



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

**DEPARTMENT CIRCULAR NO. \_\_\_\_\_**

**ADOPTING THE PROPOSED WHOLESALE ELECTRICITY SPOT MARKET  
(WESM) CODE OF ETHICS**

**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**, on 26 June 2006 and 26 December 2010, WESM commenced in Luzon Grid and Visayas Grid, respectively;

**WHEREAS**, Clause 1.6.2 of the WESM Rules provides that the Market Surveillance Committee (MSC) shall monitor the activities conducted by WESM Participants in the Spot Market;

**WHEREAS**, on 24 March 2020, the MSC submitted to the PEM Board its proposed WESM Industry Code of Ethics, hereinafter referred to as "Code", for consideration and endorsement to the DOE;

**WHEREAS**, the proposal aims to prescribe general standards of behavior which the WESM participants, members, the regulators, the System Operator and the Market Operator are enjoined to follow;

**WHEREAS**, on 29 May 2020, after due evaluation and deliberation, the PEM Board during its \_\_\_\_\_ Regular PEM Board Meeting, approved for endorsement to the DOE the above stated MSC proposal;

**WHEREAS**, on 15 June 2020, the PEM Board-approved Code was submitted to the DOE for final approval;

**WHEREAS**, on \_\_\_\_\_, the DOE posted the draft Department Circular adopting the proposed amendments in the DOE website to solicit comments from the market participants and other interested parties;

**WHEREAS**, on \_\_\_\_\_, the DOE conducted virtual public consultations on the proposal to solicit further comments from the stakeholders and other interested parties;

**NOW THEREFORE**, after careful review of the PEM Board-approved proposal and the comments and recommendations received on the same, the DOE, pursuant to its authority under the EPIRA and the WESM Rules, hereby adopts, issues, and promulgates the proposal to adopt the Code:

**Section 1. Proposal to Adopt the WESM Industry Code of Ethics.** The provisions in the proposed WESM Industry Code of Ethics in the attached matrix (Annex A) are hereby adopted.

**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 fifteen (15) days following its publication in 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 on \_\_\_\_\_ 2020 at the Energy Center, Rizal Drive, Bonifacio Global City, Taguig City.

**ALFONSO G. CUSI**  
Secretary