



Market Surveillance Committee Quarterly Accomplishment Report

01 April to 30 June 2026

JULY 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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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,¹ 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 virtual setup via MS Teams in conducting its meetings. Accordingly, during the 2nd quarter of 2026, the MSC conducted the following meetings:

- Regular Meeting No. 2026-04 held on 16 April 2026 (Online)
- Regular Meeting No. 2026-05 held on 14 May 2026 (Online)
- Special Meeting No. 2026-06 held on 01 June 2026 (Online)
- Regular Meeting No. 2026-07 held on 11 June 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:

Activities	
Discussion of periodic market reports and reports on unusual Market Outcomes	○ Market Assessment Reports (monthly and quarterly) ○ Retail Market Assessment Reports (monthly and quarterly) ○ Review Reports on Market Intervention and Suspension Events ○ Notable Market Outcome Reports (upon occurrence)
Coordination meetings with other Agencies & Entities	○ Discussion on the Reported Curtailment of Certain Geothermal Power Plants
Review / Submit proposed amendments to the WESM Rules / Manuals	○ Discussion on the MSC Proposed Amendments to the WESM Penalty Manual
Review of Market Catalogues and Indices	○ Review of Market Monitoring Triggers and Interesting Pricing Events Threshold for 2026
Other Activities	○ Review of Various Department Circulars, Issuances and Rule Change Committee (RCC) Call for Comments

¹ 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.*

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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

1.1.1.1 Market Assessment Reports

Pursuant to its mandate under Section 3.1 (b)² of the MSM, the MSC continued with its monitoring and assessment of market outcomes in the WESM.

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) and 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 Statistics³ for 26 January to 25 April 2026 billing periods. In addition to monthly statistics, and the quarterly assessment report for Q1 2026 was likewise discussed and submitted to the PEM Board, ERC and DOE, for information. The corresponding reports were published in PEMC website⁴ for the information of stakeholders.

1.1.2 Notable Market Outcomes from March and May 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
March 2026	Price spikes occurred on 13 out of 28 days, covering 85 intervals (22 off-peak and 63 peak), with Wednesday and Thursday showing the most occurrences and the 1900h trading hour having the highest frequency.
May 2026	Price spikes occurred on 19 out of 30 days, covering 418 intervals (48 off-peak and 370 peak), with Wednesday showing the most occurrences and the 1400h trading hour having the highest frequency.

For the April 2026 billing period, no market triggers were monitored as the market was under suspension.

² 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*

³ Also known as the Monthly Market Assessment Report

⁴ <https://www.wesm.ph/market-outcomes/market-assessment-reports>

1.1.3 Review of Market Interventions Events

The MSC discussed the results of MAG's initial assessment on the Market Intervention (MI) and Market Suspension (MS) events which occurred on October 2025 to June 2026, 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 incidents is provided in the tables below:

- 10, 15 and 24 October 2025 and 11 November 2025 due to Manual Load Dropping (MLD) implementation

Date	Intervals Affected	Declared by	Region Affected
10 October 2025	1450h – 1550h 13 intervals	SO	Visayas
15 October 2025	1015h – 1115h 13 intervals		
	1330h – 1700h 43 intervals		
24 October 2025	0930h – 1155h 30 intervals		
11 November 2025	335h – 1610h 32 intervals		
11 November 2025	1340h – 1535h 24 intervals		

- 13, 15 and 23 February 2026 due to failure to generate Real Time Dispatch (RTD) results.

Date	Intervals Affected	Declared by	Region Affected
13 February 2026	0215h 1 interval	MO	LVM
15 February 2026	0805h 1 interval		
15 March 2026	0705h 1 interval		
23 February 2026	2105h – 2230h 18 intervals		

- 13 to 15 of May 2026 due to MLD implementation caused by generation deficiency.

Date	Intervals Affected	Declared by	Region Affected
13 – 14 May 2026	1450h – 0045h 120 intervals	SO	Luzon
13 May 2026	1550h – 2145h 72 intervals		Visayas
14 May 2026	1525h – 2355h 103 intervals		Luzon
14 May 2026	1515h – 2155h 81 intervals		Visayas
15 May 2026	1455h – 2255h 97 intervals		Luzon
15 May 2026	1635h – 2140h 62 intervals		Visayas

- May to June 2026 due to the overloading of the Daanbantayan-Tabango 230kV Line 2 and limited generation in the Cebu-Negros-Panay sub-grids.

Date	Intervals Affected	Declared by	Region Affected
19 May 2026	1345h – 1400h 4 intervals	SO	Visayas
21 May 2026	1655h – 2045h 47 intervals		
26 May 2026	1325h – 1450h 18 intervals		
28 May 2026	1435h – 1950h 64 intervals		
29 May 2026	1905h – 2105h 25 intervals		
01 June 2026	1830h – 2000h 19 intervals		
02 June 2026	1545h – 1925h 45 intervals		
03 June 2026	1440h – 1830h 47 intervals		
08 June 2026	1400h – 1715h 40 intervals		
09 June 2026	1440h – 2105h 78 intervals		
10 June 2026	1325h – 1925h 73 intervals		
15 June 2026	1435h – 1545h 15 intervals		
16 June 2026	1745h – 2120h 44 intervals		
17 June 2026	1730h – 2105h 44 intervals		
18 June 2026	1500h – 2155h 84 intervals		
19 June 2026	1340h – 1400h 5 intervals		
19 June 2026	1625h – 2015h 47 intervals		
20 June 2026	1835h – 2030h 24 intervals		
22 June 2026	1825h -1905h 9 intervals		
25 June 2026	1850h – 1915h 5 intervals		

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. The MI noted that the MSC completed its assessment based on the submitted reports and information gathered during the coordination meeting/s. The corresponding review reports were subsequently submitted to the PEM Board and thereafter to the DOE and ERC.

1.1.4 Review of Market Suspension Events

Similar with the Market Intervention events, the WESM Rules and relevant Market Manuals mandate the MSC to conduct and prepare a report on its assessment on the occurrence of Market Suspension (MS) events. During the covered period, the MSC conducted an assessment of the MS events pursuant to Executive Order No. 110, Series of 2026.

Date	Intervals Affected	Declared by	Region/s Affected	Classification	Reason
26 March 2026 to 30 April 2026	10,368 intervals	ERC	All Regions	State of National Energy Emergency	Escalating tension and armed conflict in the Middle East, affecting global fuel supply.

The Review Report was likewise submitted to the DOE and ERC upon approval of the PEM Board. Further, the same was discussed during the ERC-PEMC Coordination Meeting.

1.2 Assessment of 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 Retail Market Assessment Report on the RCOA and GEOP from January to April 2026 billing periods. In addition to monthly statistics, quarterly assessment report for Q1 2026 was discussed and submitted to the PEM Board, for information. The corresponding reports were published on PEMC website for the information of stakeholders.

2.0 Coordination Meetings with Various Entity/ies

2.1 Discussion on the Reported Curtailment of Certain Geothermal Facilities

At the request of a concerned market participant, the MSC conducted a coordination meeting with the participant and the PEM Audit Committee (PAC) to discuss the observed and reported instances of curtailment affecting the participant's geothermal facilities.

The meeting covered the impact of the said curtailment on the company, as well as the initial assessment of the possible reasons for the restrictions imposed. Following these discussions, the additional information and inputs gathered will be considered in the comprehensive study on the matter.

3.0 Proposed Amendments to WESM Rules and Market Manuals

3.1 Discussion on the MSC Proposed Amendments to the WESM Penalty Manual

The MSC continued its deliberation on the proposed amendments to the WESM Penalty Manual as jointly proposed by both the Philippine Electricity Market Corporation (PEMC) and the Independent Electricity Market Operator of the Philippines (IEMOP). The Committee was likewise informed that no comments received from stakeholders during the commenting period.

During the deliberation, the Committee introduced further revisions to the proposal for clarity, including references to relevant clauses, coverage of breaches in both rules and manuals, scope, responsibilities, and delineation between penalty imposition and enforcement procedures and explicit mention of the usage and flowback procedures for financial penalties.

In addition, the MSC submitted proposed further revision for consideration of the Rules Change Committee (RCC) on the Enforcement and Compliance Manual that makes reference to the WESM Penalty Manual.

Upon adoption of the proposed revisions and changes to the proposed amendments, the Committee agreed to present the summary of the proposed amendments to the PEM Board for further comments and deliberation pursuant to the relevant provision of the WESM Rules and Market Manuals.

4.0 Other Activities and Accomplishments

4.1 Review of Market Catalogues and Indices

4.1.1 Review of Market Triggers and Interesting Pricing Events Threshold for 2026

The MSC reviewed and approved the proposed methodology for updating the Market Triggers and Interesting Pricing Event (IPE) thresholds, in consideration of the Committee's prior discussions and agreements on the matter.

As agreed by the Committee, the revised threshold will be submitted to the ERC for approval prior to its adoption and implementation.

4.2 Review of Various Department Circulars, Issuance and RCC Call for Comments

- **Department Circular No. DC2026-02-0006: Policy on Accountability of Entities Engaged in Power Generation to Ensure Sufficient, Reliable, Affordable and Secure Supply of Energy in the Country**

The MSC was informed on the observations noted on the DOE promulgated Department Circular particularly on the responsibilities of the Market Operator which includes provisions related to the mandate of the MSC under the WESM Rules and Market Manuals particularly on monitoring Anti-Competitive Behavior (ACB) and review of any proposed revisions to the WESM Penalty Manual.

- **Relevant DOE and ERC Issuance on Market Suspension event pursuant to Executive Order No. 110**

The MSC discussed the timeline of the events of the Market Suspension (MS) pursuant to Executive Order No. 110, Series of 2026 (E.O. No. 110), and the related issuances from the DOE and ERC, including the Supplemental Advisory and guidelines on the Modified Administered Price (AP), as well as the ERC Order on lifting the Market Suspension.

In addition, key aspects of the Modified AP and the MS was likewise deliberated, including the development, implementation, and reliability of the Modified AP, particularly whether it had been sufficiently tested and how it compared with the original AP.

The MSC further deliberated its assessment on the market suspension events and how the Modified AP introduced distortions in settlement outcomes, specifically in the computation of line rental charges by dampening of pricing signal from coal-fired facilities associated with wide disparity between customer AP and generator AP.

- **Call For Comments to The Proposed General Amendments on Additional Conditions for Qualifying a Frequency Driven Events (FDE)**

The MSC discussed the proposed amendments on additional conditions for qualifying a frequency-driven event (FDE) as submitted by SN Aboitiz Power (SNAP) to the Rules Change Committee.

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.