



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) RULES AND RETAIL RULES FOR THE OPERATION OF
THE RENEWABLE ENERGY MARKET**

WHEREAS, Section 37 and 37(p) of the Electric Power Industry Reform Act (EPIRA) mandates the DOE to supervise the restructuring of the electricity industry and formulate such rules and regulations as may be necessary to implement the objectives of the Act;

WHEREAS, Sections 30 and 37(f) of the EPIRA provides that the DOE, jointly with the electric power industry participants, shall establish the Wholesale Electricity Spot Market (WESM) and formulate the detailed rules governing the operations thereof;

WHEREAS, on 28 June 2002, the DOE, with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular No. DC2002-06-003;

WHEREAS, on 09 January 2013, following series of public consultations with stakeholders of the electric power industry, the DOE promulgated the Retail Rules through Department Circular No. DC2013-01-0002, entitled "Promulgating the Retail Rules for the Integration of Retail Competition and Open Access in the Wholesale Electricity Spot Market";

WHEREAS, on 14 October 2016, the DOE promulgated the amended WESM Rules for the enhancements of WESM design and operations through Department Circular DC2016-10-0014;

WHEREAS, any changes, amendments, and modifications to the WESM Rules, Retail Rules and their Market Manuals shall be undertaken in accordance with the provisions of Chapter 8 of the WESM Rules;

WHEREAS, under Section 8 of the Renewable Act of 2008 states that the DOE shall establish the Renewable Energy Market (REM) and shall direct the Philippine Electricity Market Corporation (PEMC) to implement changes to the WESM Rules in order to incorporate the rules specific to the operation of the REM under the WESM;

WHEREAS, on 04 December 2019, the DOE promulgated the REM Rules through Department Circular No. DC2019-12-0016 to facilitate the compliance of the Mandated Participants with the Renewable Portfolio Standards (RPS);

WHEREAS, on 27 February 2020, the PEMC submitted to the Rules Change Committee (RCC) its proposed amendments to the WESM Rules and Retail Rules for the operation of REM as approved by the REM Governance Committee;

WHEREAS, the proposal aims to harmonize the WESM Rules and the Retail Rules with the policies stipulated in Section 8 of the Renewable Act of 2008 and the REM Rules;

WHEREAS, the proposal also aims to enable the RE Registrar (RER) to carry out its functions in issuing Renewable Energy Certificates (RECs) by gaining rights of access to WESM and Retail Market registration, metering, and settlement data and other confidential information that are vital to the REM operations and its corresponding reporting mechanism pursuant to the RPS Rules;

WHEREAS, on 10 March 2020, the RCC during its PEMC submitted the RGC-approved proposal, which the RCC approved for publication in the PEMC website to solicit comments from industry stakeholders and interested parties;

WHEREAS, following the 30-working day commenting period from publication date on 11 March 2020, comments were received from the Independent Electricity Market Operator of the Philippines (IEMOP);

WHEREAS, on 15 May 2020, the RCC during the 165th RCC Meeting reviewed the proposal and deliberated the comments, and thereafter approved for endorsement to the PEM Board;

WHEREAS, on 27 May 2020, after due evaluation and deliberation, the PEM Board during its 24th Regular PEM Board Meeting approved for endorsement to the DOE the above stated RCC-approved proposal;

WHEREAS, on --- ---- 2020, the DOE conducted various public consultation on the said proposed amendments to ensure transparency and consistency with the objectives of the EPIRA and the RCOA;

WHEREAS, the DOE reviewed the said PEM Board-approved proposal and the comments and recommendations from the public consultation, made further revisions on the proposed amendments for consistency with the objectives of the WESM such as transparency and efficiency;

NOW THEREFORE, pursuant to its authority under the EPIRA and the WESM Rules, the DOE hereby adopts, issues, and promulgates the following amendments to the Retail Rules and Market Manuals:

Section 1. Amendments to the WESM and Retail Rules. The following provisions in the WESM and Retail Rules, presented as ANNEX A to this Circular are hereby amended.

Section 2. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

Section 3. Effectivity. This Circular shall take effect 15 days following its complete publication in at least two (2) newspapers of general circulation. Copies thereof shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued this _____ 2020 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

ALFONSO G. CUSI
Secretary