



# **DISPUTE RESOLUTION ADMINISTRATOR 2025 ANNUAL REPORT**



**January to December 2025**

**27 March 2026**

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## **I. Overview**

For Calendar Year 2025, the Dispute Resolution Administrator (DRA), focused on strengthening the institutional foundations, operational readiness, and credibility of the dispute resolution framework of the Wholesale Electricity Spot Market (WESM) and the Renewable Energy Market (REM). The DRA's efforts were directed toward enhancing dispute avoidance mechanisms, improving dispute resolution capacity among market participants and accredited neutrals, and ensuring the continued integrity of the dispute resolution processes amid evolving market structures and regulatory developments.

Key priorities for the year included capacity building for Dispute Management Protocol (DMP) Focal Persons, implementation of the second compliance period for the Mandatory Continuing Professional Education (MCPE) of WESM-accredited Mediators and Arbitrators, preparatory work for the relaunch of the Accreditation Program for Mediators and Arbitrators, and continuous monitoring of dispute-related cases involving jurisdictional and arbitrability issues. The DRA likewise actively engaged in governance, market education, and training initiatives to support the competencies of market participants and strengthen institutional confidence in alternative dispute resolution (ADR) mechanisms within WESM and REM.

The year was marked by a significant milestone with the Office of the Dispute Resolution Administrator (ODRA) receiving recognition after the WESM Dispute Resolution System was conferred the **LEAP Award for Excellence in Designing or Implementing a Dispute Resolution System** on **20 October 2025**, affirming the system's effectiveness, credibility, and leadership in ADR design and implementation.

## **II. Planning and Program Development**

### **A. Work Planning and Strategic Initiatives**

At the beginning of CY 2025, the DRA undertook a comprehensive review and refinement of the DRA's Work Plan to ensure that priorities were properly aligned with WESM and REM operations and governance objectives. Particular emphasis was placed on the following strategic initiatives:

- The conduct of scheduled trainings for Dispute Management Protocol (DMP) Focal Persons to enhance early dispute resolution and dispute avoidance within the market
- The administration of the second compliance period for the Mandatory Continuing Professional Education (MCPE) of WESM-accredited Mediators and Arbitrators to maintain professional competence and accreditation standards

- Initial planning for orientations, application requirements, and timelines for the Accreditation Program for WESM Mediators and Arbitrators

For the Renewable Energy Market (REM), the DRA, in his capacity as REM DRA, assessed the implications of the REM's full commercial operations on dispute resolution processes. This included identifying potential sources of disputes unique to REM transactions, reviewing the results of the RE Registrar Audit, and examining the proposed revisions to the REM Market Participation Agreement (MPA), particularly provisions requiring REM members to submit to the REM dispute resolution framework. These efforts ensured that the dispute resolution system remained responsive and relevant to emerging market developments.

### **III. ACCOMPLISHMENTS**

#### **A. Key Accomplishment: LEAP Awards Recognition**

On 20 October 2025, the WESM Dispute Resolution System, administered by the Office of the DRA, was honored at the **Leaders Excelling in ADR and Peacemaking (LEAP) Awards** under the category *“Excellence in Designing or Implementing a Dispute Resolution System.”*

The LEAP Awards is jointly organized by the Department of Justice – Office for Alternative Dispute Resolution (DOJ-OADR), the Rotary Club of Manila, and the Philippine Institute of Arbitrators (PIArb).

This recognition highlights the innovative and party-autonomy-driven design of the WESM Dispute Resolution System, which empowers market participants to resolve disputes through structured internal processes before resorting to formal adjudication. The award affirms the system as a benchmark for dispute resolution in complex and highly regulated markets and enhances PEMC's institutional reputation as the governance arm of WESM.

#### **B. WESM Governance Committees Evaluation**

In August 2025, the results of the WESM Governance Committees evaluation were presented to the DRA. The Office of the DRA received an excellent performance rating, consistent with the high ratings attained by other WESM governance bodies.

The evaluation focused on completed activities and deliverables for the year. While certain initiatives—such as the postponed rollout of the accreditation program—were not included due to timing and logistical constraints, the activities undertaken by the DRA during the evaluation period

were consistently rated highly, reflecting the Office's effectiveness and reliability in fulfilling its mandate.

## **IV. 2025 ACTIVITIES**

### **A. Capacity Building and Training Activities**

#### **1. Dispute Management Protocol (DMP) Focal Persons Training**

The DRA actively supported and participated in the integration of the DMP Focal Persons' Training into the WESM Governance Committee (WGC) Processes Seminar held on 27 February 2025. This approach optimized time and resources while ensuring that WESM Compliance Officers, many of whom are concurrently designated as DMP Focal Persons, received comprehensive training.

Topics from the DRA included:

- The fundamental principles and processes governing WESM and REM dispute resolution
- Significant amendments to rules affecting dispute resolution
- The roles and responsibilities of DMP Focal Persons in negotiation and early-stage dispute management
- The nature and scope of arbitrable disputes under the WESM and REM frameworks, including the application of the Retail Rules to disputes involving retail supply contracts

A post-training evaluation was conducted in March 2025, during which the DRA addressed clarifications and queries submitted by participants, many of which focused on REM dispute resolution processes and mechanisms for resolving disputes among REM members.

#### **2. Mandatory Continuing Professional Education (MCPE)**

In compliance with professional education standards, the DRA organized and conducted the **second MCPE seminar** for WESM-accredited Mediators and Arbitrators on **11 September 2025**, completing the required seminars for the current compliance period.

The seminar focused on:

- Updates on WESM operations, including dispatch, settlement, and trading

- Developments in the Reserve Market and the Renewable Energy Market
- Recent changes in governance structures and dispute resolution processes

Attendance in at least one MCPE seminar within the prescribed two-year period ensured the continued good standing of accredited neutrals and reinforced the competence of the dispute resolution roster.

### **3. WESM Governance Training Support**

On 18 September 2025, the DRA participated in the WESM Governance Training conducted for WESM Members. The engagement provided guidance on the dispute resolution processes applicable within both WESM and REM and supported the enhancement of institutional knowledge among market participants, particularly DMP Focal Persons who serve as the first point of contact in the event of a dispute.

## **B. Administration of the Dispute Resolution Framework**

### **1. Appointment of Emergency Arbitrators (CY 2025–CY 2026)**

In accordance with the WESM Dispute Resolution Manual, the DRA appointed Emergency Arbitrators from the pool of WESM-accredited Arbitrators to serve on a monthly, stand-by basis for the period July 2025 to June 2026.

Emergency Arbitrators are authorized to act on requests for urgent interim relief prior to the constitution of a formal arbitral tribunal. This mechanism provides parties with an alternative and timely provisional remedy when immediate relief is required and ensures continuity and efficiency in the dispute resolution process.

### **2. Updating of DMP Focal Persons and Alternates**

Pursuant to Section 8.2 of the WESM Dispute Resolution Manual, the DRA requested Market Participants to submit or update their designated Dispute Management Protocol (DMP) Focal Persons and Alternates.

An updated list as of December 2025 was published on the market information website, ensuring accuracy, transparency, and efficiency in dispute notifications and communications.

### **3. Regulatory and Jurisdictional Determinations**

The DRA addressed formal queries and monitored cases involving jurisdictional and arbitrability issues, including:

- Determining that disputes arising from regulatory penalties and Compliance Committee decisions fall outside the scope of WESM dispute resolution, pursuant to Section 4.1.8 of the WESM Penalty Manual
- Monitoring cases pending before the Supreme Court and other fora involving alleged breaches of the WESM Rules and questions regarding arbitrability

These determinations and monitoring activities form part of the DRA's mandate to preserve the integrity and proper application of the WESM dispute resolution framework.

## **V. ONGOING ACTIVITIES**

### **A. Accreditation Program for Mediators and Arbitrators**

#### **1. Program Development and Review**

Throughout 2025, the DRA devoted substantial effort to the development and review of the proposed Accreditation Program for WESM and REM Mediators and Arbitrators. Activities included:

- Drafting and revising the program syllabus
- Reviewing previous accreditation formats, particularly the 2013 program conducted with PI Arb
- Consulting with PI Arb to enhance arbitration and mediation modules
- Coordinating with PEMC and IEMOP to update governance and market operations content

Due to logistical considerations and the need to incorporate significant market developments, the DRA recommended deferring the program launch. The revised timeline targets finalization in Q4 2025, promotion in Q1 to Q2 2026, and implementation in Q3–Q4 2026.

#### **2. PEM Board Approval**

On 27 November 2025, the DRA presented the proposed Accreditation Program to the PEM Board, highlighting accreditation as a certification of excellence, the opportunity to expand the pool of neutrals, and alignment with

WESM's governance objectives. After deliberations, the PEM Board approved the Accreditation Program as proposed.

## **B. Continuous Market Awareness and Dispute Prevention**

The DRA continuously monitored developments within the WESM and REM and studied market rules to identify potential sources of disputes and opportunities for dispute avoidance. This proactive approach supports the fair and expeditious resolution of disputes and ensures that the dispute resolution framework remains responsive to the needs of an evolving electricity market.

## **VI. YEAR-END ASSESSMENT AND OUTLOOK**

In December 2025, the DRA completed year-end documentation, case summaries, and program assessments in preparation for reporting to the PEM Board. A key priority for the succeeding year is the relaunch of the Accreditation Program, which is expected to strengthen the pool of accredited neutrals and further enhance the quality, efficiency, and credibility of WESM dispute resolution processes.

The DRA remains committed to continuously improving the dispute resolution framework in line with regulatory developments, market evolution, and best practices in alternative dispute resolution.

## **VII. THE DISPUTE RESOLUTION ADMINISTRATOR**

The Dispute Resolution Administrator is tasked to facilitate the resolution of disputes between or among the parties in accordance with the dispute resolution process approved for the Wholesale Electricity Spot Market (WESM), the Retail Competition and Open Access (RCOA) and the Renewable Energy Market (REM) Rules.

Atty. Teodoro Kalaw IV, C.Arb. was appointed by the PEM Board on 01 November 2021 as the Dispute Resolution Administrator for the WESM and the REM.

The main role and responsibilities of the DRA as set out in the WESM Dispute Resolution Manual, consistent with the requirements of the WESM, the Retail Market and the REM Rules, are as follows:

- I. Administer and ensure the effective implementation and operation of the dispute resolution provisions of the WESM Dispute Resolution Manual;
- II. Determine preliminarily if a dispute is one which falls under the dispute resolution process of the WESM and the Retail Market;
- III. Draft and issue standard forms to help expedite the resolution of
- IV. disputes;

- V. Facilitate the accreditation process of mediators and arbitrations;
- VI. Update the list of Accredited Mediators and Arbitrators published in the market information website; and
- VII. Maintain data, reports and other information regarding the development and results of the disputes referred to the DRA.

**Submitted by:**



(Sgd)

**Atty. Teodoro Kalaw IV, C.Arb.**  
Dispute Resolution Administrator

Note: This signature has been redacted pursuant to PEMC's Documented Information Management Policy. The full version of the file is available with the DRA Secretariat of PEMC.