surveillance Committee</i> shall review the <i>WESM Penalty Manual</i> from time to time as may be necessary, and in consultation with the <i>Rules Change Committee</i>, <i>Compliance Committee</i> and the <i>PEM Board</i>, recommend changes thereto, provided, that such changes on the same shall be subject to the approval of the DOE. <u>The <i>WESM Penalty Manual</i> likewise shall provide the manner and timeline by which an amendment to the said manual can be proposed and the procedures and timeline to be observed by the <i>Market Surveillance Committee</i> in connection with evaluating proposals to amend the said manual as well as consultation it has to undertake as adverted to in the preceding paragraph.</u>	

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WESM Manual on Market Surveillance Issue 2.0

Title	Section	Provision	Proposed Amendment	Rationale
Section 1 – Introduction	1.2 – Scope	This Manual covers all related procedures and activities concerning market monitoring, assessment and surveillance as follows: (a) All activities and procedures, including the functions, authority and reports of the <i>Market Surveillance Committee</i>, <i>Enforcement and Compliance Office</i> and the <i>Market Assessment Group</i>; and (b) Rules on access to information and data management.	This Manual covers all related procedures and activities concerning market monitoring, assessment and surveillance as follows: (a) All activities and procedures, including the functions, authority and reports of the <i>Market Surveillance Committee</i>, <i>Enforcement and Compliance Office</i> and the <i>Market Assessment Group</i>; and (b) Rules on access to information and data management.	Removal of ECO since the enforcement functions of the MSC were transferred to the Compliance Committee (CC).
Section 2 – Definition, Interpretation, and Construction	2.1 – Definition of terms	Market Assessment Report means the periodic report prepared by the <i>Market Assessment Group</i> and submitted to the <i>Market Surveillance Committee</i>. Market Information Website means the facility established by the <i>Market Operator</i> on the electronic communication system on which it may publish information which is then made available to and may be accessed by the <i>WESM members</i>. xxx	Market Assessment Report means the periodic report <u>for Wholesale and Retail electricity markets</u> prepared by the <i>Market Assessment Group</i> and submitted to the <i>Market Surveillance Committee</i>. Market Information Website means the facility established by the <i>Market Operator</i> on the electronic communication system on which it may publish information which is then made available to and may be accessed by the <i>WESM members</i>. xxx	To reflect that the assessment reports include both the Wholesale and Retail Electricity markets. Deletion of “market information website” since it refers to the website being managed by the Market Operator. Note that all MSC reports are published in the website of the WESM Governance Arm.

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Title	Section	Provision	Proposed Amendment	Rationale
		Market Surveillance Committee refers to the WESM Governance Committee tasked under <i>WESM Rules</i> to monitor, assess and report on the activities and developments in the WESM.	Market Surveillance Committee refers to the WESM Governance Committee tasked under <i>WESM Rules</i> to monitor, assess and report on the activities and developments in the WESM, <u>and review the WESM Penalty Manual and any amendments thereof.</u>	To include MSC's responsibility in reviewing the WESM Penalty Manual and any amendments thereof.
		xxx	xxx	
			<u>Monthly Market Statistics refers to the monthly online publication on market statistics in the Philippines.</u>	To reflect the appropriate term or name of documents / reports conducted by the Committee.
			<u>Monitoring Report refers to the accomplishments of the Market Surveillance Committee deliberated during the covered period including the approved market reports.</u>	
		xxx	xxx	
		Review Document on Over-Riding Constraints means the report prepared by the <i>Market Surveillance Committee</i> in accordance with Section 5.5 of this Manual.	Review Document on Over-Riding Constraints <u>Report</u> means the report prepared by the <i>Market Surveillance Committee</i> in accordance with Section 5.5 of this Manual.	

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Title	Section	Provision	Proposed Amendment	Rationale
		xxx Review Report means the report prepared by the <i>Market Surveillance Committee</i> and submitted to the <i>PEM Board</i> in accordance with Section 5.7 of this Manual. xxx	xxx Review Report <u>on Market Intervention / Suspension</u> means the report prepared by the <i>Market Surveillance Committee</i> and submitted to the <i>PEM Board</i> in accordance with Section 5.7<u>3</u> of this Manual. xxx	To update reference provision.
Section 3 – Responsibilities	3.1 – Market Surveillance Committee	In accordance with the <i>WESM Rules</i>, the <i>Market Surveillance Committee</i> shall have the following responsibilities: xxx (b) Prepare and Submit Monthly Monitoring Reports, Quarterly Retail Market Monitoring Reports, Annual Reports to the <i>PEM Board</i>, the <i>DOE</i> and the <i>ERC</i>, as the case may be, as required under this <i>Market Manual</i>, which shall include the following:	In accordance with the <i>WESM Rules</i>, the <i>Market Surveillance Committee</i> shall have the following responsibilities: xxx (b) Prepare and Submit <u>Monthly Monitoring Reports, Quarterly Retail Market Monitoring Reports, Annual Reports</u> to the <i>PEM Board</i>, the <i>DOE</i> and the <i>ERC</i>, as the case, <u>which</u> may be, as required under this <i>Market Manual</i>, <u>the Quarterly Monitoring Reports, Quarterly Market Reports covering three (3) billing periods, and Annual Market Reports covering the January to December billing period, including the</u>	Proposed shifting from monthly to quarterly reporting to enhance the depth and accuracy of market assessments. This change will allow the MSC to: Conduct More Detailed Assessments: By covering longer periods, the MSC can perform more comprehensive analyses, leading to more accurate and

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Title	Section	Provision	Proposed Amendment	Rationale
		(i) Market Assessment Report; (ii) Retail Market Assessment Report; (iii) Over-riding Constraints Report; and (iv) Apparent or suspected incidents of <i>anti-competitive behavior</i> or abuse of market power by any <i>WESM Participant/Member</i> xxx	<u>last quarter, for the Wholesale and Retail electricity markets.,</u> which shall include the following: (i) Market Assessment Report; (ii) Retail Market Assessment Report; (iii) Over-riding Constraints Report; and (iv) Apparent or suspected incidents of <i>anti-competitive behavior</i> or abuse of market power by any <i>WESM Participant/Member</i> <u>The Committee shall publish Monthly Market Statistics that include the results of the monitoring indices specified in the Catalogue of Market Monitoring Data and Indices (CMMDI) and Catalogue of Retail Market Monitoring Data and Indices (CRMMDI).</u> xxx	insightful evaluations of market conditions. - Identify Trends: Quarterly monitoring will enable the MSC to better identify and understand market trends, which may not be as apparent in shorter, monthly reports. - Resource Optimization: Focusing on quarterly reports will allow the MSC to allocate resources more efficiently, ensuring that the analyses are thorough and well supported. Additionally, to address any specific market issues or developments, the MSC retains the discretion to submit

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Title	Section	Provision	Proposed Amendment	Rationale
				monthly reports or special reports as necessary. This flexibility ensures that the MSC can respond promptly to any emerging concerns or significant changes in the market.
Section 3 – Responsibilities	3.1 – Market Surveillance Committee	(NEW)	<u>(c) In the conduct of its market surveillance function, recommend to WESM Governance Arm President the issuance of Notification of Possible Commission of Anti-competitive Behavior for any apparent or suspected incidents of anti-competitive behavior or abuse of market power by any WESM Participant/Member.</u>	In view of the revisions to Section 3.1(b), a separate provision is introduced to specify the responsibility of the MSC in addressing any observed or suspected incidents of anti-competitive behavior or abuse of market power by any WESM Participant/Member. This separate provision aims to clarify that reports related to such behavior will be submitted on a per-occurrence basis rather than periodically. Consistent with Section 4.4 of the Market Surveillance Manual,

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Title	Section	Provision	Proposed Amendment	Rationale
		(c) Prepare and submit special market reports as may be directed by the PEM Board, DOE or ERC;	(d) (c) Prepare and submit special market reports as may be directed by the PEM Board, DOE or ERC;	clarified that the recommendation for the issuance of Notice of the MSC will be submitted to the PEMC President. Renumbering
Section 3 – Responsibilities	3.1 – Market Surveillance Committee	(d) Review an event of <i>market intervention</i> or <i>market suspension</i> , as defined under Chapter 6 of the <i>WESM Rules</i> , and prepare the corresponding Market Intervention or Market Suspension Report to be submitted to the <i>PEM Board</i> ; (e) Propose amendments to the <i>WESM Rules</i> in accordance with Chapter 8;	(e) (d) Review an event of <i>market intervention</i> or <i>market suspension</i> , as defined under Chapter 6 of the <i>WESM Rules</i> , and prepare the corresponding <u>Review Report on</u> Market Intervention or Market Suspension Report to be submitted to the <i>PEM Board</i> ; (f) (e) Propose amendments to the <i>WESM <u>Market Rules and Market Manuals</u></i> in accordance with Chapter 8;	To reflect the appropriate name of the report and to distinguish it from the report/s submitted by either System Operator or Market Operator. To include the Retail Rules and other market manuals in the possible proposed amendments. Renumbering
Section 3 – Responsibilities	3.1 – Market Surveillance Committee	(f) Upon request, assist the <i>Rules Change Committee</i> in reviewing proposed amendments to the <i>WESM Rules</i> and <i>Market Manuals</i> , and make recommendations on the expected impact and necessity of the amendment proposal;	(g) (f) Upon request, assist the <i>Rules Change Committee</i> in reviewing proposed amendments to the <i>WESM Rules</i> and <i>Market Manuals</i> , and make recommendations on the expected impact and necessity of the amendment proposal;	Renumbering

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Title	Section	Provision	Proposed Amendment	Rationale
		(g) Annually review and propose changes, as appropriate, to the <i>WESM Penalty Manual</i> pursuant to Clause 7.2 of the <i>WESM Rules</i> .	<u>(h) (g) Annually review, and propose changes, as appropriate, <i>and review any proposed amendments</i> to the <i>WESM Penalty Manual</i> pursuant to Clause 7.2.5.5 of the <i>WESM Rules</i>; and</u> <u>(i) Submit a Request for Investigation (RFI) whenever the Committee has information on acts or omissions which may possibly constitute to a breach of the <i>WESM Rules</i> and <i>WESM Manuals</i> in accordance with Section 4.6.2 of the <i>Enforcement and Compliance Manual</i>.</u>	To update the reference Clause, for clarity. To reflect the responsibility of the MSC to review any proposed amendments to the <i>WESM Penalty Manual</i> pursuant to Clause 7.2.5.5 of the <i>WESM Rules</i>. To include that in the performance of its monitoring functions the MSC have observed any acts or breaches to the <i>WESM Rules</i> and <i>Market manuals</i>, the Committee may submit a RFI to ECO for further assessment / evaluation.
Section 3 – Responsibilities	3.6 – Other WESM Governance Committees	In accordance with the <i>WESM Rules</i> , the other <i>WESM Governance Committees</i> shall, among others, have the following responsibilities:	In accordance with the <i>WESM Rules</i> , the other <i>WESM Governance Committees</i> shall, among others, have the following responsibilities:	The responsibility related to the Breach of the <i>WESM Rules</i> and <i>Market Manuals</i> was transferred to the CC.

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Title	Section	Provision	Proposed Amendment	Rationale
		(a) Notify the <i>Market Surveillance Committee</i> whenever they have knowledge of acts or omissions which may possibly constitute to a Breach of the <i>WESM Rules</i> and <i>WESM Manuals</i>; (b) Notify the <i>Market Surveillance Committee</i> when they have knowledge of acts or omissions constituting possible abuse of market power or anti-competitive behavior. (c) Provide assistance and technical expertise to other <i>WESM Governance Committees</i> when so requested; and (d) Promptly provide all data, information, reports and other documentation requested by <i>DOE, ERC, PEM Board, WESM Governance Committees, Market Assessment Group</i> or <i>Enforcement and Compliance Office</i>.	(a) Notify the <i>Market Surveillance Committee</i> whenever they have knowledge of acts or omissions which may possibly constitute to a Breach of the <i>WESM Rules</i> and <i>WESM Manuals</i>; (a) (b) Notify the <i>Market Surveillance Committee</i> when they have knowledge of acts or omissions constituting possible abuse of market power or anti-competitive behavior. (b) (c) Provide assistance and technical expertise to the other <i>WESM Governance Committees</i> <i>Market Surveillance Committees</i> when so requested; and (c) (d) Promptly provide all data, information, reports and other documentation requested by <i>DOE, ERC, PEM Board, WESM Governance Committees, <u>or</u> Market Assessment Group or Enforcement and Compliance Office</i>.	Renumbering To clearly indicate the other WGCs' assistance to the MSC pursuant to its mandate under the <i>WESM Rules</i> and <i>Market Surveillance Manual</i>. Removal of ECO since the enforcement functions of the MSC were transferred to the CC
Section 3 – Responsibilities	3.7 – WESM Members and Participants	Whenever required by the <i>Market Surveillance Committee</i> , the <i>Enforcement and Compliance Office</i> or <i>Market Assessment Group</i> , a WESM Member	Whenever required by the <i>Market Surveillance Committee</i> , the <i>Enforcement and Compliance Office</i> or <i>Market Assessment Group</i> , a WESM Member	Removal of ECO since the enforcement functions of the MSC were transferred to the CC.

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Title	Section	Provision	Proposed Amendment	Rationale
		shall timely submit requested information and data and documents to enable the <i>Market Surveillance Committee</i> to effectively carry out its functions and responsibilities under this Manual.	shall timely submit requested information and data and documents to enable the <i>Market Surveillance Committee</i> to effectively carry out its functions and responsibilities under this Manual.	
Section 4 – Market Monitoring 4.1 – Market Assessment	4.1.1	The <i>Market Assessment Group</i> shall prepare monthly and annual Market Assessment Reports for submission to the <i>Market Surveillance Committee</i> , which shall include: xxx	The <i>Market Assessment Group</i> shall prepare monthly , quarterly and annual Market Assessment Reports for submission to the <i>Market Surveillance Committee</i> , which shall include: xxx	Proposed shifting from monthly to quarterly reporting to enhance the depth and accuracy of market assessments. This change will allow the MAG to: • Conduct More Detailed Assessments: By covering longer periods, the MAG can perform more comprehensive analyses, leading to more accurate and insightful evaluations of market conditions. • Identify Trends: Quarterly monitoring will enable MAG to better identify and

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Title	Section	Provision	Proposed Amendment	Rationale
				understand market trends, which may not be as apparent in shorter, monthly reports. Resource Optimization: Focusing on quarterly reports will allow MAG to allocate resources more efficiently, ensuring that its analyses are thorough and well supported.
Section 4 – Market Monitoring 4.1 – Market Assessment	4.1.3	(NEW)	<u>4.1.3 The Market Assessment Group shall maintain a record of its monitoring and assessment and provide the Market Surveillance Committee a summary of observations during its periodic monitoring meetings.</u>	To ensure that the Committee will be updated on the actual condition of the market and if there's any issues or notable observations that require immediate action, MAG shall continue to present in periodic meetings.

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Title	Section	Provision	Proposed Amendment	Rationale
Section 4 – Market Monitoring 4.1 – Market Assessment	4.1.3	4.1.3 The <i>Market Surveillance Committee</i> shall review and prepare periodic reports for submission to the <i>PEM Board</i> , the <i>DOE</i> and the <i>ERC</i> , as the case may be.	4.1.3 4.1.4 The <i>Market Surveillance Committee</i> shall review and prepare periodic reports for submission to the <i>PEM Board</i> , the <i>DOE</i> and the <i>ERC</i> , as the case may be.	Renumbering
Section 4 – Market Monitoring 4.1 – Market Assessment	4.1.4	4.1.4 Upon submission to the <i>PEM Board</i> , the above-mentioned <i>Market Assessment Reports</i> shall be published in the <i>WESM market information website</i> .	4.1.4 4.1.5 Upon submission to the <i>PEM Board</i> , the above-mentioned <i>Market Assessment Reports</i> shall be published in the <i>WESM market information website</i> of the WESM Governance Arm .	Renumbering Reflect actual practice that Market Assessment Reports are published in the website of PEMC.
Section 4 – Market Monitoring 4.3 – Periodic Monitoring by the Market Surveillance Committee	4.3.1	The <i>Market Surveillance Committee</i> shall meet at least once every month to carry out a review of the Market Assessment Report and the Retail Market Assessment Report submitted by the <i>Market Assessment Group</i> , and the preparation of the Monthly Monitoring Report and Retail Market Monitoring Report to be submitted to the <i>PEM Board</i> .	The <i>Market Surveillance Committee</i> shall meet at least once every month to carry out a review of the WESM and Retail Market conditions Market Assessment Report as submitted and presented by the <i>Market Assessment Group</i> , and to the prepare preparation of and submit the Monthly Monitoring Report and Retail Market Monitoring Report to be submitted to the <i>PEM Board</i> , DOE and ERC .	To clarify that the Market Surveillance Committee shall still meet at least once every month to review the current market conditions for both the WESM and Retail Market. This is to ensure the Committee's immediate response for any issues or notable observations that require immediate action. Further, the Monthly Monitoring Report, which

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Title	Section	Provision	Proposed Amendment	Rationale
				contains the accomplishments of the Committee for every billing period, will still be prepared and submitted monthly to apprise the PEM Board, DOE and ERC of the activities undertaken of the Committee. For checks and balance.
Section 4 – Market Monitoring 4.3 – Periodic Monitoring by the Market Surveillance Committee	4.3.2	Subject to existing health protocols issued by the National Government and/or local government units by reason of the COVID-19 pandemic, meetings of the <i>Market Surveillance Committee</i> shall be held “onsite” at the PEMC office premises or “online” via remote communication. The <i>PEMC</i> shall ensure that adequate space and facilities are allocated to the <i>Market Surveillance Committee</i> for this purpose.	Subject to existing health protocols issued by the National Government and/or local government units by reason of the the COVID-19 pandemic, meetings of the <i>Market Surveillance Committee</i> shall be held “onsite” at the PEMC office premises or “online” via remote communication. The <i>PEMC</i> shall ensure that adequate space and facilities are allocated to the <i>Market Surveillance Committee</i> for this purpose.	To have a general description for pandemics.
Section 4 – Market Monitoring 4.3 – Periodic Monitoring by	4.3.4	In the periodic monitoring meetings, the <i>Market Surveillance Committee</i> shall: (a) Assess market monitoring indices and price trends in the <i>WESM</i> and the Retail Market to evaluate whether spot prices	In the periodic monitoring meetings, the <i>Market Surveillance Committee</i> shall: (a) Assess market monitoring indices and price trends in the <i>WESM</i> and the Retail Market to evaluate whether spot prices	Remove the redundant provision

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Title	Section	Provision	Proposed Amendment	Rationale
the Market Surveillance Committee		and reserve prices are in line with those that may be expected in an effectively competitive market; Identify market outcomes or pricing situations that are inefficient or contrary to competition or the <i>WESM</i> objectives; (b) Identify market outcomes or pricing situations that are inefficient or contrary to competition or the <i>WESM</i> Objectives; (c) Assess monitoring indices, the behavior and strategies in bids and offers and, as appropriate, the relationship of those bids or offers to marginal or other costs; (d) Pursuant to Section 3.1 of this Manual, provide a report to the <i>Enforcement and Compliance Office</i> of certain acts or omissions which may possibly constitute a Breach of the <i>WESM Rules</i> or <i>Market Manuals</i>, or which may possibly constitute anti-competitive behavior or abuse of market power, recommend to the PEMC President the issuance of a Notice of Possible Commission of anti-competitive behavior for submission to the <i>ERC</i>;	and reserve prices are in line with those that may be expected in an effectively competitive market; Identify market outcomes or pricing situations that are inefficient or contrary to competition or the <i>WESM</i> objectives; (b) Identify market outcomes or pricing situations that are inefficient or contrary to competition or the <i>WESM</i> Objectives; (c) Assess monitoring indices, the behavior and strategies in bids and offers and, as appropriate, the relationship of those bids or offers to marginal or other costs; (d) Pursuant to Section 3.1 of this Manual, provide a report to the <i>Enforcement and Compliance Office</i> of certain acts or omissions which may possibly constitute a Breach of the <i>WESM Rules</i> or <i>Market Manuals</i>, or which may possibly constitute anti-competitive behavior or abuse of market power, recommend to the PEMC <u>WESM Governance Arm</u> President the issuance of a Notice of Possible	

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Title	Section	Provision	Proposed Amendment	Rationale
		xxx	Commission of anti-competitive behavior for submission to the <i>ERC</i> ; xxx	
Section 4 – Market Monitoring 4.3 – Periodic Monitoring by the Market Surveillance Committee	4.3.7	The <i>Market Surveillance Committee</i> shall prepare a Monthly Monitoring Report at the end of each periodic monitoring meeting which shall contain: xxx (g) Approved Market Assessment Report.	The <i>Market Surveillance Committee</i> shall prepare a Monthly Quarterly Monitoring Report at the end of each periodic monitoring period meeting which shall contain: xxx (g) Approved Market Assessment Reports.	It is being proposed to shift from monthly to quarterly monitoring to avoid redundancy in the reports as well as enhance the depth and accuracy of market assessments.
Section 4 – Market Monitoring 4.3 – Periodic Monitoring by the Market Surveillance Committee	4.3.8	The <i>Market Surveillance Committee</i> shall submit to the <i>PEM Board</i> the following: (a) Monthly Monitoring Report, not later than one week after its approval; (b) Quarterly Retail Market Monitoring Report, not later than one week after its approval;	The <i>Market Surveillance Committee</i> shall submit to the <i>PEM Board</i> the following: (a) Monthly and Quarterly Monitoring Report, not later than one week after its approval; <u>(b) Annual Monitoring Report, which contains its accomplishments and work plan, within the first quarter of the succeeding year;</u> <u>(c) (b) Quarterly Retail Market Assessment</u> Monitoring Report, not later than one week after its approval;	To reflect the existing timescale of the reports submitted and prepared by the Committee. Renumbering.

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Title	Section	Provision	Proposed Amendment	Rationale
		(c) Annual Retail Market Monitoring Report, within the first quarter of the succeeding year; (d) Annual Market Assessment Report, within the third quarter of the succeeding year; and (e) Annual Report, which contains its accomplishments and work plan, within the first quarter of the succeeding year.	(d) (e) Annual Retail Market <u>Assessment</u> Monitoring Report, within the first quarter of the succeeding year; <u>(e) Quarterly Market Assessment Report, not later than one week after its approval;</u> <u>(f)</u> (d) Annual Market Assessment Report, within the <u>second</u> third quarter of the succeeding year; and <u>(g) Quarterly Over-riding Constraints Report, not later than one week after its approval; and</u> <u>(h) Annual Over-riding Constraints Report, within the third quarter of the succeeding year.</u> (e) Annual Report, which contains its accomplishments and work plan, within the first quarter of the succeeding year.	
Section 4 – Market Monitoring 4.3 – Periodic Monitoring by the Market Surveillance Committee	4.3.9	The <i>Market Surveillance Committee</i> shall transmit a copy of the Monthly Monitoring Report, Annual Market Assessment Report, Quarterly Retail Market Monitoring Report and Annual Retail Market Monitoring Report to the <i>DOE</i> and <i>ERC</i> .	The <i>Market Surveillance Committee</i> shall transmit a copy of the Monthly <u>Quarterly</u> Monitoring Report, <u>Quarterly and</u> Annual Market Assessment Report, Quarterly <u>and Annual</u> Retail Market <u>Assessment</u> Monitoring Report and Annual Retail Market Monitoring Report <u>Quarterly and Annual Over-riding Constraints Report</u> to the <i>DOE</i> and <i>ERC</i> .	To reflect the existing timescale of the reports submitted and prepared by the Committee. Harmonization of the term / name of the reports for clarity.

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Title	Section	Provision	Proposed Amendment	Rationale
Section 7 – Access to Information and Data Management	7.4	A request for information by the <i>Market Surveillance Committee, Enforcement and Compliance Office</i> and <i>Market Assessment Group</i> shall: (a) Be in writing; (b) Indicate the reason for the request; (c) Specify the document or information requested and, when applicable, the format; (d) Specify a reasonable time within which the information must be provided; and Provide other relevant information or clarification to ensure that the request is understood by the Recipient.	A request for information by the <i>Market Surveillance Committee, Enforcement and Compliance Office</i> and <i>Market Assessment Group</i> shall: (a) Be in writing; (b) Indicate the reason for the request; (c) Specify the document or information requested and, when applicable, the format; (d) Specify a reasonable time within which the information must be provided; and (e) Provide other relevant information or clarification to ensure that the request is understood by the Recipient.	Removal of ECO since the enforcement and compliance functions were transferred to CC. Minor / clerical edit.
Section 8 – Confidentiality	8.8	The members of the <i>Market Surveillance Committee, Enforcement and Compliance Office</i> and <i>Market Assessment Group</i> as the case may be, shall prepare a version of their Reports, deleting information they have determined to be confidential, to enable its dissemination and publication.	The members of the <i>Market Surveillance Committee, Enforcement and Compliance Office</i> and <i>Market Assessment Group</i> as the case may be, shall prepare a version of their Reports, deleting information they have determined to be confidential, to enable its dissemination and publication.	Removal of ECO since the enforcement and compliance functions were transferred to CC.

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Title	Section	Provision	Proposed Amendment	Rationale
Section 8 – Confidentiality	8.9	Monitoring indices and the results and evolution of monitoring indices shall be published in the Market Information Website. These are not confidential information.	Monitoring indices and the results and evolution of monitoring indices shall be published in the Market Information Website website of the WESM Governance Arm . These are not confidential information.	Reflect actual practice that monitoring indices are published in the website of PEMC.
Section 9 – Limitation of Liability and Indemnification	9.1	Members of the <i>PEM Board</i> and other <i>PEMC</i> officers and staff, <i>Market Surveillance Committee, Enforcement and Compliance Office</i> , and the <i>Market Assessment Group</i> , as the case may be, shall not be made personally liable for any loss, liability or damage suffered or incurred by a <i>WESM member</i> , the <i>System Operator</i> , the <i>Market Operator</i> or any other person by reason of a disclosure of information in reports prepared as a result of the exercise of assessment, monitoring and compliance functions undertaken in accordance with the <i>WESM Rules, Retail Rules</i> or this <i>Market Manual</i> , unless they have acted with malice, manifest partiality, evident bad faith, gross incompetence or gross negligence.	Members of the <i>PEM Board</i> and other <i>PEMC</i> officers and staff, <i>Market Surveillance Committee</i> , <i>Enforcement and Compliance Office</i> , and the <i>Market Assessment Group</i> , as the case may be, shall not be made personally liable for any loss, liability or damage suffered or incurred by a <i>WESM member</i> , the <i>System Operator</i> , the <i>Market Operator</i> or any other person by reason of a disclosure of information in reports prepared as a result of the exercise of assessment, monitoring and compliance functions undertaken in accordance with the <i>WESM Rules, Retail Rules</i> or this <i>Market Manual</i> , unless they have acted with malice, manifest partiality, evident bad faith, gross incompetence or gross negligence.	Removal of ECO since the enforcement and compliance functions were transferred to CC.
Section 9 – Limitation of Liability and Indemnification	9.2	Should any member of the <i>PEM Board</i> and other <i>PEMC</i> officers and staff, <i>Market Surveillance Committee, Enforcement and Compliance Office, Market Assessment</i>	Should any member of the <i>PEM Board</i> and other <i>PEMC</i> officers and staff, <i>Market Surveillance Committee</i> , <i>Enforcement and Compliance Office</i> , <i>Market Assessment</i>	Removal of ECO since the enforcement and compliance functions were transferred to CC.

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Title	Section	Provision	Proposed Amendment	Rationale
		<i>Group</i>, as the case may be, be adjudged liable for any amount for liability or damage suffered or incurred by any person or entity, the <i>PEMC</i> shall hold them free and harmless from such loss, liability or damage, and shall fully indemnify said persons through an indemnification process to be developed by the <i>PEM Board</i>; Provided, however, that the indemnification shall exclude any liability arising out of conduct involving malice, manifest partiality, evident bad faith, gross incompetence or gross negligence. Said indemnification shall cover: xxx	<i>Group</i>, as the case may be, be adjudged liable for any amount for liability or damage suffered or incurred by any person or entity, the <i>PEMC</i> shall hold them free and harmless from such loss, liability or damage, and shall fully indemnify said persons through an indemnification process to be developed by the <i>PEM Board</i>; Provided, however, that the indemnification shall exclude any liability arising out of conduct involving malice, manifest partiality, evident bad faith, gross incompetence or gross negligence. Said indemnification shall cover: xxx	
Section 10 – Amendment, Publication and Effectivity 10.2 – Publication and Effectivity	10.2.1	This Manual, as it may be amended from time to time, shall be published in the market information website maintained by the <i>Market Operator</i>. This Manual or any amendments thereto shall become effective upon approval of the <i>DOE</i> in accordance with WESM Rules Clause 8.6.4. The date of effectivity shall be indicated in this document.	This Manual, as it may be amended from time to time, shall be published in the market information website maintained by the Market Operator <u>WESM Governance Arm.</u> This Manual or any amendments thereto shall become effective upon approval of the <i>DOE</i> in accordance with WESM Rules Clause 8.6.4. The date of effectivity shall be indicated in this document.	To reflect the appropriate entity with oversight in the amendment and publication of the Manual. Note that “market information website” refers to the facility to be established by the Market Operator on the electronic communication system on which it may publish

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Title	Section	Provision	Proposed Amendment	Rationale
				information which is then available to and may be accessed by WESM members.

WESM Manual on Guidelines Governing the Constitution of the WESM Governance Committee 5.0

Title	Section	Provision	Proposed Amendment	Rationale
Section 6 – Market Surveillance Committee	6.4 - Responsibilities	(c) Assist the <i>PEM Board</i> or the <i>Enforcement and Compliance Office</i> to investigate and gather evidence of: (i) Unusual or suspicious behavior or activities of <i>WESM Members</i> in the <i>Spot Market</i>; (ii) Suspected or alleged breaches of the <i>WESM Rules</i> by <i>WESM Members</i>; and (iii) Suspected or alleged anti-competitive behavior. (d) From time to time, if the <i>Market Surveillance Committee</i> in its discretion deems necessary or appropriate, propose amendments to the <i>WESM Rules</i> with a view to:	(c) Assist the <i>PEM Board</i> or the <i>Enforcement and Compliance Office</i> to investigate and gather evidence of: (i) Unusual or suspicious behavior or activities of <i>WESM Members</i> in the <i>Spot Market</i>; (ii) Suspected or alleged breaches of the <i>WESM Rules</i> and <u>WESM Manuals</u> by <i>WESM Members</i>; and (iii) Suspected or alleged anti-competitive behavior. (d) From time to time, if the <i>Market Surveillance Committee</i> in its discretion deems necessary or appropriate, propose amendments to the <i>WESM <u>Market</u> Rules</i> and <u>Market Manuals</u> with a view to:	To clarify the MSC's task in any observed acts or breaches to the WESM Rules and WESM Manuals in accordance with Clause 1.6.2 (a) of the WESM Rules and Section 4.6.2 of the Enforcement and Compliance Manual. To include the Retail Rules and other market manuals in the possible proposed amendments.

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WESM Manual on Guidelines Governing the Constitution of the WESM Governance Committee 5.0				
Title	Section	Provision	Proposed Amendment	Rationale
		(i) Improve the efficiency and the effectiveness of the operation of the <i>WESM</i> ; and (ii) Improve or enhance the prospects for the achievement of the <i>WESM</i> objectives. (e) xxx (f) xxx (g) xxx (h) Design and promulgate the penalty levels and the appropriate range of penalties, for breaches and non-compliance of <i>WESM Rules</i> , anti-competitive behavior, and abuse of market power.	(i) Improve the efficiency and the effectiveness of the operation of the <i>WESM</i> <u>and the retail market</u> ; and (ii) Improve or enhance the prospects for the achievement of the <i>WESM</i> <u>and the retail market</u> objectives. (e) xxx (f) xxx (g) xxx (h) Design and promulgate the penalty levels and the appropriate range of penalties, for breaches and non-compliance of <i>WESM Rules</i>, anti-competitive behavior, and abuse of market power. <u>Initiate or process proposed changes to the <i>WESM Penalty Manual</i> pursuant to WESM Rules Clause 7.2.5.5.</u>	To reflect the responsibility of the MSC to review proposed amendments to the WESM Penalty Manual pursuant to Clause 7.2.5.5 of the WESM Rules.
Section 6 – Market Surveillance Committee	6.4 - Responsibilities	(i) The <i>Market Surveillance Committee</i> shall perform all other functions and duties referred to in the <i>WESM Rules</i> and in accordance with applicable laws and rules.	<u>(i) In the conduct of its market surveillance function, recommend to WESM Governance Arm President the issuance of Notification of Possible Commission of Anti-competitive Behavior for any apparent or suspected incidents of anti-competitive behavior</u>	To specify the responsibility of the MSC in addressing any observed or suspected incidents of anti-competitive behavior or abuse of market power by

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WESM Manual on Guidelines Governing the Constitution of the WESM Governance Committee 5.0				
Title	Section	Provision	Proposed Amendment	Rationale
			<u>or abuse of market power by any WESM Participant/Member.</u>	any WESM Participant/Member. (Similar proposed provision under the WESM Market Surveillance Manual Section 3.1 (c).
			(i) <u>(i)</u> The <i>Market Surveillance Committee</i> shall perform all other functions and duties referred to in the <i>WESM Rules</i> and in accordance with applicable laws and rules.	Renumbering

