



## NOTICE OF ANNUAL GENERAL MEMBERSHIP MEETING

### TO ALL PEMC MEMBERS

In accordance with Article VIII, Section 3 of the PEMC By-Laws, Notice is hereby given that the PEMC Annual General Membership Meeting (AGMM) will be held on 29 July 2020 (Wednesday) at 2:00 pm via videoconference with the following agenda:

1. Call to Order
2. Certification of Notice and Quorum
3. Report of the President
4. Reports of the WESM Governance Committees
5. Prospect (Challenges and Opportunities for the New Normal) from Chairman of PEM Board
6. Approval of the Minutes of the previous AGMM held on 19 June 2019
7. Ratification of Acts of the PEM Board and PEMC Management
8. Approval of the 2019 Audited Financial Statement
9. Appointment of External Auditor
10. Other Matters that may be taken up
11. Adjournment

Minutes of the 2019 Annual General Membership Meeting will be available for examination during office hours at the Office of the Corporate Secretary and at the website of PEMC, [www.wesm.ph](http://www.wesm.ph).

The Board has fixed the close of business on 24 July 2020 as the record date for the determination of members entitled to notice of, and to vote at, the meeting.

In accordance with Article VIII, Section 8 of the Company's By-Laws, each Sectoral Member in good standing shall be entitled to vote either through its authorized representative or by proxy. Proxies shall be in writing, dated and signed by the authorized officer of the Sectoral Member and shall be submitted to the Corporate Secretary at the principal office of the Company with address at 18<sup>th</sup> Floor Robinsons Equitable Tower ADB Avenue Ortigas Center Pasig City NCR 1600 or emailed to [legal@wesm.ph](mailto:legal@wesm.ph) on or before 24 July 2020, 5:00 p.m. Validation of proxies is set on 27 July 2020 through video conference.

Online event registration will begin at 10:00 on 29 July 2020.

  
**MARIAN VENUSSA S. SANTIAGO-DELA FUENTE**  
Corporate Secretary

## BACKGROUND OF MATTERS, ITEMS FOR DISCUSSION AND PROPOSED RESOLUTIONS

1. **Call to Order.** The Chairman of the PEM Board, Mr. Noel V. Aboboto shall call the meeting to order.
2. **Certification of Notice and Quorum.** The Corporate Secretary, Marian Venussa S. Santiago-Dela Fuente will certify that copies of this Notice were sent to Members of record as of 14 July 2020 and will certify the number of attendees, whether in person or by proxy, for purposes of determining the existence of quorum to transact business validly.
3. **Report of PEMC President.** As required under Article VIII, Section 1 of the By-Laws, the President shall present the annual report in the AGMM. The said Report summarizes the milestones and key achievements of PEMC and how it has reached its goals as the governing entity of the WESM during the year 2019.
4. **Reports of WESM Governance Committees.** The annual reports of WESM Governance Committees provide for their work accomplishments for the year 2019.

### Dispute Resolutions Administrator (DRA)

Consistent with its primary objectives and main responsibilities under the WESM Dispute Resolution Market Manual and the WESM Rules, the DRA continuously facilitates the amicable resolution of disputes, focuses on efforts to speed up the resolution of conflicts and ensure the proper application and implementation of the provisions of the Manual, the WESM Rules and the processes under the WESM Dispute Resolution Framework.

In 2019, the DRA successfully administered the conduct of two (2) arbitration proceedings for the following cases:

Cases	Subject of Dispute
WESM-Arb-18-01	Claims for Real-time Dispatch Underpayment
WESM-Arb-18-02	Claims for Settlement as Must-Run Unit

The Arbitral Tribunal, composed of Atty. Teodoro Kalaw, Atty. Eduardo Ceniza, and Atty. Dranyl Jared Amoroso, issued the final awards for the said cases on 19 August 2019. Copies of the dispute resolution reports are available in the PEMC website.

### Market Surveillance Committee (MSC)

For 2019, the MSC continued to carry out its functions on market monitoring and assessment, enforcement and compliance, and actively participated in various discussions on policy development.

As PEMC's governance arm in the conduct of market monitoring and assessment, the MSC convened a total of 15 regular and special meetings throughout 2019, completed

a total of 42 assessment reports, reviewed 12 compliance and 43 investigation reports, and submitted studies as well as recommendations on various market topics.

#### PEMC Audit Committee (PAC)

In the performance of PAC's responsibilities to make recommendations consistent with efficient and effective systems, software and working processes, the PAC's continuous oversight on the Market Readiness Assessment (MRA) activities for 2019 aims to ensure that the New Market Management System (NMMS) components, including interfaces with the other systems of the Market Operator (MO) and System Operator (SO), will operate collectively as an integrated system that is reliably ready for the five-minute market.

In 2019, the performance of the MO is monitored and assessed based on the Market Operator Performance Standards (MOPS) that was approved by the DOE on 06 October 2015. The PAC is developing a new set of key performance measures to monitor and assess the MO performance in the forthcoming enhanced WESM operations.

#### Rules Change Committee (RCC)

For 2019, the RCC duly processed and endorsed to the PEM Board 19 proposals to amend the WESM Rules, Retail Rules, and various Market Manuals for improvements in the areas of WESM governance, market operations, and the Retail Market.

#### Technical Committee (TC)

The following key accomplishments of the TC will be tackled: 1) Development of Work Plan for the Integration of Variable Renewable Energy (VRE) and other technologies into the WESM, 2) Formulation of MO-SO-DU-EG Coordination Protocol, and 3) Provision of assistance to PEMC, WESM Governance Committees, and Market Participants relative to their responsibilities under the WESM Rules Clause 1.7.

5. **Prospect (Challenges and Opportunities for the New Normal) by the Chairman of PEM Board.** The Report provides for the challenges encountered by PEMC in the first semester of 2020, including the impact of the coronavirus pandemic to the WESM and the opportunities that lie ahead for the remaining semester.
6. **Approval of the Minutes of AGMM held last 19 June 2019.** Copies of the draft Minutes are available for examination during office hours at the Office of the Corporate Secretary and at the website of PEMC, [www.wesm.ph](http://www.wesm.ph). PEMC members will be asked to approve the draft Minutes and acknowledge its completeness and accuracy. The text of the proposed PEM Board Resolution is provided below:

*“RESOLVED, that the Members of the Corporation hereby approve the Minutes of the Annual General Membership Meeting (AGMM) held on 19 June 2019 at Marco Polo Ortigas Manila.”*

- 7. Ratification of Acts of PEM Board and PEMC Management.** Ratification of Acts of the Board of Directors and Management crucial to the successful performance of the Company in 2019 will be sought from the Members as provided in the proposed resolution, thus:

*“RESOLVED, that all acts resolutions, and deeds of the Board of Directors and Management of the Company from the Annual General Membership Meeting held on 19 June 2019 up to the date of this meeting be as they hereby are, confirmed, ratified and approved.”*

- 8. Approval of the 2019 Audit Financial Statement.** PEMC’s audited financial statement, highlights of which are explained in the President’s Report, will be presented to the Members for approval. Copies of the 2019 audited financial statement, previously approved by the PEM Board, were likewise submitted to the Securities and Exchange Commission and Bureau of Internal Revenue. The pertinent PEM Board Resolution is provided below:

*“RESOLVED, that the audited financial statement for the year ended December 2019 be, as the same are hereby, approved.”*

- 9. Appointment of External Auditors.** The external auditor for 2020, tasked with preparation of the annual audited financial statement, as recommended by the Audit Committee and approved by the PEM Board. Below is the text of the proposed Resolution:

*“RESOLVED, that Navarro Amper & Co., (Deloitte), Certified Public Accountants, be as they hereby are, re-appointed as external auditor of the Company for the year 2020.”*

- 10. Other Business that may be Taken Up.** The Board will discuss commentaries and/or queries that were properly endorsed by the Members of the Corporation prior to and during the Meeting proper.

- 11. Adjournment.** After all business have been considered and resolved, the Chairman shall declare the meeting adjourned.