



RULES CHANGE COMMITTEE

Request for Extension of Effectivity of Urgent Amendments to the WESM Manual on Ancillary Services Monitoring regarding Reserve Conformance Standards and Related Enforcement Actions

Effective Date : 16 October 2026

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WHEREAS, on 10 December 2024, the PEM Board approved the RCC Resolution No. 2024-08¹ entitled *Proposed Revisions to the Urgent Amendments to the Ancillary Services Monitoring Manual (ASMM) regarding Reserve Conformance Standards and Related Enforcement Actions*, which aims to implement:

- 1) Changes in timeline and procedure for monitoring compliance with the Reserve Conformance Standards and enforcement thereof to streamline the process, enhance submission/documentation by Ancillary Services Providers (ASPs), and lead to a more comprehensive and quality assessment by Enforcement and Compliance Office (ECO); and
- 2) Additional technical considerations in monitoring Response Accuracy on Governor Control Mode (GCM) to resolve technical issues identified during the August 2024 to November 2024 monitoring period to ensure fair assessment of the compliance of the ASPs;

WHEREAS, in accordance with the rules change process for urgent amendments², the revised WESM Manual on Ancillary Services Monitoring was posted in the WESM Governance Arm Website on 11 December 2024, with changes that are effective until 6 months from the date of posting (i.e. 12 December 2024 until 12 June 2025) or until the corresponding general amendment on the same matter is promulgated by the DOE, whichever is earlier;

WHEREAS, the rules change process for the corresponding general amendments³ was initiated by the RCC through online publication of the PEM Board-approved urgent proposal on the Governance Arm website, to solicit comments from WESM participants and interested parties. The consultation period ran from 16 December 2024 to 03 February 2025, during which comments were received from nine (9) stakeholders⁴;

WHEREAS, the RCC proceeded to deliberate on and finalize the general proposed amendments over three (3) meetings⁵, approved the endorsement of the same to the PEM Board, as revised, per RCC Resolution No. 2025-02 dated 30 April 2025; and in the same Resolution likewise recommended extending the effectivity of the urgent amendments for another six (6) months (until 12 December 2025), as permitted in the Section 7.4 (g) of the Rules Change Manual;

WHEREAS, the PEM Board approved the general amendments and the recommended extension of the effectivity of the urgent amendments until 12 December 2025 pursuant to PEM Board Resolution No. 2025-85-02 dated 28 May 2025, and endorsed the same to the DOE for final approval on 11 June 2025;

WHEREAS, the DOE has concluded its public consultations on the draft Department Circular regarding the proposal with the Luzon, Visayas, and Mindanao legs on 02 September (Muntinlupa City), 24 September (Cebu City) and 07 October 2025 (Cagayan de Oro City), respectively. These consultations provided WESM members and stakeholders the opportunity to submit their comments;

¹ PEM Board Resolution No. 2024-79-01

² WESM Manual on Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals (RCM), Section 7.4

³ Ibid, Section 7.5

⁴ <https://www.wesm.ph/market-governance/rules-change/new-rules-change-proposals/view-proposal-details/23>

⁵ 21 February 2025, 14 March 2025, and 11 April 2025

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WHEREAS, pending the approval and promulgation by the DOE of the corresponding general amendments, the effectivity of the urgent amendments was extended for the second time through PEM Board Resolution No. 2025-90-02 dated 27 November 2025, until 12 June 2026, or until the DOE approves the corresponding general amendments, whichever is earlier;

WHEREAS, as the corresponding general amendments remained pending approval and promulgation by the DOE, the RCC, through RCC Resolution No. 2026-02, recommended a third extension of the effectivity of the urgent amendments, which the PEM Board subsequently approved through PEM Board Resolution No. 2026-95-02 dated 29 April 2026, extending their effectivity until 12 December 2026, or until the DOE approves the corresponding general amendments, whichever is earlier;

WHEREAS, pursuant to ERC Order in ERC Case No. 2023-002 RC, the Energy Regulatory Commission (ERC) suspended the commercial dispatch and settlement of the Reserve Market until further orders of the Commission and directed that Ancillary Service requirements be sourced through existing Ancillary Services Procurement Agreements (ASPAs) and must-run or must-dispatch capacities during the period of suspension;

WHEREAS, notwithstanding the suspension of the Reserve Market, the ECO shall conduct its compliance assessments and enforcement proceedings covering transactions up to the 14 October 2026, 00:00H dispatch interval, which are expected to continue until December 2026 in accordance with applicable timelines;

WHEREAS, considering that the corresponding general amendments remain pending approval by the DOE, and recognizing that the implementation of the urgent amendments remains relevant upon the resumption of Reserve Market operations and there are no changes to the reserve categories and corresponding ASP obligations, the RCC finds it necessary to extend the effectivity of the urgent amendments until six (6) months, until 12 June 2027, or until the DOE approves the corresponding general amendments, whichever comes earlier;

RESOLVED, that the RCC approves and recommends to the PEM Board the extension of the effectivity of the urgent amendments to the WESM Manual on Ancillary Services Monitoring regarding Reserve Conformance Standards and Related Enforcement Actions until six (6) months, until 12 June 2027, or until the DOE approves the corresponding general amendments, whichever comes earlier.

Done this **16** day of **October 2026**, Pasig City.

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Approved by:
THE RULES CHANGE COMMITTEE

Independent Members:



RACHEL ANGELA P. ANOSAN
Chairperson



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JORDAN REL C. ORILLAZA



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GIAN KARLA C. GUTIERREZ

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Market Operator Member:



KRISTOFFER MONICO S. NG

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