



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) RULES AND MARKET MANUALS TO HARMONIZE
MARKET OPERATOR TIMELINES WITH R.A. 11234 ("ENERGY VIRTUAL ONE-
STOP SHOP ACT")**

WHEREAS, Sections 30 and 37(f) of the Electric Power Industry Reform Act (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, 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, on 10 June 2019, the Independent Electricity Market Operator of the Philippines submitted rules change proposal to the Rules Change Committee (RCC) to harmonize provisions related to the Energy Virtual One-Stop Shop for the purpose of streamlining the permitting process of power generation, transmission and distribution projects of "EVOSS Act");

WHEREAS, on 21 June 2019, the RCC approved the publication of the proposal in the PEMC website to solicit comments from the industry stakeholders and interested parties;

WHEREAS, following the 30-working day commenting period from publication date on 25 June 2019, there were no comments received from the stakeholders and RCC proceeded to deliberate the proposal during its 155th meeting on 16 August 2019;

WHEREAS, during the 156th RCC Meeting, on 20 September 2019, the RCC further discussed the matter and approved the endorsement of the proposal to the PEM Board;

WHEREAS, on 25 September 2019 (16th Regular PEM Board Meeting), the PEM Board, after due evaluation and deliberation, approved the above stated RCC-approved proposal for endorsement to the DOE;

WHEREAS, on __November 2019, the DOE conducted various public consultation on the said proposed amendments to ensure transparency and consistency with the objectives of the EPIRA and the WESM;

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 WESM Rules and Market Manuals:

Section 1. Amendments to the WESM Rules. The following provisions in the WESM Rules are hereby amended:

- (a) Clause 2.5.3 (Further Information to Assess Application) and its Subsections under Applications for Registration is amended to read as –

“2.5.3 Further Information to Assess Application

2.5.3.1 Within five *Calendar Days* of receiving an application, the *Market Operator* shall advise the applicant of any further information which the *Market Operator* reasonably considers to be required to enable the *Market Operator* to properly assess the application.

2.5.3.2 If the *Market Operator* has not received any further information as required under Clause 2.5.3.1 within the next fifteen *Calendar Days*, the *Market Operator* may treat the application as withdrawn.

xxx xxx xxx”

- (b) Clause 2.5.5 (Notice of Approval of Publication) and its Subsections under Applications for Registration is amended to read as –

“2.5.5 Notice of Approval of Application

2.5.5.1 If the *Market Operator* approves an application under Clause 2.5.4, the *Market Operator* shall send written notice of approval to the applicant within fifteen *Calendar Days* from receipt of the:

xxx xxx xxx

2.5.5.2 The registration of the applicant shall take effect on the date specified in the notice of approval which shall be a date not more than seven *Calendar Days* after the date on which the *Market Operator* sends the notice of approval under Clause 2.5.5.1.”

- (c) Clause 2.5.6 (Notice of non-approval of application) and its Subsections under Applications for Registration is amended to read as –

“2.5.6 Notice of non-approval of application

2.5.6.1 If the *Market Operator* does not approve an application for registration, the *Market Operator* shall send within fifteen (15) *Calendar Days* written notice to the applicant advising the applicant that the application is not approved and the *Market Operator* shall give reasons for its decision.

2.5.6.2 The *DOE* and the *ERC* shall, in all instances, be provided a copy of such written notice within five (5) *Calendar Days* after issuance to the applicant.

xxx xxx xxx”

Section 2. Amendments to the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures. The following provisions in the WESM Manual on Registration, Suspension and De-registration Criteria and Procedures are hereby amended:

- (a) Section 2.5.5 (Assessment of Applications) under Registration of Direct WESM Members and Trading Participants is amended to read as –

“2.5.5 Assessment of Applications

2.5.5.1 Submission and Preliminary Assessment of Applications

- a) Applications for registration shall be submitted to the *Market Operator* together with documents and information required by the *Market Operator* to prove compliance with the membership criteria and requirements for registration.
- b) Within five (5) calendar days from receipt of application, the *Market Operator* shall advise the *Applicant* of any lacking requirement as well as additional information required to enable the proper assessment of the application. As provided for in *WESM Rules* Clause 2.5.3.2, if the *Market Operator* has not received the lacking requirement or additional information that it requires within the next fifteen calendar days, it may treat the application as withdrawn. The *Market Operator* shall notify the applicant in writing of the abandonment of the application.

xxx xxx xxx”

- (b) Section 2.5.6 (Approval of Applications) under Section 2.5 Registration of Direct WESM Members and Trading Participants is amended to read as –

“2.5.6 Approval of Applications

xxx xxx xxx

2.5.6.2 Notice of Approval

a) For approved applications, the *Market Operator* shall send a notice of approval to the *Applicant* within fifteen (15) *calendar days* from completed submission by the applicant of the required application forms and supporting documents and information. The failure of the *Market Operator* to act on the application within this period shall not be deemed an approval of the application.

xxx xxx xxx”

- (c) Section 2.5.7 (Non-Approval of Applications/Remedies) under Section 2.5 Registration of Direct WESM Members and Trading Participants is amended to read as –

“2.5.7 Non-Approval of Applications/Remedies

- a) If an application is not approved, the *Market Operator* shall send within fifteen (15) *calendar days* from completion of application requirements a written notice to the *Applicant* advising the latter that its application has been disapproved and the reason for the same.

xxx xxx xxx”

- (d) Section 2.10.2 (Procedures for Application) under Section 2.10 Registration of Intending WESM Members is amended to read as –

“2.10.2 Procedures for Application

xxx xxx xxx

2.10.2.2 Within five (5) *calendar days* from receipt of the application, the *Market Operator* shall advise the *Applicant* if it requires submission of additional information as would enable it to properly assess the application.

xxx xxx xxx”

- (e) Section 2.10.3 (Approval/Disapproval of Application) under Section 2.10 Registration of Intending WESM Members is amended to read as –

“2.10.3 Approval/Disapproval of Application

xxx xxx xxx

2.10.3.2 Notice. Within fifteen (15) *calendar days* from complete submission of the application and the additional information, the *Market Operator* shall

issue to the *Applicant* the notice of approval or disapproval of the application. If the application is disapproved, the notice shall indicate the reasons for such disapproval. The failure of the *Market Operator* to act on the application within this period shall not be deemed as an approval of the application.”

Section 3. 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 4. 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 ____ October 2019 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

ALFONSO G. CUSI
Secretary