



MEETING MINUTES

Subject/Purpose : 258th RCC (Regular) Meeting
 Date & Time : 15 May 2026, 9:00 AM to 9:57 AM
 Venue : Online via Microsoft Teams
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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.	Jose Ildebrando B. Ambrosio	Member (Principal), Generation Sector	RCC
9.	Ryan S. Morales	Member (Principal), Distribution Sector	RCC
10.	Russel S. Alabado	Member (Principal), Distribution Sector	RCC
11.	Nelson M. Dela Cruz	Member (Principal), Distribution Sector	RCC
12.	Virgilio C. Fortich, Jr.	Member (Principal), Distribution Sector	RCC
13.	Darwin T. Daymiel	Member (Alternate), Distribution Sector	RCC
14.	Darryl Lon A. Ortiz	Member (Principal), Transmission Sector	RCC
15.	Gian Karla C. Gutierrez	Member (Principal), Supply Sector	RCC
16.	Bryan Alvin A. Calasanz	Member (Alternate), Supply Sector	RCC
17.	Lilibeth Grace L. Vetus-Magtalas	Member (Alternate), Market Operator	RCC
18.	Jane May M. Mea	DOE Observer	DOE
19.	Chrismah Joy D. Quinones	DOE Observer	DOE
20.	Dan Michael A. Lontok	DOE Observer	DOE
21.	Karen A. Varquez	Secretariat	PEMC
22.	Karlo D. Martin	Secretariat	PEMC
23.	Mark Froilan L. Lingao	Secretariat	PEMC
24.	Erika Guia M. Espiritu	Secretariat	PEMC
25.	Bienvenido C. Mendoza, Jr.	Chief Market Assessment Officer	PEMC
26.	Ellisa B. Pastrana	Assistant – Market Assessment Group	PEMC
27.	Ira Lee P. Corectico	MAG / MSC Secretariat	PEMC
28.	Leo John A. Juguilon	MAG / TC Secretariat	PEMC
29.	Joanna B. Pangilinan	Assistant – Office of the President	PEMC
30.	Andrea J. Mendiola	Chief Legal Officer	PEMC
31.	Ervin John Mikel D. Hilado	Legal	PEMC
32.	Gabriel R. Marmeto	Legal	PEMC



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	Name	Designation/Position	Department/ Company
33.	Earl James G. Reyes	Legal	PEMC
34.	Ma. Hazel M. Gubaton-Lopez	Proponent – EC Manual & Penalty Manual / Chief Enforcement and Compliance Officer	PEMC - ECO
35.	Hilary Romeli C. Florendo	Proponent	PEMC - ECO
36.	Anthony Jose P. Asprer	Proponent	PEMC - ECO
37.	Jeffrey B. Torejo	Proponent	PEMC - ECO



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1.0 Call to Order

The meeting was called to order at 9:02 AM.

2.0 Determination of Quorum

The quorum was determined with fourteen (14) principal members and three (3) alternate members present. Three (3) DOE Observers were also present in the meeting.

Additionally, Mr. Karlo D. Martin (Secretariat) provided the Committee with updates on the status of RCC membership including newly appointed and reappointed principal members following the approval of the PEMC Board during its 95th Regular Meeting, as follows:

- Newly Appointed
 - Mr. Jose Ildebrando B. Ambrosio
- Reappointed:
 - Ms. Gian Karla C. Gutierrez
 - Mr. Ryan S. Morales
 - Mr. Carlito C. Claudio

The Secretariat also introduced a new member of the Rules Review Division, Mr. Mark Froilan Lingao, attending his first RCC meeting in this position.

3.0 Adoption of Agenda

Mr. Martin presented, for approval, the proposed agenda that was sent to the RCC on 05 May 2026.

- ✓ With no objections raised, the RCC approved and adopted the proposed agenda as presented.

4.0 Draft Minutes of Previous Meetings

Mr. Martin presented the draft minutes of the 257th RCC (Regular) Meeting held on 10 April 2026 for the Committee's approval and noted that the comments from Mr. Jordan Rel C. Orillaza (RCC) had been incorporated.

During the discussion, Mr. Orillaza commented on the repeated use of the term "normalization" in the draft minutes which means making it the norm, instead of the intended meaning of "going back to normal." The Secretariat clarified that the term was retained to remain consistent with the official recording. Mr. Orillaza then recommended that a more appropriate terminology be used in formal resolutions and future documents, which was supported by Ms. Rachel Angela P. Anosan (RCC).

- ✓ The RCC approved the revised draft minutes of the 257th RCC (Regular) Meeting, while retaining the terms as recorded but with the agreement to use more appropriate words in succeeding documents.
- ✓ The Secretariat shall finalize and route the minutes via Adobe Sign for the Committee's signature.

5.0 Matters Arising from Previous Meeting



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

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For approval
- Material/s: Annex A – Presentation Material of 258th RCC (Regular) Meeting
Annex B – Draft RCC Resolution 2026-04

Proceedings:

Mr. Martin presented a brief background on the proposal and informed the RCC that the subject general amendments were being submitted for the Committee's approval through the draft resolution and for subsequent presentation to the BRC and PEMC Board.

The Committee was reminded of the summary of the proposed changes to various market documents, including the WESM Rules and the WESM Manual on Enforcement and Compliance (WESM-ECM). Mr. Martin further apprised the RCC of the following revisions and updates to the proposal, the details of which were included in the presentation material, for the Committee's approval:

- The RCC Secretariat refined the proposal following the RCC's instructions from last meeting by amending the following provisions:
 - WR Clause 7.2.4.9 removed the requirement for PEMC Board remand and allowed the Compliance Committee (CC) to directly request additional information from the Enforcement and Compliance Department (ECD).
 - WESM-ECM Section 4.2.1(d) defined the authority of the CC to act on appeals.
 - Under the WESM-ECM Section 5.2.1, replaced the proposed deletion of Appendix B with the proposed revision of appendix tables as flowcharts to provide clearer process visualization.
 - WESM-ECM Section 6.3.1, revised to establish clearer timelines and procedural safeguards to strengthen due process.
 - WESM-ECM Sections 7.11.1, 7.9.2, and 7.12.3, corrected and aligned references across provisions to ensure consistency within the manual.
- The Market Surveillance Committee (MSC) provided comments on 24 April 2026, proposing a revision to ECM Section 9.3.2(b)(i):
 - The MSC proposed adopting the term "substantial evidence" as the evidentiary standard in administrative proceedings, consistent with jurisprudence, instead of "sufficient factual basis".

The RCC, led by Ms. Anosan, reviewed all proposed revisions item by item with no substantive objections and agreed to adopt the proposed revisions.

Mr. Martin subsequently presented the draft resolution on the proposed general amendments relating to enforcement proceedings and compliance guidelines, incorporating all revisions reflected in the attached matrix. The Secretariat likewise affirmed to the RCC that the incorporated flowcharts, which replaced the previous appendix tables, were coordinated with the ECD.



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Agreement/s:

- ✓ The RCC approved the RCC Resolution No. 2026-04, incorporating revisions during the discussion during the meeting.
- ✓ The Secretariat will route the resolution via Adobe Sign for the Committee members' signatures and endorsement to the PEM Board for approval.

7.0 Other Matters

7.1 Update on Proposed Amendments

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For information
- Material/s: Annex A – Presentation Material of 258th RCC (Regular) Meeting

Proceeding/s:

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

Status	Topic
Proposed Amendment submitted for DOE Promulgation	• Reserve Conformance Standards and related Enforcement Actions • Market Surveillance Committee Processes
General Amendments under RCC Evaluation	• Enforcement Proceedings and Clarifying Compliance Guidelines • Soliciting comments to the additional Criteria for Qualifying a Frequency Driven Event (FDE) from 04 May 2026 to 17 June 2026
Urgent Amendment Approved by the PEM Board/Ongoing Implementation	• Reserve Conformance Standards and related Enforcement Actions with approved 3rd extension of effectivity on 29 April 2026
Deferred Proposals	• Energy Storage System (ESS) in view of the DOE DC2023-04-0008 • Must-Offer Rule (MOR) • Harmonization of Market Rules and Manuals with ERC Resolution No. 13 Series of 2024

Mr. Martin also informed the RCC of the PEM Board directive during the 95th PEM Board Meeting on 29 April 2026 for the RCC to continue submitting its resolution on the reclassification of Urgent amendments as General amendments to the PEM Board for approval.

Ms. Lilibeth Grace L. Vetus-Magtalas informed the Committee that the Market Operator (IEMOP) has an ongoing assessment whether to proceed with the ESS proposal while awaiting for the ERC issuance of the ESS rules. She committed a submission of assessment through a formal response to the letter of RCC on the proposal on ESS, the week after the RCC meeting.

Agreement/s:



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- ✓ The RCC noted the updates on the rules change proposals.
- ✓ The RCC noted the IEMOP update on the letter of RCC related to the proposal on ESS.

7.2 DOE Updates

- Presenter/s: Mr. Karlo D. Martin (Secretariat)
- Action Requested: For information
- Material/s: N/A

Proceeding/s:

Mr. Martin 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. Karlo D. Martin (Secretariat)
- Action Requested: For information
- Material/s: Annex A – Presentation Material of 258th RCC (Regular) Meeting

Proceeding/s:

Mr. Martin presented the following schedule of activities for RCC's information.

Activities	Schedule
RCC Meeting	19 June 2026 (Online) 17 July 2026 (Hybrid/In-Person) 14 August 2026 (Online)
BRC Meeting	18 May 2026
PEM Board Meeting	27 May 2026

Mr. Martin informed the Committee of the RCC agenda items for the upcoming BRC and PEM Board Meetings, with Ms. Anosan presenting on behalf of the RCC:

- RCC Resolution on Proposed General Amendments relating to Enforcement Proceedings and Clarifying Compliance Guidelines

Further, Mr. Martin also informed the Committee of the status of members who had completed the State of the Market Report (SMR) 2025 photoshoot. He reported that all 15 RCC Principal Members and nine (9) out of eleven (11) RCC Alternate Members had completed the photoshoot, with submissions from the remaining two (2) alternate members still pending.

Agreement/s:

- ✓ The RCC noted the schedule of activities and the SMR photoshoot update.



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7.4 PEM Board Directive on RCC Alternate Members

- Presenter/s: Mr. Ervin John Mikel D. Hilado (Office of the Corporate Secretary)
- Action Requested: For information
- Material/s: N/A

Proceeding/s:

Mr. Ervin John Mikel D. Hilado apprised the Committee that during the 95th PEM Board Meeting, the board agreed to appoint alternate members, however, the agenda item on WGC appointments was taken up prior to the approval of the agenda item on RCC Principal and Alternate Members. As a result, the previous submissions for RCC Alternate Members were not included among the items for approval and will instead be discussed during the 96th PEM Board Meeting.

He further confirmed to the RCC Secretariat the receipt of nominees and alternate member information from the following sectors:

- For the Transmission Sector, nominees were received; however, no information has yet been provided for the alternate member.
- For the Distribution Sector, no information has yet been received for both the principal and alternate members.
- For the Supply Sector, no information has yet been received for the alternate member

Agreement/s:

- ✓ The RCC noted the PEM Board directive and status of members

8.0 Adjournment

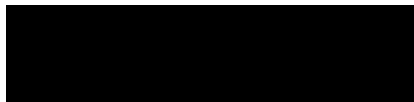
The meeting was adjourned at 9:57 AM.



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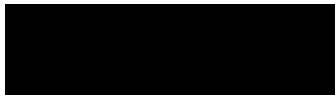
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Prepared by:



MARK FROILAN L. LINGAO
Rules Review Senior Analyst
Market Assessment Group

Reviewed by:



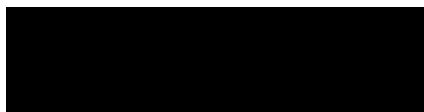
KAREN A. VARQUEZ
Rules Review Sr. Manager
Market Assessment Group

Noted by:



BIENVENIDO C. MENDOZA, JR.
Chief Market Assessment Officer

Approved by:



RACHEL ANGELA P. ANOSAN
Chairperson, Independent



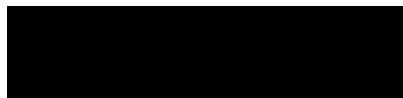
JESUSITO G. MORALLOS
Member, Independent



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
Panasia Energy, Inc./Strategic Energy
Development Inc. (PEI/SEDI)

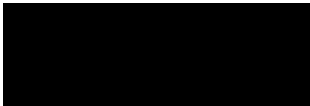


JOSE ILDEBRANDO B. AMBROSIO
Member, Generation Sector
ACEN Corporation



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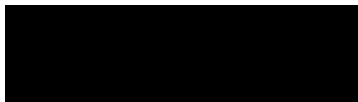
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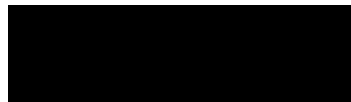
RYAN S. MORALES
Member, Distribution Sector
Manila Electric Company (MERALCO)



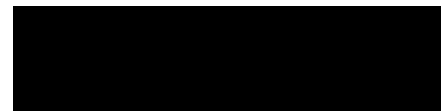
VIRGILIO C. FORTICH, JR.
Member, Distribution Sector
Cebu III Electric Cooperative, Inc. (CEBECO II)



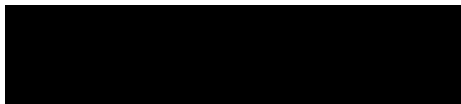
RUSSEL S. ALABADO
Member, Distribution Sector
Angeles Electric Corporation (AEC)



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

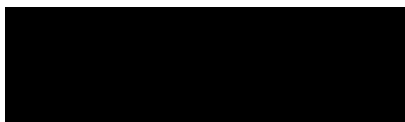


GIAN KARLA C. GUTIERREZ
Member, Supply Sector
First Gen Corporation (FGEN)



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

us-Magtalas)



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



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Annex A – Presentation Materials of 257th RCC (Regular) Meeting



DATA PRIVACY NOTICE

PLEASE BE INFORMED THAT THE **258TH 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

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Annex A – Presentation Materials of 257th 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.



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Annex A – Presentation Materials of 257th 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.

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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.

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Annex A – Presentation Materials of 257th RCC (Regular) Meeting



CALL TO ORDER



RULES REVIEW DIVISION





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Annex A – Presentation Materials of 257th RCC (Regular) Meeting

RCC MEMBERSHIP UPDATES

- **29 April 2026** – During the 95th Regular PEM Board Meeting, the PEM Board approved the appointment and re-appointment of the following members of the Rules Change Committee.

RCC MEMBER	Membership Status	Term	Effectivity
Atty. Jose Ildebrando B. Ambrosio	Appointed	1 st	29 March 2026 to 28 March 2029
Ms. Gian Karla C. Gutierrez	Re-appointed	2 nd	29 March 2026 to 28 March 2029
Mr. Ryan S. Morales	Re-appointed	3 rd	29 March 2026 to 28 March 2029
Mr. Carlito C. Claudio	Re-appointed	3 rd	29 March 2026 to 28 March 2029



DETERMINATION OF QUORUM



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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*	✓			
	Jose Ildebrando B. Ambrosio	-	✓			
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				

* - RCC Alternate Members awaiting PEM Boards' confirmation of their reappointment.



ADOPTION OF THE AGENDA





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Annex A – Presentation Materials of 257th 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 257th RCC (Regular) Meeting, 10 April 2026	Secretariat	For Approval
V. Matters Arising from the Previous Meeting		
5.1 Proposed General Amendments relating to Enforcement Proceedings and Clarifying Compliance Guidelines Approval of Draft RCC Resolution No. 2026-04	Secretariat	For Approval
VI. Other Matters		
6.1 Updates on Proposed Amendments	Secretariat	For Information
6.2 DOE Updates	DOE Observers	For Information
6.3 Schedule of Activities	Secretariat	For information
VII. Adjournment		

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IV. DRAFT MINUTES OF PREVIOUS MEETING

- 257th RCC (Regular) Meeting, 10 April 2026

Action Requested: For Approval



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Annex A – Presentation Materials of 257th RCC (Regular) Meeting

V. MATTERS ARISING FROM PREVIOUS MEETING



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

Action Requested: For Approval





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Annex A – Presentation Materials of 257th RCC (Regular) Meeting

ACTION REQUESTED

- For approval of RCC Resolution No. 2026-04



PROPOSED GENERAL AMENDMENTS RELATING TO ENFORCEMENT PROCEEDINGS AND CLARIFYING COMPLIANCE GUIDELINES (BY PEMC)

Rationale: Enhance procedural clarity, align rule references with current regulatory frameworks, and integrate enforcement practices that reflect operational realities.

- Key changes include streamlined investigation timelines, clearer jurisdiction and filing protocols, and integrated reconsideration and appeal procedures. These enhancements support consistent and transparent enforcement across all WESM participants.





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Annex A – Presentation Materials of 257th RCC (Regular) Meeting

SUMMARY OF THE PROPOSAL

MARKET DOCUMENT	PROPOSED CHANGES
WESM Rules	- Require exhaustion of available enforcement remedies, including reconsideration and appeal, before the issuance or implementation of any penalty (Clauses 7.2.4.2 and 7.2.4.11) - Designate the President of the WESM Governance Arm as the issuing authority of the Notice of Specified Penalty, replacing references to PEMC and the Enforcement and Compliance Office for governance consistency. - Expressly include provisions on the flowback of collected financial penalties to electricity end-users through WESM Customers as part of the billing and settlement process (Clause 7.2.5.5) - Amend the definition of “Enforcement Proceeding” to recognize reconsideration and appeal proceedings as integral components of enforcement activities (Chapter 11, Glossary)

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SUMMARY OF THE PROPOSAL

MARKET DOCUMENT	PROPOSED CHANGES
WESM Manual on Enforcement and Compliance	- Designate the President of the WESM Governance Arm as the issuing authority of the Notice of Specified Penalty, replacing prior PEMC-based references for governance consistency (Sections 4.4 and 6.7.1) - Expressly define enforcement proceedings as encompassing compliance monitoring, investigation, reconsideration, and appeal, treating enforcement remedies as integral parts of the enforcement process (Sections 5.2.1 and 5.2.9) - Require full exhaustion of reconsideration and appeal remedies before the issuance or implementation of any Notice of Specified Penalty (Sections 6.5, 6.7, and 7.12)

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Annex A – Presentation Materials of 257th RCC (Regular) Meeting

SUMMARY OF THE PROPOSAL

MARKET DOCUMENT	PROPOSED CHANGES
WESM Manual on Enforcement and Compliance (ECM)	- Strengthen due process safeguards by extending response periods, clarifying investigation initiation and timelines, enhancing Compliance Committee review authority (Sections 7.8.1–7.8.4), and standardizing notice and implementation of PEM Board decisions (Sections 7.12.2–7.12.3). Transfer reconsideration and appeal provisions from the WESM Penalty Manual to a new Section 9 of the Enforcement and Compliance Manual, consolidating procedures for reconsideration under compliance monitoring (Section 9.1), reconsideration under investigation proceedings (Section 9.2), and appeal to the Compliance Committee (Section 9.3), with the Penalty Manual scope to focus on penalty computation and implementation. - Align process timelines with the restructured enforcement, reconsideration, and appeal framework, including revised timelines for issuance of penalties, billing, collection, and reporting following final and executory decisions (Appendices I and II)

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UPDATES

Proposed General Amendments relating to Enforcement Proceedings and Clarifying Compliance Guidelines

- A. Refinements to the Proposal per RCC instruction last meeting for the RCC Secretariat to:
- Review the renumbering, references, and appendices in the WESM Rules and WESM-ECM
 - Prepare the draft RCC resolution
- B. MSC comments received on 24 April 2026

Revisions per items A and B are for **RCC Approval*





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Annex A – Presentation Materials of 257th RCC (Regular) Meeting

PROPOSED REVISIONS TO THE PROPOSAL

As consulted by the Secretariat with the Proponent (PEMC/ECO)

1. Amendment to WR Clause 7.2.4.9

- Reflect in the WESM Rules the proposal in the ECM
- For the CC to directly request additional information from the ECO during the CC's review of investigation reports thus eliminating the need for the CC to seek the PEM Board's approval to remand the report to the ECO for the same purpose

Section	Original Provision	Proposed Amendments	Rationale
WESM RULES CHAPTER 7 ENFORCEMENT AND DISPUTES 7.2 ENFORCEMENT 7.2.4 Enforcement Proceedings	7.2.4.9 In carrying out its review, under Clause 7.2.4.8 (b), the <i>Compliance Committee</i> may recommend to the PEM Board to remand the case to the Enforcement and Compliance Office if it determines that: xxx	7.2.4.9 In carrying out its review, under Clause 7.2.4.8 (b), the <i>Compliance Committee</i> may <u>recommend to the PEM Board to remand the case to the Enforcement and Compliance Office direct the submission of further explanations, data, records, memoranda, or other pertinent documents from the parties to the case, the Enforcement and Compliance Office, or any other relevant entity.</u> if it determines that: xxx	• The remand of cases is proposed to be removed since the Compliance Committee can directly request additional data or information during its review of the ECO's investigation report, thereby streamlining the review process, and eliminating the need to seek a remand from the Board for the same purpose. • A counterpart proposal is also provided in the EC Manual (Sec. 7.8.2)



PROPOSED REVISIONS TO THE PROPOSAL

As consulted by the Secretariat with the Proponent (PEMC/ECO)

2. Amendment to WESM-ECM Section 4.2.1 (d)

- To add the authority of the Compliance Committee per WR Clause 7.2.4.8 (b) to act on appeals
- Consistent with the transfer of the Appeals provisions to ECM Section 9 from the WPM

Section	Original Provision	Proposed Amendments	Rationale
WESM-ECM Section 4 - Responsibilities 4.2 – Compliance Committee	4.2.1 Within the limits set out in this Manual and in addition to its functions as set out in the Market Rules and the Compliance Committee Manual, the Compliance Committee has the following authority and obligation in respect to enforcement of the Market Rules. Its enforcement authority includes the authority to: xxx	4.2.1 Within the limits set out in this Manual and in addition to its functions as set out in the Market Rules and the Compliance Committee Manual, the Compliance Committee has the following authority and obligation in respect to enforcement of the Market Rules. Its enforcement authority includes the authority to: xxx d) <u>Act on all appeals filed by the WESM Member on the Enforcement and Compliance Office's resolution on the WESM Member's request for reconsideration.</u> xxx	Item (d) was inserted to clarify the authority of the Compliance Committee to act on appeals per WR Clause 7.2.4.8 (b) following the transfer of the Appeals provisions from Penalty Manual Section 4.12 to the ECM Section 9, thereby ensuring a clear and defined appellate process.



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PROPOSED REVISIONS TO THE PROPOSAL

As consulted by the Secretariat with the Proponent (PEMC/ECO)

3. Amendment to WESM-ECM Section 5.2.1
- Retracted the proposed deletion of Appendix II
 - Flowchart to replace tables in Appendices I and II

Section	Original Provision	Proposed Amendments	Rationale
WESM-ECM Section 5 – WESM Enforcement Proceedings and Actions 5.2 – Enforcement Proceedings	5.2.1 WESM <i>enforcement proceedings</i> refer to the activities or processes that are carried out to establish and determine the occurrence of <i>breach</i> and the corresponding <i>enforcement action</i> that will be carried out as a consequence of the <i>breach</i> . These include the processes for compliance monitoring and assessment, investigation for <i>breach</i> and imposition of <i>enforcement actions</i> . The timeline and the entities responsible and/or accountable for the <i>enforcement proceedings</i> are summarized in Appendices I and II of this Manual.	5.2.1 WESM <i>enforcement proceedings</i> refer to the activities or processes that are carried out to establish and determine the occurrence of <i>breach</i> and the corresponding <i>enforcement action</i> that will be carried out as a consequence of the <i>breach</i> . These include the processes for compliance monitoring and assessment, investigation for <i>breach</i> , <u>resolution of request for reconsideration and appeal</u> , and imposition of <i>enforcement actions</i> . The timeline and the entities responsible and/or accountable for the <i>enforcement proceedings</i> are summarized in <u>Appendices I and II of this Manual</u> .	xxx For ease of reference, the summary timeline tables are proposed to be replaced with process flowcharts in Appendices I and II.



PROPOSED REVISIONS TO THE PROPOSAL

As consulted by the Secretariat with the Proponent (PEMC/ECO)

4. Amendment to WESM-ECM Section 6.3.1
- Cited example in the Rationale of a different timeline for TP's response to a non-compliance notice or flagging of probable breach under another manual

Section	Original Provision	Proposed Amendments	Rationale
Section 6 – Procedures for Compliance Monitoring and Assessment 6.3 – Submission of Reply and Supporting Documents	6.3.1 The <i>WESM Member</i> shall have three (3) business days from receipt of the non-compliance notice or flagging of probable breach to respond thereto.	6.3.1 The <i>WESM Member</i> shall have three (3) <u>five (5)</u> business days from receipt of the non-compliance notice or flagging of probable breach to respond thereto <u>unless a different period is prescribed in the relevant Market Manual</u> .	Revised to allow WESM Members additional time to respond, reflecting current practice and the need to gather information from the responsible person or unit. <u>Examples of different timelines under various manuals are as follows:</u> Forecast Accuracy Standards (FAS) flagging is conducted on a monthly basis, unlike OCC, ROCC, and RCS where flagging occurs daily. Thus, for FAS, participants are required to submit their response within 15 business days from receipt of the Preliminary FAS Results. (See Sec. 4.4.2 and 6.3.1 of the FAS Manual)





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As consulted by the Secretariat with the Proponent (PEMC/ECO)

5. Amendment to WESM-ECM Section 7.11.1
- Update the reference for consistency

Section	Original Provision	Proposed Amendments	Rationale
Section 7 – Procedures for Investigation and Review 7.11 Request For Reconsideration of The PEM Board Decision	7.11.1 The filing of any request for reconsideration of the <i>PEM Board</i> Decision shall be governed by the relevant provisions of the <i>WESM Penalty Manual</i> .	7.11.1 The filing of any request for reconsideration of the <i>PEM Board</i> Decision shall be governed by the relevant provisions of <u>the <i>WESM Penalty Section 9.2 of this Manual</i></u> .	Revised to correct the reference to the appropriate Market Manual.



PROPOSED REVISIONS TO THE PROPOSAL

As consulted by the Secretariat with the Proponent (PEMC/ECO)

6. Amendments to WESM-ECM Section 7.9.2 and 7.12.3
- To add a reference to Section 7.12.3(a) and clarify its interplay with Section 7.9.2 to ensure alignment on timelines and responsible parties, and to address the interpretation of remand under Section 7.9.2 in light of Section 7.9.1 and Section 7.12.

Section	Original Provision	Proposed Amendments	Rationale
Section 7 – Procedures for Investigation and Review 7.9 – Decision	7.9.2 The copy of the <i>PEM Board</i> decision on the investigation, accompanied by a copy of the Investigation Report of the <i>Enforcement and Compliance Office</i> , and the Review Report of the <i>Compliance Committee</i> , upon which the decision is based, shall be provided to the concerned trading participant or the party being investigated.	7.9.2 The copy of the <i>PEM Board</i> decision on the investigation, accompanied by a copy of the Investigation Report of the <i>Enforcement and Compliance Office</i> , and the <u>Review Report resolution</u> of the <i>Compliance Committee</i> , upon which the decision is based, shall be provided to the concerned trading participant or the party being investigated <u>in accordance with Section 7.12.3 (a) of this Manual</u> .	A reference to Section 7.12.3(a) was added for clarity and consistency in the application of the provision.
Section 7 – Procedures for Investigation and Review 7.12 – Notice and Implementation of the PEM Board Decision	7.12.3 xxx	7.12.3 xxx a) <u>Issue a formal notice to the concerned WESM Member regarding the action taken by the PEM Board. This notice, duly signed by the President of the WESM Governance Arm, shall be accompanied by a copy of PEM Board certification, and the Investigation Report including its appendices and the resolution of the Compliance Committee pertaining to the same case.</u>	

xxx



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COMMENT RECEIVED FROM MSC

On 24 April 2026, MSC submitted its comments, specifically on ECM Section 9.3.2(b)(i), which reads as follows:

Section	Proposed Amendment	Proposed Revision based on Comment	Rationale
SECTION 9 - Reconsideration and Appeal Proceedings and Implementation of Enforcement Actions Section 9.3 - Appeal Section 9.3.2	<u>9.3.2 xxx</u> b) <u>xxx</u> (i) <u>issuance of a resolution or penalty without sufficient factual basis, including circumstances where an error of fact has been committed in resolving the case;</u> (ii) <u>xxx</u>	<u>9.3.2 xxx</u> b) <u>xxx</u> (i) <u>the resolution is not based on substantial evidence or there was a misappreciation of fact/s by the Enforcement and Compliance Office in issuing the same;</u> (ii) <u>xxx</u>	- To align the provision with established Philippine jurisprudence - Substantial evidence is the recognized quantum of proof required in administrative cases and is defined as such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. - Since investigations conducted by the ECO and CC are administrative in nature, adopting this term removes ambiguity and clearly establishes the evidentiary standard required to support findings and decisions.



ACTION REQUESTED

- For approval of RCC Resolution No. 2026-04



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VI. OTHER MATTERS



6.1 UPDATE ON THE PROPOSALS

Action Requested: For Information





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UPDATES ON THE PROPOSALS

Urgent Amendments – Ongoing implementation (1)

	Proposal	Proponent	Update/Status
1	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 – 1st Extension of effectivity PEM Board Resolution No. 2025-85-03 27 Nov 2025 – 2nd Extension of effectivity (PEM Board Resolution No. 2025-90-02) 29 Apr 2026 – 3rd Extension of effectivity (PEM Board Resolution No. 2026-95-02) Effectivity of the WESM ASMM Issue 1.2: 12 June 2026 to 12 December 2026



UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (2)

	Proposal	Proponent	Update/Status
1	Proposed General Amendments on Enforcement Proceedings and Clarifying Compliance Guidelines	PEMC	06 Jan 2026 – Submission of the Proposal 16 Jan 2026 – Approval of the RCC to publish in PEMC website - Commenting Period: 19 January to 03 March 2026 - Comments received from: ACEN, APC, MERALCO, PSALM, SNAP 13 Mar and 10 Apr 2026 – RCC Deliberations 15 May 2026 – For RCC's Approval





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UPDATES ON THE PROPOSALS

General Amendments – Under RCC Evaluation (2)

	Proposal	Proponent	Update/Status
2	Proposed Urgent Amendments to the WESM Ancillary Services Monitoring Manual Issue 1.2 regarding Additional Criteria for Qualifying a Frequency Driven Event (FDE)	SN Aboitiz Group	24 Mar 2026 – Submission of the Proposal 27 Mar 2026 – Submission of the Revised Proposal 10 Apr 2026 – RCC discussed the proposal and reclassified it as a General Amendment. 29 April 2026 – PEM Board concurred with the RCC's reclassification and approved posting of the proposal on the PEMC website for stakeholder comments (PEM Board Resolution No. 2026-95-03) 04 May 2026 to 16 June 2026 – posting in the PEMC Website to solicit comments



PEM BOARD DECISION ON PROPOSALS CERTIFIED AS NOT URGENT

- During the 95th Regular PEM Board Meeting, the PEM Board clarified that Urgent Amendments not certified as such by the RCC **must still be approved by the PEM Board**, including concurrence with the RCC's decision to classify the proposal as Not Urgent and reclassify it as a General Amendment.





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UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (3)

	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 15 April 2026 – RCC sent a letter to IEMOP requesting updates on this matter.



UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (3)

	Proposal	Proponent	Update/Status
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)





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UPDATES ON THE PROPOSALS

General Amendments – RCC Evaluation Deferred (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) 16 Jan 2026 – Deferred (as requested by the Proponent) pending ERC's revision on the Omnibus Rules



UPDATES ON THE PROPOSALS

General Amendments – For DOE Promulgation (2)

	Proposal	Proponent	Update/Status
1	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
2	Proposed General Amendments to the WESM Rules and Various WESM Manuals on the Market Surveillance Committee Processes	MSC	28 Jan 2026 – Approval of the Proposal (PEM Board Resolution No. 2026-92-03) 23 Feb 2026 – Submitted to DOE for approval and to ERC for information



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6.2 DOE UPDATES

Action Requested: For Information



6.3 SCHEDULE OF ACTIVITIES

Action Requested: For Information





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SCHEDULE OF ACTIVITIES



RCC Agenda in the BRC and PEM Board Meeting:

1. RCC Resolution on Proposed General Amendments relating to Enforcement Proceedings and Clarifying Compliance Guidelines

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RCC MEMBERS WITH COMPLETED SMR 2025 PHOTOSHOOTS

RCC Principal Members	Photoshoot Completed
Rachel Angela P. Anosan	13-March-2026 / 20-April-2026
Jordan Rel C. Orillaza	20-April-2026
Atty. Jesusito G. Morillos	13-March-2026
Emmanuel Genesis T. Andal	13-March-2026
Atty. Kristoffer Monico S. Ng	28-April-2026
Darryl Lon A. Ortiz	13-March-2026
Nelson M. Dela Cruz	17-April-2026 (photos submitted per Photoshoot Guidelines)
Virgilio C. Fortich, Jr.	17-April-2026 (photos submitted per Photoshoot Guidelines)
Ryan S. Morales	13-March-2026
Atty. Russel S. Alabado	13-March-2026
Gian Karla C. Gutierrez	20-April-2026
Dixie Anthony R. Banzon	28-April-2026
Jayson A. Francisco	20-April-2026
Carlito C. Claudio	13-March-2026
Mark D. Habana	13-March-2026

Summary:

- 15 of 15 RCC Principal Members
- 9 of 11 RCC Alternate Members

RCC Alternate Members	Photoshoot Completed
Atty. Lilibeth Grace Vetus-Magtalas	28-April-2026
Clark N. Agustin	05-May-2026 (photos submitted per Photoshoot Guidelines)
Darwin T. Daymiel	17-April-2026 (photos submitted per Photoshoot Guidelines)
Getulio Zamoras Crodua	
Manuel Luis Zagala	28-April-2026
Alfredo C. Sanaga, Jr.	05-May-2026 (photos submitted per Photoshoot Guidelines)
Bryan Alvin A. Calasanz	13-March-2026
Michael Valer G. Mariano	
Charm Krizia L. Medina	28-April-2026
Jessie B. Victorio	28-April-2026
Michelle S. Tuazon	28-April-2026

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PEM BOARD DIRECTIVE ON RCC ALTERNATE MEMBERS

For information of RCC

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VII. ADJOURNMENT



MEETING MINUTES

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A large graphic for PEMC. On the left, a hand holds a smartphone displaying a blue screen with a white electrical plug icon. The background is split diagonally into yellow and white. On the right, the text 'Connect with PEMC' is written in large blue font. At the bottom, 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). Social media icons for Facebook, LinkedIn, Twitter, and YouTube are also present, all labeled 'pemcinfo' or 'PEMC_Info'. The number '60' is in the bottom left corner.

Philippine Electricity Market Corporation

Connect with PEMC

pemc.info@wesm.ph +63 2 8631 8734 18F Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City 1600, Philippines

[f pemcinfo](#) [in pemcinfo](#) [t PEMC_Info](#) [v PEMC Info](#)

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Annex B – Draft RCC Resolution 2026-04

Resolution No. 2026-04

RULES CHANGE COMMITTEE

Proposed General Amendments on Enforcement Proceedings and Compliance Guidelines

Effective Date : 15 May 2026
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WHEREAS, the WESM Rules, WESM Manual on Penalty, and the WESM Manual on Enforcement and Compliance provide enforcement and compliance obligations, processes, and the flowback of financial penalties to electricity end-users

WHEREAS, on 06 January 2026, the Philippine Electricity Market Corporation (PEMC) submitted to the Rules Change Committee (RCC) proposed amendments to the foregoing, with the objective of enhancing procedural clarity, ensuring alignment with existing regulatory frameworks, and integrating enforcement and compliance practices consistent with operational realities;

WHEREAS, the RCC approved the publication of the proposal in the WESM Governance Arm website to solicit comments from the stakeholders during its 254th RCC (Regular)¹ Meeting on 16 January 2026, wherein it was noted that PEMC also submitted a related proposal to the Market Surveillance Committee (MSC) to amend the WESM Manual on Penalty;

WHEREAS, during the commenting period from 19 January to 03 March 2026, the RCC received comments from Aboitiz Power Corporation (APC), ACEN Corporation, Power Sector Assets and Liabilities Management Corporation (PSALM), SN Aboitiz Power Group (SNAP) and Manila Electric Company (MERALCO);

WHEREAS, during its 256th RCC (Regular) Meeting² held on 13 March 2026, the RCC deliberated on the proposed amendments, the comments received, and the Proponent's responses thereto, including discussions on, among others:

- (a) clarification of the flowback of financial penalties;
- (b) confidentiality of investigations involving the Market Operator and System Operator;
- (c) prescribed response periods for notices of non-compliance;
- (d) the criteria, scope, and timing for the issuance and implementation of remedial measures, including those involving third parties;
- (e) jurisdiction over former WESM Members and the reckoning of the prescriptive period;
- (f) investigation timelines and allowable extensions;
- (g) proposed shortening of Compliance Committee (CC) resolution periods; and
- (h) processes, timelines, and grounds for filing requests for reconsideration and appeals;

WHEREAS, during the same meeting, the RCC directed PEMC to revise the proposal and incorporate clearer standards and criteria on the issuance of immediate remedial measures, clarify the reckoning points of the prescriptive period, articulate the CC's position on resolution timelines, and refine the scope and grounds for reconsideration and appeal, including the definition of grave abuse of discretion and the treatment of newly discovered evidence;

WHEREAS, during its 257th RCC (Regular) Meeting³ held on 10 April 2026, the RCC conducted a line-by-line deliberation of the proposal, including the revised proposed amendments that considers the stakeholder comments and proposed rewordings of the Proponent;

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

² Ibid.

³ Ibid.



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Annex B – Draft RCC Resolution 2026-04

Resolution No. 2026-04
 Proposed General Amendments on Enforcement Proceedings
 and Compliance Guidelines.

WHEREAS, during the said meeting, the RCC approved the revised provisions, including, among others:

- (a) the definition of the flowback of financial penalties under WESM Rules Clause 7.2.5.5;
- (b) the extension and retention of response periods using business days under the WESM Enforcement and Compliance Manual (ECM);
- (c) the inclusion of objective standards for the issuance of immediate remedial measures based on initial evidence of significant risk to the market;
- (d) the express recognition of continuing jurisdiction over former WESM Members for acts committed during their period of membership;
- (e) clarified investigation timelines with allowable extensions not exceeding a total of forty-five (45) business days beyond the original period;
- (f) revised resolution timelines for the Compliance Committee; and
- (g) clearer, enumerated grounds for requests for reconsideration and appeals, including grave abuse of discretion and newly discovered evidence;

WHEREAS, during its 258th RCC (Regular) Meeting⁴ held on 15 May 2026, the RCC reviewed further refinements to the Proposal and deemed that the revised proposed amendments sufficiently address the stakeholders' comments, and incorporate the Committee's instructions;

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

RESOLVED, to approve the proposed amendments to the WESM Rules and the WESM Enforcement and Compliance Manual on Enforcement Proceedings and Compliance Guidelines, as presented in full in Annex A of this Resolution;

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 **15th day of May 2026**, Pasig City.

⁴ Ibid.



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Resolution No. 2026-04
 Proposed General Amendments on Enforcement Proceedings
 and Compliance Guidelines.

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)	JOSE ILDEBRANDO B. AMBROSIO ACEN Corporation (ACEN)
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)



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