



# Market Surveillance Committee Quarterly Accomplishment Report

01 January to 31 March 2026

**APRIL 2026**

This Report is prepared by the  
Philippine Electricity Market Corporation –  
Market Assessment Group  
and approved by the  
Market Surveillance Committee

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The information contained in this document is based on data that are subject to continuous verification by the Philippine Electricity Market Corporation (PEMC). The same information is subject to change as updated figures come in.

## Executive Summary

Pursuant to Section 1.6.2 of the WESM Rules and Section 3.1 of the Market Surveillance Manual (MSM) Issue 2.0, the Market Surveillance Committee (MSC) carried-out its mandate for the monitoring and assessment of market outcomes in the WESM and the Retail Market,<sup>1</sup> with PEMC-Market Assessment Group (MAG) as its primary support unit.

In performing its responsibilities, the MSC conducted regular monthly meetings, and frequently communicated through email and other platforms to deliberate on various matters under its jurisdiction and other market issues.

For the covered period, the MSC exercised a hybrid setup in conducting its meetings. Accordingly, during the 1<sup>st</sup> quarter of 2026, the MSC conducted the following meetings:

- Regular Meeting No. 2026-01 held on 15 January 2026 (Face-to-Face)
- Regular Meeting No. 2026-02 held on 12 February 2026 (Online)
- Regular Meeting No. 2026-03 held on 12 March 2026 (Online)

The MSC's Accomplishments during the reporting period are summarized in the succeeding sections of this report.

In summary, the MSC accomplished the following activities through the assistance of MAG:

<b>Activities</b>	
<b>Discussion of periodic market reports and reports on unusual Market Outcomes</b>	<ul style="list-style-type: none"> <li>○ Market Assessment Reports (monthly statistics and quarterly)</li> <li>○ Retail Market Assessment Reports (monthly statistics, quarterly and annual)</li> <li>○ Review Reports on Market Intervention Events</li> <li>○ Notable Market Outcome Reports (upon occurrence)</li> </ul>
<b>Review / Submit proposed amendments to the WESM Rules / Manuals</b>	<ul style="list-style-type: none"> <li>○ PEMC-IEMOP Rules Change Proposal to the WESM Penalty Manual</li> <li>○ Discussion on the Next Steps of the MSC Proposed Amendments to the WESM Rules, Market Surveillance Manual and WESM Penalty Manual</li> </ul>
<b>Coordination meetings with other Agencies &amp; Entities</b>	<ul style="list-style-type: none"> <li>○ Meeting with MO and SO for the Market Intervention Events</li> <li>○ DOE and NGCP for the 2026 Power Situation Outlook</li> <li>○ MO on the Development and Proposed Design Enhancements of the IEMMS in relation to MO-initiated MI Events</li> </ul>

<sup>1</sup> Section 1.5.1, Retail Rules: *The provisions of Chapter 1 of the WESM Rules shall apply with respect to the governance of the integration of retail competition in the WESM, the operations of the Central Registration Body, and the participation and transactions in the WESM of Suppliers and Contestable Customers.*

<b>Activities</b>	
<b>Market Studies</b>	<ul style="list-style-type: none"><li>○ Observed Recurring Curtailment of Geothermal Facilities</li><li>○ MSC's Comments on the PEMC and UNOPS-ETP Joint Study: Enhancing the Spot Market to Attract Investments to Renewables</li></ul>
<b>Other Activities</b>	<ul style="list-style-type: none"><li>○ Review of Various Department Circulars, Issuances and RCC Call for Comments</li></ul>

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## 1.0 Activities on Market Monitoring and Assessment

### 1.1 Assessment of Market Outcomes in the Wholesale Electricity Spot Market (WESM)

#### 1.1.1 Monitoring and Assessment of Market Outcomes in the WESM

Pursuant to its mandate under Section 3.1 (b)<sup>2</sup> of the MSM, the MSC continued with its monitoring and assessment of market outcomes, as well as the bidding behavior of generator-trading participants (TPs).

The Market Assessment Report (MAR) is prepared for the purpose of monitoring and assessing the efficiency and competitiveness of the WESM under different timescales and market conditions. The periodic reports include an assessment of market behavior, through the analysis of market monitoring indices, as contained in the Catalogue of Market Monitoring Data and Indices (CMMDI).

##### 1.1.1.1 Market Assessment Reports

Pursuant to its mandate under Section 3.1 (b)<sup>3</sup> of the MSM, the MSC continued with its monitoring and assessment of market outcomes, as well as the activities of the WESM members.

The Market Assessment Reports are prepared pursuant to the Committee's mandate of monitoring and assessing the efficiency and competitiveness of the WESM under different timescales and market conditions. The MARs provide an assessment of market behavior and analyze market monitoring indices, which are based on monitoring data regularly collected and validated primarily from the Market Operator (MO) and the System Operator (SO).

During the covered period, the MSC has discussed the Monthly Market Statistics<sup>4</sup> for 26 October 2025 to 25 January 2026 billing periods. In addition to monthly statistics, quarterly assessment report for Q4 of 2025 was likewise discussed and submitted to the PEM Board, for information. The corresponding reports were published in PEMC website<sup>5</sup> for the information of stakeholders.

MARs are prepared and submitted to both the Department of Energy (DOE) and Energy Regulatory Commission (ERC) upon availability of the processed and validated data received from both Market Operator (MO) and System Operator (SO).

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<sup>2</sup> MSM Section 3.1(b): *The MSC shall have following responsibilities: (a) xxx; (b) prepare and submit monthly monitoring reports, quarterly retail market monitoring reports, annual reports; xxx*

<sup>3</sup> MSM Section 3.1(b): *The MSC shall have following responsibilities: (a) xxx; (b) prepare and submit monthly monitoring reports, quarterly retail market monitoring reports, annual reports; xxx*

<sup>4</sup> Also known as the Monthly Market Assessment Report

<sup>5</sup> <https://www.wesm.ph/market-outcomes/market-assessment-reports>

### 1.1.2 Notable Market Outcomes from December 2025 to February 2026

On a regular basis, the MSC was apprised on the summary of facts and observations on the market triggers monitored for a particular billing period in consideration of the thresholds used for the monitoring activities, as reviewed and revised by the Committee. The highlights of the reports are as follows:

Billing Period	Highlights
December 2025	Price spikes occurred on 23 out of 30 days, covering 637 intervals (76 off-peak and 561 peak). Most spikes were observed in the Visayas and Mindanao regions (625 intervals). Wednesday showing the most occurrences and the 1800h trading hour having the highest frequency.
January 2026	Price spikes occurred on 18 out of 31 days, covering 93 intervals (28 off-peak and 65 peak), with Sunday and Tuesday showing the most occurrences and the 1900h trading hour having the highest frequency.
February 2026	Price spikes occurred on 20 out of 31 days, covering 282 intervals (33 off-peak and 249 peak). Most spikes were observed in the Visayas and Mindanao regions (161 intervals), with Monday showing the most occurrences and the 1900h trading hour having the highest frequency.

### 1.1.3 Review of Market Intervention Events

The MSC discussed the results of MAG's initial assessment on the Market Intervention (MI) and Market Suspension (MS) events which occurred on September to October 2025, in consideration of the available information provided on the submitted reports and supporting documents by either the SO or the MO.

The summary of the details of the incident is provided in the table below:

- MI and MS events on 04 to 05 November 2025 due to Natural Calamity

Date	No. of Intervals	Declared by	Region Affected	Reason
04–05 November 2025	408 intervals (0800h – 1755h)	ERC	Visayas	Due to Typhoon Tino
04 November 2025	123 intervals (1035h – 2045h)	SO	Visayas	Unimplementable Real Time Dispatch (RTD) due to extreme low demand during Typhoon Tino
04 November 2025	2 intervals (1105h – 1110h)	MO	Luzon, Visayas, Mindanao	Failure to generate Real Time Dispatch (RTD) results
05 November 2025	1 interval (0020h)	MO	Luzon, Visayas, Mindanao	Failure to generate RTD results

10 2025	November	91 intervals (0130h – 0900h)	SO	Luzon	Low demand resulting from Super Typhoon Uwan
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- The MI event on 13 December 2025 and 12 January 2026 due to failure to generate RTD results

Date	No. of Intervals	Declared by	Region Affected	Reason
13 December 2025	1 interval (1325h)	MO	Luzon, Visayas, Mindanao	Failure to generate RTD results
12 January 2026	1 interval (1440h)	MO	Luzon, Visayas, Mindanao	Failure to generate RTD results
13 February 2026	0215h 1 interval	MO	Luzon, Visayas, Mindanao	Failure to generate RTD results
15 February 2026	0805h 1 interval	MO	Luzon, Visayas, Mindanao	Failure to generate RTD results
23 February 2026	2105h – 2230h 18 intervals	MO	Luzon, Visayas, Mindanao	Failure to generate RTD results

- MI on 16 and 19 September 2025 due to Business Continuity Plan

Date	No. of Intervals	Declared by	Region Affected	Reason
16 September 2025	0725h – 0800h 0920h 0935h 10 intervals	MO	Luzon, Visayas, Mindanao	Failure of the Market Management System (MMS) to generate RTD results following the switchover from the main site to the backup site.
19 September 2025	0720h – 0735h 4 intervals 1115h – 1125h 3 intervals	MO	Luzon, Visayas, Mindanao	Failure of the MMS to generate RTD results following the system switchover downtime from the main site to the backup site and vice versa

A series of clarifications and coordination meetings were conducted for the abovementioned MI events to gather further information and address inquiries by the Committee to complete its assessment and report.

## **1.2 Assessment of the Retail Market – Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP)**

Pursuant to the Catalogue of Retail Market Monitoring Data and Indices (CRMMDI) Section 3.1.2, the MSC regularly monitored and assessed the performance of the Retail Market, as provided for under the Retail Market Assessment Reports, which discusses the results of monitoring indices and provide indications on how the retail market, covering both the CREM and GEOP, performed during the period in review.

During the covered period, the MSC reviewed the results of the Retail Market monitoring on the CREM and GEOP from 26 April 2025 to 25 October 2025 billing periods, as submitted by MAG. Aside from the monthly statistics, the Committee has likewise submitted to the PEM Board its quarterly assessment of the retail market for Q2 of 2025 and Q3 2025.

## **2.0 Coordination Meetings with Various Entity/ies**

### **2.1 Meeting with MO and SO for the Market Intervention Events**

During the period covered, the MSC conducted a series of coordination meetings with both the MO and the SO to gather further information and address additional inquiries raised by the Committee. These efforts were undertaken to support the completion of its assessment of the Market Intervention and Suspension events that occurred in November 2025 to February 2026.

Following these discussions, the MSC requested additional information and documentation for some of the MI events to serve as supporting references for its assessment.

### **2.2 DOE and NGCP for the 2026 Power Situation Outlook**

With the request from the MSC, the representatives from the DOE and NGCP presented to the Committee the power situation and outlook for the year 2026 including the assumptions used by both parties on their respective simulation.

During the discussion, while the Committee noted that NGCP will be updating its simulation based on additional information from the DOE, it was noted that there were few forecasted Red and Yellow Alert issuances for the year.

### **2.3 MO on the Development and Proposed Design Enhancements of the IEMMS in relation to MO-initiated MI Events**

In relation to the Committee's request, the MO presented the updates on the development and proposed design enhancements of the Independent Electricity Market Management System (IEMMS) in relation to MO-initiated MI events.

The MSC was informed that the design phase of the IEMMS is ongoing. It noted that the presentation on the proposed design enhancements to address the MO-initiated MI events have yet to be actualized, as the final design of the IEMMS is expected to be completed no earlier than July. It was agreed that the final design be presented once to the Committee once completed.

### **3.0 Proposed Amendments to WESM Rules and Market Manuals**

#### **3.1 PEMC-IEMOP Rules Change Proposal to the WESM Penalty Manual**

The MSC discussed the proposed amendments to the Enforcement and Compliance (EC) Manual and the Penalty Manual, which consisted of four key revisions:

- Flowback Mechanism
- Change in Timeline for Implementation of Enforcement Action (Exhaustion of Remedies before Penalty Collection)
- Transfer of Provisions/Section on Request for Reconsideration and Appeal from Penalty to EC Manual
- Minor and clerical correction

The Committee was apprised that the proposed amendment on the flowback mechanism aims to include all electricity consumers, and that the penalties will be collected once all possible remedies are exhausted.

After the deliberation, the MSC approved the publication of the proposal in the PEMC website for comments of any interested parties, subject to the confirmation of the DOE regarding bulk users.

#### **3.2 Discussion on the Next Steps of the MSC Proposed Amendments to the WESM Rules, Market Surveillance Manual and WESM Penalty Manual**

The MSC agreed to defer the presentation of its proposed amendments to the WESM Penalty Manual to the PEM Board until the proposal of IEMOP and ECD to the same manual is deliberated.

### **4.0 Other Activities and Accomplishments**

#### **4.1 Market Studies**

#### **4.1.1 Observed Recurring Curtailment of Geothermal Facilities**

The Committee discussed a formal communication in relation to the observed recurring curtailment of certain geothermal power generation facilities.

The Committee is currently conducting its independent assessment on the matter particularly on the frequency and extent of the curtailments. It also coordinated with the relevant entities to develop an appropriate response to the reported conditions.

In addition, the potential financial implications of the curtailments will likewise be included in its assessment in coordination with the concerned stakeholder. All information gathered will form part of the Committee's overall evaluation and determination on the matter.

#### **4.1.2 MSC's Comments on the PEMC and UNOPS-ETP Joint Study: Enhancing the Spot Market to Attract Investments to Renewables**

The MSC discussed the key findings and recommendations of the joint study conducted by PEMC and the United Nations Office for Project Services-Energy Transition Partnership (UNOPS-ETP) entitled "Enhancing the spot market to attract investments to renewables. This was in response to PEMC's request for the Committee to provide its comments and feedback on the study, specifically with regard to the feasibility, implications, and alignment of the proposed measures with the existing market rules, laws, and regulatory issuances.

After deliberation, the Committee submitted its comments and observations to PEMC for consideration as to its next course of action

### **4.2 Review of Various Department Circulars, Issuances and RCC Call for Comments**

- **ERC Resolution No. 26, Series of 2025: Imposition of New Secondary Price Cap**

The MSC was apprised of the approved ERC Resolution No. 26, Series of 2025, which details the amendments to pre-emptive mitigating measure in the WESM. The Committee was informed of the following amendments:

- Secondary Price Cap (SPC): PHP 7,423
- Cumulative Price Threshold (CPT): PHP 12,413
- Rolling Average Period: Three (3) days / 72 hours / 864 five (5)-minute intervals

The Committee took note of the data and methodology used in the formulation of the new SPC parameters. Furthermore, it was informed of ERC's evaluation of the petition filed by the Philippine Independent Power Producers Association, Inc. (PIPPA) regarding the matter.

After the deliberation, the MSC noted the highlights of the approved ERC Resolution on the imposition of the SPC.

- **Call for Comments: Draft Terms of Reference for the Audit of the IEMMS**

The MSC discussed the draft Terms of Reference (TOR) for the independent software certification audit of the IEMOP Electricity Market Management System (IEMMS) and the Central Registration and Settlement System (CRSS) 2.0.

Given the short commenting period and the significance of the audit, the Committee initially provided its comment on the draft TOR during the meeting in the presence of PEM Audit Committee (PAC) Secretariat and possibly requested for an extension on the commenting period. Further, one of the MSC members offered its assistance on the review of the said TOR.

- **DOE Department Circular No. 2026-01-0002: Lowering of GEOP Threshold (50Kw) and Aggregation**

The MSC noted the salient features of the DOE Department Circular No. 2026-01-0002 on the lowering of GEOP threshold and aggregation.

The MSC is currently composed of five (5) members, namely, Engr. Arthur N. Escalante as the Chairperson, Engr. Christian M. Orias, Engr. Ferdinand P. Villareal, Dr. Justin Ranier S. Chan, and Atty. Doroteo B. Aguila.