Philippine Electricity Market Corporation

Market Surveillance Committee 2012 Annual Report

February 2013

Philippine Electricity Market Corporation

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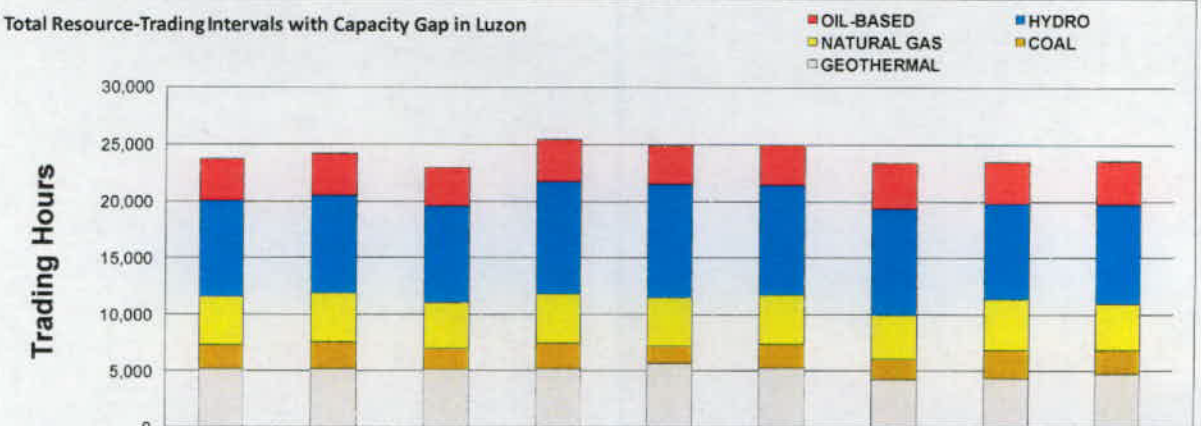
I. 2012 ACCOMPLISHMENTS

A. Monitoring, Reporting and Evaluation of Compliances by Trading Participants with the WESM Rules

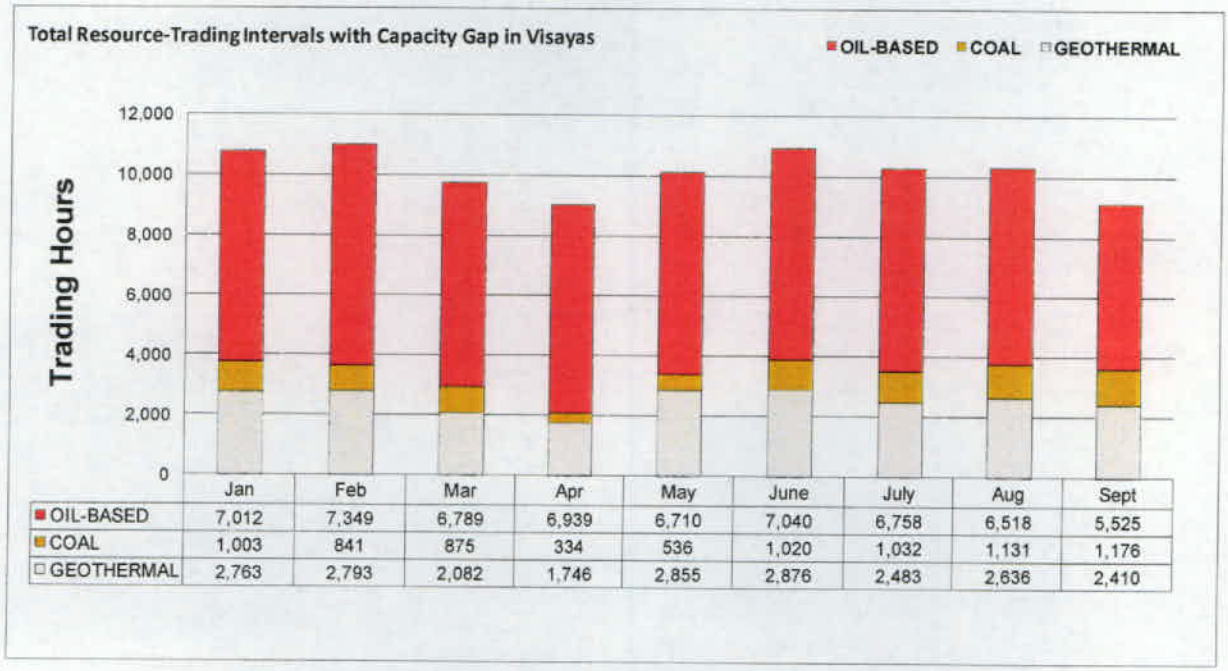
As part of its continuing task to monitor compliance by WESM members, the MSC regularly reviewed MAG's Monthly Compliance Reports, which contain the list of generator-trading participants in Luzon and Visayas and the number of trading intervals with capacity gap and deviations from the real-time-dispatch (RTD) schedule/instruction. The MSC reviews and evaluates the Report in a monthly Special Meeting called for the purpose.

For the year in review, the MSC evaluated and thereafter issued over 700 letters to identified generator-TPs in the Luzon and Visayas, seeking the explanation and submission of supporting documents relative to observed discrepancies in their registered and offered capacities and compliance to RTD Schedule.

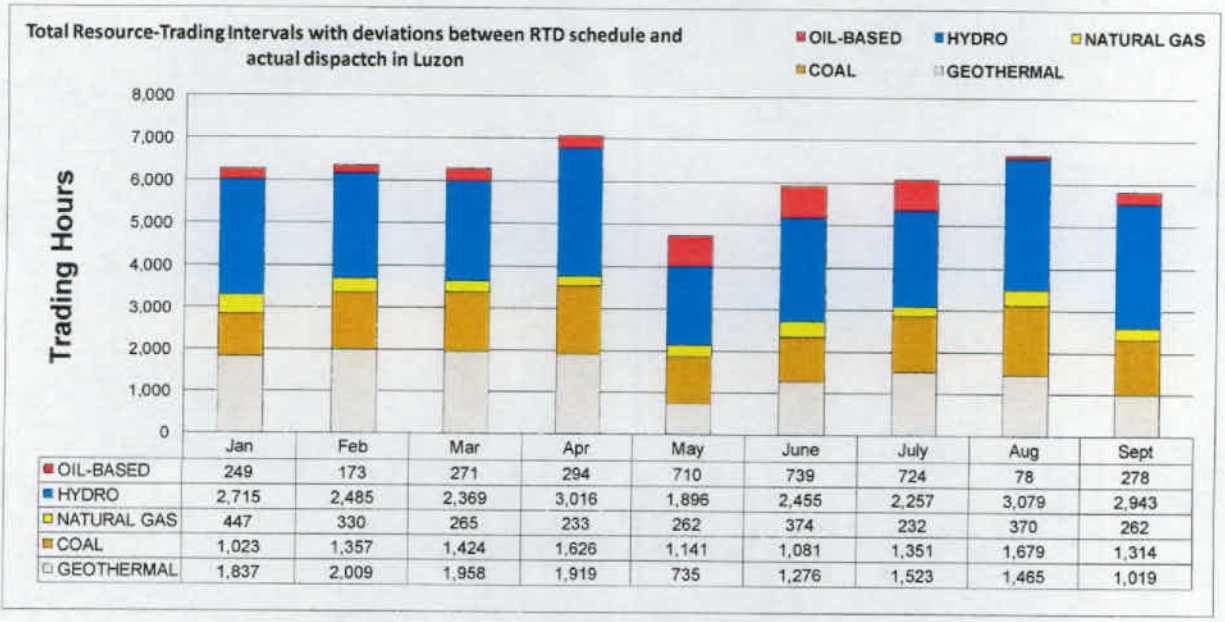
For the period January to September 2012, the MSC has observed 208,245 total resource - trading intervals with capacity gap and 68,074 total resource - trading intervals with deviation from the RTD schedule/instruction. The breakdown of these trading intervals according to resource type per month for Luzon and Visayas are presented in the following graphs.



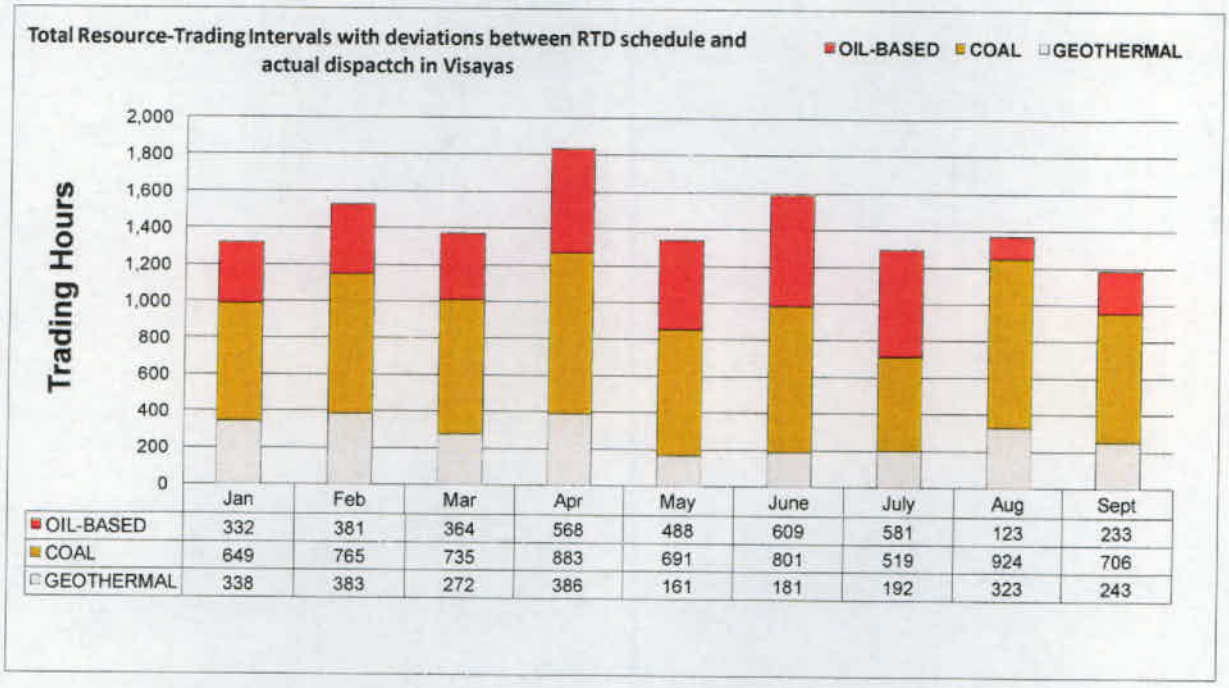
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
OIL-BASED	3,681	3,672	3,364	3,707	3,425	3,552	4,101	3,712	3,879
HYDRO	8,464	8,657	8,550	9,920	9,957	9,704	9,386	8,475	8,689
NATURAL GAS	4,230	4,282	4,040	4,358	4,313	4,346	3,907	4,472	4,118
COAL	2,143	2,350	1,829	2,203	1,505	2,063	1,786	2,492	2,107
GEOTHERMAL	5,239	5,255	5,184	5,272	5,751	5,342	4,314	4,408	4,809



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
OIL-BASED	7,012	7,349	6,789	6,939	6,710	7,040	6,758	6,518	5,525
COAL	1,003	841	875	334	536	1,020	1,032	1,131	1,176
GEOTHERMAL	2,763	2,793	2,082	1,746	2,855	2,876	2,483	2,636	2,410



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
OIL-BASED	249	173	271	294	710	739	724	78	278
HYDRO	2,715	2,485	2,369	3,016	1,896	2,455	2,257	3,079	2,943
NATURAL GAS	447	330	265	233	262	374	232	370	262
COAL	1,023	1,357	1,424	1,626	1,141	1,081	1,351	1,679	1,314
GEOTHERMAL	1,837	2,009	1,958	1,919	735	1,276	1,523	1,465	1,019



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
OIL-BASED	332	381	364	568	488	609	581	123	233
COAL	649	765	735	883	691	801	519	924	706
GEOTHERMAL	338	383	272	386	161	181	192	323	243

B. Filing of Request for Investigation of Alleged Breaches of the WESM Rules

The initiation of Investigation emanates from the filing of a Request for Investigation (RFI) of an alleged Breach, abuse of market power or Anti-Competitive Behavior before the PEM Board by the MSC, a WESM Member, the Market Operator, System Operator or other PEM Committees, using the form as prescribed under Appendix C of the MSCEMM.

In 2012, the MSC regularly reviewed the monthly Compliance Monitoring Reports submitted and presented by the MAG. After evaluation and due deliberation, the MSC resolved the submission to the PEM Board of several Requests for Investigation of possible non-compliances with the submission of offers and Real Time Dispatch (RTD) schedule/Dispatch Instruction.

As a rule, all scheduled generation companies shall offer all its maximum available capacity in the WESM and shall comply with the RTD schedule/dispatch instruction by the MO/SO.

For the year in review, the MSC submitted and presented to the PEM Board, for approval, thirteen (13) RFIs involving nine (9) Trading Participants (TPs). These were subsequently approved by the PEM Board for investigation by the PEMC Enforcement and Compliance Office. Details of said RFIs are as follows.

Table 1. MSC Requests for Investigations, 2012

	Date of RFI	Non - Compliance	Billing period covered	Power Plant/TP	Date Submitted to PEM Board	Date Approved by PEM Board
1	14 Feb 2012	MOR	July 2011	Malaya TPP 1 & 2/PSALM	15 Feb 2012	27 Feb 2012
2	14 Feb 2012	MOR	July 2011	Limay A & B CCGT/PEHI	15 Feb 2012	27 Feb 2012
3	28 May 2012	MOR	Aug 2011	Limay CCGT/PEHI	21 June 2012	28 June 2012
4	28 May 2012	MOR	Aug and Sept 2011	Malaya TPP/PSALM	21 June 2012	28 June 2012
5	11 June 2012	RTD	Jan to June 2011	Bakun HEP/Vivant	21 June 2012	28 June 2012
6	11 June 2012	RTD	Jan to June 2011	Casecnan HEP/PSALM	21 June 2012	28 June 2012
7	11 June 2012	RTD	Jan to June 2011	Sual CFTPP/SMEC	21 June 2012	28 June 2012
8	11 June 2012	RTD	Jan to June 2011	Pagbilao CFTPP/TLI	21 June 2012	28 June 2012
9	11 June 2012	RTD	Jan to June 2011	Bauang DPP/1590EC	21 June 2012	28 June 2012
10	11 June 2012	RTD	Jan to June 2011	Limay CCGT/PEHI	21 June 2012	28 June 2012
11	03 Sept 2012	RTD/MRU designation	18 Oct 2011 at 1800H (MI)	CPPC DPP/CPPC	05 Nov 2012	12 Nov 2012
12	03 Sept 2012	RTD/MRU designation	18 Oct 2011 at 1800H (MI)	TPC Carmen/TPC	05 Nov 2012	12 Nov 2012
13	03 Sept 2012	RTD/MRU designation	18 Oct 2011 at 1800H (MI)	Panay DPP 3/SIPC	05 Nov 2012	12 Nov 2012

C. Review of ECO Investigation Reports

Pursuant to Section 10.7 of the Market Surveillance, Compliance and Enforcement Market (MSCEM) Manual, the MSC has completed its review of twenty two (22) Investigation Reports involving the Power Sector Assets and Liabilities Management Corporation (PSALM) submitted by the PEMC-Enforcement and Compliance Office (ECO). The review covers the (a) Compliance by the ECO with the procedures set forth in the MSCEMM for the conduct of Investigation; and (b) Validity and completeness of the data and documents upon which the

factual findings are based. The chronology of events in relation to the 22 Investigation Cases are as follows:

- The ECO submitted its Investigation Reports on the 22 cases which involve the Power Sector Assets and Liabilities Management (PSALM) thru a memo dated 08 June 2012;
- On 11 and 28 June 2012, the MSC reviewed and deliberated on the 22 ECO Reports;
- The MSC issued a memo to ECO dated 10 July 2012 stating its comments on the submitted Investigation Reports on the subject 22 cases and further requesting a Conference with ECO to discuss the Investigation Reports and make clarifications on the same;
- The ECO responded to the comments submitted by the MSC on 22 Investigation Reports, thru a Memo dated 18 July 2012;
- In the course of the MSC's review of the ECO Investigation Reports and following the directive of the PEM Board in the enhancement of the investigation process, the MSC conducted a conference with the new ECO Head on 08 October 2012 to discuss the MSC's observations, conclusion on the said cases as well as its recommendations on the computation and imposition of penalties to the concerned Trading Participant.

A final report on the result of the MSC's review of subject ECO cases shall be submitted to the PEM Board and will be included in the MSC's 2013 Work Plan.

D. Submission of Monthly Monitoring Reports to the PEM Board

Pursuant to Clause 7.3.7 of the Market Surveillance Compliance and Enforcement Market (MSCEM) Manual, the MSC submitted to the PEM Board eleven (11) monthly Market Monitoring Reports (MMR) covering the billing months December 2011 to October 2012. As part of its monitoring, the MSC reviewed the monthly Market Assessment Reports (MAR) submitted and presented by the MAG for the period December 2011 to November 2012.

The MAR, which forms part of the MSC Monthly Monitoring Report as Part II, provides an assessment of the development of market behavior covering the period under review, including the evolution and analysis of the monitoring indices as contained in the Catalogue of Market Monitoring Data and Indices.

E. Review and Investigation of Market Intervention Events

During the 63rd PEM Board Meeting held on 11 October 2011, the PEM Board, pursuant to the requirements of the WESM Rules, authorized the MSC to conduct the investigation on market interventions initiated by the System Operator (SO) or Market Operator (MO) as to include all the recorded and subsequent/future interventions.

Consequent to the PEM Board's grant of authority and the MSC's approval of the procedure in its review and investigation of Market Intervention events, the MSC conducted a review and

investigation of a Market Intervention Event involving the Visayas System Operator-Initiated Market Intervention dated 18 October 2011 at 1754H. Following the MSC's conduct of investigation of the MI event, the MSC submitted on 05 November 2012 and presented on 12 November 2012 the MI Report No. 2012-001 to the PEM Board.

The following provides a background on the MI Event, the process by which the MSC conducted its investigation, and a description of the MSC's findings and recommendations on the matter.

- The National Grid Corporation of the Philippines (NGCP)-VSO initiated an MI Event during the subject trading period, followed by a manual load drop (MLD) of about 41.5MW, which affected the Cebu-Negros-Panay grids. During the time the NGCP-VSO forecasted a generation supply deficiency for the trading interval 1800H, prompting it to call via telephone certain power plants to run as Must-Run Units (MRU) in order to avert a possible threat to the Security and Reliability of the grid. Among the four (4) plants that were called as MRUs, only one (1) plant complied with the MRU dispatch instruction of NGCP-VSO.

- In the course of the investigation, the MSC took note of several issues and highlighted, among other things, that possible breaches may have been committed by several plants for non-compliance with the RTD Schedule/Dispatch Instruction as provided under the WESM Rules, and the NGCP-VSO for failure to issue a "Yellow Alert" notice pursuant to the Philippine Grid Code (PGC).

In its MI Report, the MSC recommended, among other things, the filing of a Request for Investigation (RFI) concerning the possible Non-compliance by the concerned TPs to the RTD Schedule/Dispatch Instruction and MRU designation. The MSC likewise recommended the submission of the MI Report to the Energy Regulatory Commission (ERC) and the Department of Energy (DOE) per Clause 6.8.4.2 of the WESM Rules for its information and appropriate action on the observation that NGCP-VSO failed to issue a "Yellow Alert" notice pursuant to the PGC Section 6.4.1.1(a) in case of insufficient reserve.

F. Proposed Automatic Penalty Scheme

The MSC deliberated on the proposed Financial Penalty Scheme for non-compliances with the WESM Rules and Manuals, which includes the non-payment scheme for excess generation beyond the RTD. In relation to this, the MSC developed a procedural framework of the Automatic Penalty Scheme (APS), and passed a Resolution approving the Primer of the APS, which was presented to PEMC for inputs/comments. The PEMC expressed that the proposed APS may require changes to Chapter 7 of the WESM Rules. The PEMC likewise stated that under Clause 1.6.3 of the WESM Rules, the conduct of consultations with the Rules Change Committee and the PEM Board on such matter would be required.

G. Review of Over-Riding Constraints

The MSC regularly reviewed the Monthly Report on Over-Riding Constraints prepared and submitted by the Market Assessment Group. During the year, the MSC was able to review the Monthly Reports for January to November 2012, and was likewise able to cover the monthly trend of over-riding constraints from July 2011 to August 2012.

On a request which may emanate from an affected market participant, further review may be undertaken by the MSC to assess the action done by the SO with regard to the imposition of the Over-Riding Constraint.

H. Market Situationer Analysis on a Significant Market Event (July 02-22, 2012)

The MSC reviewed and adopted the Market Situationer Analysis for the period July 02-22, 2012 presented by the Market Assessment Group covering a significant market event which affected the market. The Situationer provided an overview of the market condition during the Malampaya shutdown event based on price data used in the daily market update (DMU) and weekly summary report. It provided an overview of the supply and demand situation, market price outcome and offer behavior prior to and during the scheduled maintenance of Malampaya gas facility on July 13-22, 2012. Noting the high level of frequency of capacity on outage by plants as presented in the Market Situationer Analysis, the MSC will continue with its conduct of study on the historical plant performance from 2006 and come up with necessary recommendations.

I. Historical Statistics on the Offer Behavior of Plants and Marginal Clearing Price (MCP)

In line with the MSC's market surveillance functions as provided for under the Market Surveillance Compliance and Enforcement Market Manual (MSCEMM), the MSC reviewed the historical statistics (from 26 June 2006 to 25 June 2012) on the offer behavior of power plants and the Market Clearing Price (MCP) as presented by the Market Assessment Group. Said review also took into consideration the frequency of the PhP62,000/MW offer price clearing the market. Noting that the setting of the offer price cap at PhP62,000/MW was made before actual WESM operations, the MSC intends to explore the possibility of recommending a more reasonable price level, supported by statistical data derived from actual WESM operations.

J. MSC's Proposed Enhancements in the Market Participants Interface (MPI)

The MSC met with the PEMC-Trading Operations Department (TOD) to raise its observations on the huge capacity gap of generators, and likewise, the failure of some generators to provide the reason/s for their capacity gap when submitting offers even if the MPI provides a field "reason." The MSC suggested the following possible enhancements to the MPI:

- Automatic rejection of offers when reason for capacity gap is not provided by the Trading Participant (TP) in the corresponding field in the MPI when submitting offers; and
- Sending a prompt to the TP that failure to submit a reason for its capacity gap can be subject to further assessment and possible investigation.

Likewise, the MSC suggested that the same enhancements in the MPI be made for cancellation of offers in Real Time.

The TOD informed the MSC that it will review and assess the observations and suggestions given by the MSC and if workable, submit the request to the PEMC Management for its approval, and then to the software vendor for the necessary changes in the MPI to be effected.

K. Review of Market Intervention Events of 2012

During the year, the MSC likewise reviewed and discussed the MI events of 2012. It conducted separate conferences with the SO and MO to discuss the details of the subject MI events.

The MSC met with the TOD regarding MO-initiated Market Intervention Events on 04 September, 01 October, and 09 October 2012. The meeting also covered a discussion of other market events such as the clearing of Subic and Pantabangan at the ceiling price of P62,000/MWh, as well as the isolation of Panay Energy Development Corporation (PEDC) on 08 September 2012.

The MSC then reviewed and discussed the ten (10) Market Intervention events that occurred starting 07 January 2012, as part of the role of the MSC to assess whether or not the procedures for the MIs are correct based on the Market Operator's own assessment. This assessment should be the basis for undertaking necessary discussions with concerned parties (MO, SO, etc) to seek further clarifications.

As a next step, the MSC then met with the SO for a conference to discuss the SO-initiated MI Events. The MSC has asked for additional documents from SO regarding the said MI events.

Upon receipt of said documents and review of the same, the MSC will decide whether or not it will pursue further investigation on the MI events.

The documents such as the Significant Incident Report (SIR) coming from the NGCP will also be a basis for developing a template for reporting of future MI events.

L. Comments on the Proposed Changes to the WESM Rules and Manuals

In response to the RCC's invitation to comment on certain proposed amendments to the WESM Rules and Manuals, the MSC reviewed and discussed the following and submitted its comments on the same to the RCC.

- Publication of Suspension of Notices

  The MSC stated that it does not agree with the proposed amendment to remove the requirement of publication of the Suspension Notice in a newspaper of general circulation and instead publish the same in the Public Information Website of the WESM. The MSC opined that matters such as the suspension of trading participants are issues that the general public needs to know in view of the interest in the rising cost of electricity and the growing public clamor for transparency.

  The MSC agreed that instead of completely removing the newspaper publication requirement, the suspended trading participant should bear the cost of publication.

- Registration and Settlement Provisions of the WESM Rules; b) WESM Manual on Metering Standards and Procedures; c) Rules Change Manual;

  The MSC reviewed the above-mentioned proposed revisions and noting the enhancements the same will make on the WESM operations, did not pose objections to these proposed rules.

- Reduction of Minimum Offer Block Size from 5MW to 1MW;

  In the MSC's comments, it stated that the proposal justifies that given the current setting of the minimum block size, generating plants with capacity of 5MW and below can only be registered as a non-scheduled generating unit which is a price-taker in the market. Reducing the minimum block size to 1MW would accordingly enable the small generating units to have the option to register as a scheduled generating unit and thereby actively compete in the WESM.

  The MSC expressed that it interposes no objection to the proposed amendment. However, it strongly noted that the justification that the reduction in the minimum block size to 1Mw gives small generating units the option to register as a scheduled generating unit should not be used as the justification for the said amendment. The option for small generating units to register as scheduled generating unit is already provided under Clause 2.3.1.4 under the WESM Rules. The MSC further stated that what needs to be emphasized is that the 5 MW minimum block size requirement under Appendix A of the Rules restricts the option of the small generating units to register as scheduled generating units.

- Dispatch Protocol Manual

The MSC stated in its comments that the new terminology "WESM Merit Order Table (WMOT)" is not significantly different from the generally accepted Philippine Grid Code term "Merit Order Table (MOT)," noting that the use of a new term is unnecessary and that it would only cause inconsistencies between the PGC and WESM Manual. The MSC also commented that the MOT will always be based on both technical and commercial considerations.

The MSC added that the issue of transparency may not be resolved by simply adopting a new term, as this is something that relates to how the System Operator (SO) implements the MOT under its Operating Principles, Guidelines, and Procedures (OPGP). The MSC specified that the balance between technical and commercial considerations may be lost when SO tries to intervene in the market.

- Cancellation of Offers

The MSC provided its comments on the proposed cancellation of offers in relation to its fairness to the market, competition, supply, demand, and prices. In addition, the MSC questioned the basis of the 10% threshold value set by the RCC.

In sum, the MSC believed that the proposed cancellation of offers does not promote a fair and efficient market, and appears to be a stop-gap solution that serves only a few market participants. The MSC also expressed that said proposal will only lead to other problems that can affect the sufficiency of supply.

M. Comments to the Draft Revised Certificate of Compliance (COC) Rules

The MSC reviewed the draft Revised COC Rules and submitted its comments on said rules to the ERC. Essentially, the MSC pointed out the need to harmonize the definitions under the Draft Revised COC with existing definitions in the Rules/Manuals , i.e. WESM Rules, EPIRA, Philippine Grid Code and Distribution Code, WESM Manuals.

II. 2013 WORK PLAN

The following are the MSC activities lined-up for year 2013. Please refer to Matrix below for the detailed Work Plan which reflects the timeline for each activity identified below:

Item	Activity	2013 Target	Deliverables
	Carried-over Activities from Year 2012		
1	Completion of On-Going Review of the Financial Penalty and MSCEM Manual: Tie-up APS with WESM Rules/Manuals	3rd Quarter	Comprehensive review of the MSCEM Manual, submission of corresponding report and preparation of the necessary documents for submission to the Rules Change Committee; Review of the provisions of the Rules/Manuals that hinder the application of the APS; Recommend necessary amendments in the Rules/Manuals to move forward the APS
2	Development of a Reporting Template for MI Events/Continuing Review of 2012 MI Events	1st Quarter	Review the Reports and documents submitted to the MSC by the NGCP in relation to the MI events and develop a reporting template for future MI reports
3	Submission of a Final Report to PEM Board re: the Result of MSC's review of 22 ECO Investigation Cases Involving PSALM	1st Quarter	Comprehensive review of the documents on the 22 investigation cases involving PSALM submitted by ECO to the MSC
4	Completion of Study of SNAP/Ambuklao Bidding Behaviour	3rd Quarter	Review and Analysis of the Plant's bidding behaviour and come up with recommendations
5	Review of the Reasonability of +/- 3% Deviation in RTD	2nd Quarter	Comprehensive review of the impact of the +/- 3% deviation in RTD to determine its applicability and impact on the Market

Item	Activity	2012 Target	Deliverables
	Regular Reportorial Functions		
1	Review and Update of the Catalogue of Market Monitoring Data and Indices	As applicable	Presentation of the Review and Update of the Catalogue of Market Monitoring Data and Indices to PEM Board/Recommendations on the possible amendments of pertinent WESM Rules provisions
2	Submission of the Market Intervention Report (MIR) to PEM Board	As applicable	Submission of MIR to PEM Board
3	Submission of Market Suspension Report (MSR) to PEM Board	As applicable	Upon direction of the PEM Board, submission of the MSR
4	Submission of the MSC Monthly Monitoring Report (MMR) to PEM Board	Per MSC Regular Meeting	Regular monthly submission of MMR to PEM Board
	a. Approval of Monthly Accomplishment Report		
	b. Approval of the Market Assessment Highlights/Report		
5	Submission to PEM Board of the Review Document on Overriding Constraints (RDOC)	As applicable	Submission of RDOC to PEM Board three weeks after end of billing month (Summary)/Quarterly assessment and recommendation
6	Submission to PEM Board of the MSC Review of Non-Compliance Report (RNCR)	As applicable	Submission of RNCR to PEM Board not later than one month after receipt of RNCR from ECO
7	Submission to PEM Board of the MSC Review of the ECO Investigation Report (RIR)	Per MSCEMM	Submission to PEM Board per WESM Rule 10.7.9
	Compliance Activities		
1	Monitoring and Evaluation of Trading Participants' Compliance with the Must-Offer-Rule and RTD Schedule/ Review of MAG Monthly Compliance Report	Within Approved Timeline in the Assessment Process	Monthly evaluation of the MAG Compliance Report/Issuance of Letters to TPs requesting explanation

Item	Activity	2012 Target	Deliverables
2	Submission to PEM Board of the Request for Investigation (RFI)	Per MSCEMM	Submission of RFI to PEM Board after completion of review and evaluation of TP responses
	Others		
1	Participation in PEM Board Activities	As applicable	The MSC participation in PEM Board activities includes the presentations of the RFIs, its review of ECO Investigation Reports, its submission of Market Intervention Reports and other reports to the Board Review Committee and the PEM Board.
2	Conduct of Joint Studies with Other Governance Committees	As applicable	Continuing coordination among Governance Committees; Paper output for the purpose of specific studies
2	Continuing Plant Visit (Geothermal Plant in Leyte)	2nd Quarter	Better understanding on the nature of this plant type, better assessment in relation to the MSC's monitoring of Non-Compliances with MOR and RTD
4	Initiate Consolidation of Glossary of Terms	2nd Quarter	Standardized use of WESM terms
5	Follow up Training Modules for TP Generators	2nd Quarter	Implement a Training Program that will enhance and update the knowledge of TPs and generators on the operations of the WESM

III. MEMBERSHIP

The Market Surveillance Committee ("MSC") is composed of the following members:

Chairman:	Engr. Francis V. Mapile
Members:	Atty. Bernarda C. Lavisores Ms. Eulina M. Valdezco Dr. Peter Lee U

Except for Atty. Bernarda C. Lavisores who has been a member since April 27, 2007, all other MSC Members assumed their position last 1 July 2010.

The Department of Energy (DOE) representative sits as resource person in the MSC by virtue of PEM Board Resolution No. 2009-49 issued on October 28, 2009 which allowed DOE Representative/s to sit as resource person/s in all PEM Board Committees and Subcommittees to provide assistance or directions on any policy concern, or issue being dealt, with in accordance with the purpose of the EPIRA, its implementing Rules and the WESM Rules and/or to facilitate energy issues affecting the Market and the power industry as a whole.

In accordance with Section 1.4.7.1 of the WESM Rules, the PEMC - Market Assessment Group (MAG) serves as the primary support unit of the WESM Governance Committees, which include, among others, the MSC.

IV. RESPONSIBILITIES

The responsibilities of the MSC are set out in Section 1.6.2 of the WESM Rules, to wit:

a. Monitor activities conducted by WESM participants in the spot market;
b. Prepare periodic reports, which outline:
    1) Activities of WESM Participants in the spot market;
    2) Apparent or suspected incidents of anti-competitive behaviour by any WESM Participant; and
    3) Matters concerning the operation of the spot market.
c. Assist the PEM Board or the Enforcement and Compliance Officer to investigate and gather evidence of:
    1) unusual or suspicious behavior or activities of WESM members in the spot market;
    2) suspected or alleged breaches of the WESM Rules by WESM members; and
    3) suspected or alleged anti-competitive behavior;
d. Propose amendments to the WESM Rules as necessary to: i) improve the efficiency and the effectiveness of the operation of the WESM; and ii) to improve or enhance the prospects for the achievement of the WESM objectives;

e. Assist the Rules Change Committee in relation to its assessment of proposals to amend the WESM Rules.

In addition, the MSC is tasked under Section 6.2.1 of the Market Surveillance, Compliance and Enforcement Market Manual ("MSCEMM") to perform the following responsibilities:

a. Define the monitoring data and indices necessary to effectively carry out its market surveillance function;
b. Review market monitoring indices and Market Assessment Report prepared by the Market Assessment Group;
c. Submit Monthly Market Surveillance Reports and Annual Reports;
d. Identify acts or omissions which constitute breaches, abuse of market power and anti-competitive behavior and initiate an investigation;
e. Review the Non-Compliance Report prepared by the ECO pursuant to the review of a Non Compliance Notice and submit its review to the PEM Board;
f. Review Investigation Reports prepared by the ECO pursuant to an Investigation of an alleged Breach, abuse of market power or Anti-Competitive Behavior, and submit its review to the PEM Board;
g. Monitor the design and efficiency of the WESM Rules and propose amendments thereto;
h. Investigate an event of Intervention or Market Suspension and prepare the corresponding Intervention Report or Market Suspension Report to be submitted to the PEM Board;
i. Review Over-Riding Constraints;
j. Recommend mitigation measures, in accordance with Section 12 of the MSCEMM on matters under Investigation;
k. Review of the significant variations reports.

Submitted by:

THE MARKET SURVEILLANCE COMMITTEE:

Francis V. Mapile
Chairman

Eulinia M. Valdezco
Member

Bernarda C. Lavisores
Member

Peter Lee U
Member

Submitted by:

THE MARKET SURVEILLANCE COMMITTEE:

[redacted]

Francis V. Mapile
Chairman

[redacted]

Eulinia M. Valdezco
Member

[redacted]

Bernarda C. Lavisores
Member

[redacted]

Peter Lee U
Member