

ANNEX A

REM Rules

Philippines Renewable Energy Market

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Chapter 1 Introduction

1.1 OVERVIEW

1.1.1 About the REM Rules

- 1.1.1.1 This document shall be known as the *Renewable Energy Market Rules* (“*REM Rules*”) or the *REM Implementing Rules*.
- 1.1.1.2 The *REM Rules* establish the basic rules, requirements and procedures that govern the operation of the *Renewable Energy Market* (“*REM*”), which seeks to:
 - (a) Facilitate the efficient operation of the *REM*;
 - (b) Specify the terms and conditions to which entities may be authorized to participate in the *REM*;
 - (c) Specify the authority and governance framework for the *REM*;
 - (d) Provide for adequate sanctions in cases of breaches of the *REM Rules*; and
 - (e) Provide a timely and cost-effective framework for resolution of disputes among *REM Members* and the *Renewable Energy Registrar* (“*Registrar*”).
- 1.1.1.3 The *REM Rules* were formulated in consultation with electric power industry participants and Renewable Energy (RE) stakeholders;
- 1.1.1.4 The *REM Rules* shall be interpreted in accordance with the provisions of Chapter 8 hereof, with the objectives of the *Renewable Energy Act of 2008* (“*RE Act*”), and with other provisions of law.
- 1.1.1.5 Under this *REM Rules*, words and phrases that are capitalized and italicized are defined in Chapter 10.

1.1.2 The Regulatory Framework

- 1.1.2.1 The *Department of Energy* (“*DOE*”) is mandated under Republic Act No. 9136, otherwise known as the *Electric Power Industry Reform Act of 2001* (“*EPIRA*”), to exercise supervision and control over all government activities relative to energy projects to attain the goals provided for in Republic Act No. 7638, as amended, otherwise known as the *Department of Energy Act of 1992*. It is likewise mandated to formulate rules and regulations as may be necessary to implement the objectives set forth in Republic Act No. 7638.
- 1.1.2.2 The *DOE* is mandated under Republic Act No. 9513, otherwise known as the *Renewable Energy Act of 2008* (“*Act*”), to implement policies, plans and programs related to the accelerated development, transformation, utilization, and commercialization of RE resources and technologies. Accordingly, the *DOE* is mandated to establish *Renewable Portfolio Standards* (“*RPS*”) for *On-Grid Systems* and *Off-Grid Systems* that require *Mandated Participants* to source a minimum percentage of their electricity requirements from RE generation resources and to establish a *REM* as a submarket under the *Wholesale Electricity Spot Market* (“*WESM*”) to facilitate the compliance of *Mandated Participants* with their RPS requirements.
- 1.1.2.3 DOE Circular No. DC2017-12-0015 promulgates the rules and guidelines governing the establishment of the *RPS* for *On-Grid Systems*. As such, any amendments in the *RPS Rules* for *On-Grid Systems* shall be automatically adopted in the *REM Rules*. As

part of its mandate, the *REM Governance Committee* shall initiate and ensure that the *REM Rules* shall be updated and amended accordingly to ensure consistency of the *REM Rules* with that of the *DOE policies*.

- 1.1.2.4 DOE Circular No. DC2018-08-0024 promulgates the rules and guidelines governing the establishment of the *RPS for Off-Grid Systems*. As such, any amendments in the *RPS Rules for Off-Grid Systems* shall be automatically adopted in the *REM Rules*. As part of its mandate, the *REM Governance Committee* shall initiate and ensure that the *REM Rules* shall be updated and amended accordingly to ensure consistency of the *REM Rules* with that of the *DOE policies*.
- 1.1.2.5 DOE Circular No. DC2018-07-0019 promulgates the rules and guidelines governing the establishment of the *Green Energy Option Program (GEOP)*. Any amendments in the *Green Energy Option Program Rules* shall be automatically adopted in the *REM Rules* and the *REM Governance Committee* shall initiate the *REM Rule Change* process to incorporate such amendments.
- 1.1.2.6 Under Section 36 of the *RE Act*, the *DOE* is further empowered to impose administrative fines and penalties for any violation of the provisions of the *Act*, its implementing rules and regulations and other issuances relative to the *Act*.
- 1.1.2.7 Pursuant to their other respective functions and authorities, the *DOE* through the *Renewable Energy Management Bureau (REMB)* approves, and promulgates the *REM Rules* and *REM Manuals*, and any amendments of the same, pursuant to Section 8 of the *RE Act*.

1.1.3 Description of the REM

- 1.1.3.1 The *REM* is a market for the trading of *Renewable Energy Certificates ("RECs")* pursuant to Section 8 of the *RE Act*.
- 1.1.3.2 The *REM* is intended as a venue for *Mandated Participants* obligated by *Renewable Portfolio Standards ("RPS")* to comply with their *RPS* requirements.
- 1.1.3.3 Registration in the *REM* is mandatory for:
 - (a) *Mandated Participants* obligated by *Renewable Portfolio Standards ("RPS")* to comply with their *RPS* requirements;
 - (b) Entities with *RE Generation Facilities* that are registered in the *Wholesale Electricity Spot Market ("WESM")*. In the case of *Mindanao Grid* which is not yet connected to *Luzon* and *Visayas Grids*, includes *RE Generation Facilities* that are connected to the main grid;
 - (c) Entities with *RE Generation Facilities* who are operating in *Off-Grid Systems* obligated to comply with *RPS* requirements.
- 1.1.3.4 Registration in the *REM* is voluntary for:
 - (a) Entities with *Embedded RE Generation Facilities* in *On-Grid Systems* who are not registered in the *WESM*; and
 - (b) Entities with *Net-Metered RE Generation Facilities*.
 - (c) Entities identified by the *GEOP Rules* to provide for the *RE* generation requirements of the *GEOP* end-users, consistent with the *GEOP Rules*.

1.1.4 Objectives of the REM

The objectives of the *REM* (collectively the "*REM Objectives*") are:

- (a) To establish a competitive, efficient and transparent market for the trading of *RECs*;
- (b) To facilitate the compliance of *Mandated Participants* with their *RPS* requirements through the surrendering of *RECs*;
- (c) To ensure a level playing field for all *REM* participants;
- (d) To ensure that prices of *RECs* are governed as far as practicable by the fundamentals of demand and supply;
- (e) To ensure that the prices of *RECs* are, in the long-term, reflective of the benefits of bringing an additional Megawatt-hour of *RE* generation into the Philippine electricity system; and
- (f) To issue *RECs* only based on actual *RE* generation from eligible *RE* generation capacities.

1.2 RENEWABLE ENERGY REGISTRAR

1.2.1 Renewable Energy Registrar's responsibilities

- 1.2.1.1 The *REM* will be administered and operated by the *Renewable Energy Registrar* (the *Registrar*).
- 1.2.1.2 The *Registrar* shall generally and non-restrictively:
 - (a) Administer the operation of the *REM* in accordance with the *REM Rules* and *REM Manuals*;
 - (b) Maintain, operate and administer the *REC Registry* (the "*Registry*") in accordance with the *REM Rules* and *REM Manuals*;
 - (c) Allocate resources to enable it to operate and administer the *REM* and the *Registry* on a non-profit basis;
 - (d) Carry out the development, improvement and maintenance of systems, processes and procedures to be used in the operation of the *REM* and the *Registry*.
 - (e) Administer the registration and de-registration of *REM Members*;
 - (f) Maintain and publish an up-to-date register of all *REM Members*;
 - (g) Issue, keep and verify *RECs* corresponding to the energy generated from eligible *RE* generators;
 - (h) Publish and make available to the *REM Members* with relevant information on *REC* issuances, *REC* transactions and *RPS* compliance information for *On-Grid Mandated Participants* and *Off-grid Mandated Participants* in accordance with Chapter 3 and Chapter 4 of the *REM Rules*;
 - (i) Monitor and report to the *RGC*, *PEM Board*, *DOE* and *ERC* the purchases of *RECs* by *Mandatory Participants* in compliance with their *RPS* Obligations; and
 - (j) Comply with each of the requirements and obligations imposed on it under the *REM Rules*, *REM Manuals* and other applicable laws or regulations.
- 1.2.1.3 In exercising its discretions and performing its obligations under the *REM Rules*, the *Registrar* shall:
 - (a) Act in accordance with any standard of performance provided for by any statute, regulation or authorization condition to which the *Registrar* is subject;
 - (b) Act in a reasonable, ethical and prudent manner;
 - (c) Act in good faith;
 - (d) Take into consideration, act consistently with, and use its reasonable endeavors to contribute towards the achievement of the *REM Objectives*; and
 - (e) Ensure an audit trail of documentation that is fully adequate to substantiate and reconstruct all relevant actions performed.

1.3 GOVERNANCE OF THE RENEWABLE ENERGY MARKET

1.3.1 Definitions and responsibilities

- 1.3.1.1 The *REM* governance is the process by which decisions are made and implemented within the market to ensure attainment of the *REM Objectives* under clause 1.1.4.
- 1.3.1.2 The ultimate governance of the *REM* is the responsibility of the *PEM Board*. The majority of governance functions will be carried out by the *REM Governance Committee* ("*RGC*") under the oversight of the *PEM Board*.

1.3.2 Composition of the REM Governance Committee

- 1.3.2.1 The *RGC* shall be made up of five (5) members, consisting of
 - (a) One representative from the *Registrar*;
 - (b) One (1) independent member who shall be selected from the independent members of the *PEM Board*;
 - (c) One representative from the *Private DU*;
 - (d) One representative from the *Electric Cooperatives*; and
 - (e) One representative from the *REM Generators and Retail Electricity Suppliers*.
- 1.3.2.2 The members of the *RGC* shall be appointed by the *PEM Board*, in accordance with the required composition of the *RGC* as set out in Clause 1.3.2.1, having regard to the expertise necessary for the *RGC* to carry out its functions.
- 1.3.2.3 The independent member of the *RGC* shall act as the *RGC* Chairperson.
- 1.3.2.4 The *REM Generators and Retail Electricity Suppliers* shall jointly nominate their sole representative in the *RGC*.

1.3.3 Voting rights and meetings

- 1.3.3.1 A majority of the total number of members, each having one vote shall constitute a quorum for the transaction of business of the *RGC*.
- 1.3.3.2 Every decision of at least a majority of votes of all members at any meeting shall be valid as an *RGC* act. If voting is equal, the *RGC* Chairperson has a casting vote.
- 1.3.3.3 Members may attend by proxy at *RGC* meetings but cannot cast proxy votes.
- 1.3.3.4 A duly-appointed DOE representative may attend meetings of the *RGC* as a non-voting observer.

1.3.4 Activities and obligations of the RGC

- 1.3.4.1 The *RGC* shall, generally and non-restrictively:
 - (a) Oversee and monitor the activities of the *Registrar* with regard to *REM* processes to ensure that they fulfil their responsibilities under the *REM Rules*;
 - (b) Oversee and monitor the activities of *REM Members* to ascertain and determine compliance or non-compliance with the *REM Rules*;

- (c) Impose penalties or exempt the imposition of the same for breaches of the *REM Rules* or *REM Manuals* based on the investigation findings of the *Enforcement and Compliance Officer* in accordance with Clause 6.1;
 - (d) Approve or disapprove *Rule Change Proposals* and refer approved *Rule Change Proposals* to the *PEM Board* for endorsement to the *DOE* for final approval and promulgation in accordance with Chapter 7;
 - (e) Approve or disapprove *Manual Change Proposals* and refer approved *REM Manual* changes to the *PEM Board* for endorsement to the *DOE* for final approval and promulgation in accordance with Chapter 7; and
 - (f) Issue resolutions or advisories on any matter related to the *REM*.
- 1.3.4.2 The *RGC* shall perform the functions set out in Clause 1.3.4.1 under the oversight of the *PEM Board*, regularly reporting to the *PEM Board* in all matters and abiding by all legal and valid directions issued to them by the *PEM Board*.
- 1.3.4.3 In exercising its discretions and performing its obligations under the *REM Rules*, the *RGC* shall:
- (a) Act in accordance with any standard of performance provided for by any statute, regulation or authorization condition to which the *RGC* is subject;
 - (b) Act in a reasonable, ethical and prudent manner;
 - (c) Act in good faith;
 - (d) Take into consideration, act consistently with and use its reasonable endeavors to contribute towards the achievement of the *REM Objectives*; and
 - (e) Ensure an audit trail of documentation that is fully adequate to substantiate and reconstruct all relevant actions performed.
- 1.3.4.4 The *RGC* may seek the assistance of the *WESM Governance Committees* to:
- (a) Monitor activities conducted by *REM Members* in the *REM*;
 - (b) Monitor technical matters relating to the operation of the *REM*;
 - (c) Report to the *RGC* on the activities of *REM Members* in the *REM*, and matters concerning the operation of the *REM* generally;
 - (d) Report to the *RGC* on any matter of a technical nature which causes or appears to cause unintended or distortionary effects to the operation of the *REM*; and
 - (e) Propose, assess and prepare for *DOE* approval any changes to these *REM Rules* in accordance with Chapter 7.
- 1.3.4.5 The *RGC* shall propose performance standards to be endorsed by the *PEM Board* to the *DOE* for approval. The performance standard shall monitor and provide an indication of the Registrar's performance with respect to:
- (a) The *Registrar's* responsibilities under these *REM Rules* in relation to relevant provisions of the *Act*, its Implementing Rules and Regulations, the *WESM Rules* and *Manuals*, *DOE Circular DC 2017-12-0015* other applicable laws, rules and regulations; and
 - (b) The achievements of the objectives of the *Act*.
- 1.3.4.6 The *PEM Board*, *RGC* or their respective members shall not be liable for any damage or loss suffered by any *REM Member*, or any other entity or person, if the same was due to bad faith, manifest partiality or gross negligence.

1.4 TRANSACTION FEES

1.4.1 Basis for fees

- 1.4.1.1 The cost of administering and operating the *REM* shall be recovered by the *Registrar* through a charge imposed on *REM Members* and/or *REM* transactions.
- 1.4.1.2 To the extent practicable, the structure of *Transaction Fees* shall be transparent.
- 1.4.1.3 To the extent practicable, *Transaction Fees* shall consider the budgeted revenue requirements for the *Registrar* and the *RGC*.
- 1.4.1.4 To the extent practicable, the structure and level of *Transaction Fees* should not favor or discriminate against a category or categories of *REM Members*.
- 1.4.1.5 The components of *Transaction Fees* shall take into consideration all costs necessary for the *Registrar* to perform their functions under the *REM Rules*.

1.4.2 Preparation and publication of structure and level of market fees

- 1.4.2.1 The *Registrar* shall develop the structure and level of *Transaction Fees*.
- 1.4.2.2 The *Registrar* shall submit to the PEM Board the structure and level of *Transaction Fees* for endorsement to the *ERC* for approval.
- 1.4.2.3 Upon the approval of the *ERC*, the *Registrar* shall publish the structure and level of *Transaction Fees* and the methods used in determining the structure.

Chapter 2 – Membership and Registration

2.1 PARTICIPATION IN THE REM

2.1.1 Mandatory REM Trading Participants

- 2.1.1.1 *Mandated Participants* who are obliged to comply with *RPS* requirements in *On-Grid Systems* and *Off-Grid Systems* shall register in the *REM* under Clause 2.2.1.1.
- 2.1.1.2 Entities with *RE Generation Facilities* that are registered in the *WESM* shall register in the *REM* under Clause 2.2.2.

2.1.2 Mandatory REM Generators

- 2.1.2.1 The *Renewable Electricity* generated from *RE Generation Facilities* in *On-Grid Systems* and *Off-Grid Systems* in the Philippines will not be eligible to receive *RECs* unless the entities who own those *RE Generation Facilities* register their facilities in the *REM*.
- 2.1.2.2 Entities with *RE Generation Facilities* that are registered in the *WESM* or are connected to the main grid shall register their facilities in the *REM* under one of the *REM Generator* categories in Clause 2.2.2.
- 2.1.2.3 Entities with *RE Generation Facilities* who are operating in *Off-Grid Systems* serving *Mandated Participants* obligated to comply with *RPS* requirements shall register their facilities in the *REM* by the *Registrar* under Clause 2.2.2.

2.1.3 Voluntary REM Generators

- 2.1.3.1 *Net-Metered RE Generation Facilities* in *On-Grid Systems* may be registered by their host *Distribution Utility* in the *REM* and shall be registered by the *Registrar* under one of the *REM Generator* categories in Clause 2.2.2.
- 2.1.3.2 Entities with *Embedded RE Generation Facilities* wherein its total capacity is under a *Power Supply Agreement* with their host *Distribution Utility* may be registered by their host *Distribution Utility* in the *REM* and shall be registered by the *Registrar* under one of the *REM Generator* categories in Clause 2.2.2.
- 2.1.3.3 Entities with *RE Generation Facilities* installed in the end-user's premises for own-use may be registered by their host *Distribution Utility* in the *REM* and shall be registered by the *Registrar* under one of the *REM Generator* categories in Clause 2.2.2.
- 2.1.3.4 Entities with *RE Generation Facilities* accredited under the *GEOP* to provide for the *RE* generation requirements of the *GEOP* end-users may be registered by their host *Distribution Utility* in the *REM* and shall be registered by the *Registrar* under one of the *REM Generator* categories in Clause 2.2.2.

2.1.4 Registration of REM Members

- 2.1.4.1 Facilities and entities identified in Clauses 2.1.1 and 2.1.2 shall register or be registered with the *Registrar* under the categories listed under Clause 2.2.
- 2.1.4.2 If a person or entity undertakes activities in two or more of the categories listed under Clause 2.2 and registration in each of those categories does not violate any provision of the *EPIRA* or the *RE Act*, that person or entity shall register or be registered in each of those categories in accordance with the procedures in Clause 2.6.

- 2.1.4.3 The *Registrar* shall maintain and publish an updated list of registered *REM Members* indicating the categories in which they are registered and their membership status, as well as the status of pending applications in accordance with the provisions of Chapter 5.

2.2 REM MEMBER CATEGORIES

2.2.1 REM Trading Participants

- 2.2.1.1 A *Mandated Participant* who is obliged to comply with *RPS* requirements shall be registered under one of the following *REM Trading Participant* sub-categories:
- (a) *On-Grid Mandated Participant*; or
 - (b) *Off-Grid Mandated Participant*.
- 2.2.1.2 Entities with *RE Generation Facilities* that are registered in the *WESM* and generate *Renewable Electricity* into the *WESM* pool may be registered under the *REM Trading Participant* sub-category *Generation Company*, subject to Clause 2.2.2.1.

2.2.2 REM Generators

- 2.2.2.1 Entities with *RE Generation facilities* in *On-Grid Systems* shall register each of its facilities under one of the following *REM Generator* sub-categories:
- (a) *WESM RE Generator*; or
 - (b) *Distribution Utilities* hosting *Net-Metered RE Generation Facilities*, *Embedded Non-WESM RE Generators*, end-users with *RE Generation Facilities* for its own use, and *RE Generation Facilities* accredited under the *GEOP*, with concurrence of the owner of the generating facilities.
- 2.2.2.2 Host *Distribution Utilities* with registered *Net-Metered RE Generation Facilities*, *Embedded Non-WESM RE Generators*, end-users with *RE Generation Facilities* for its own use and *RE Generation Facilities* accredited under the *GEOP* shall assume the obligations under the *REM Rules and Manuals* of such registered Net-metered *RE Generator*, *Embedded Non-WESM RE Generator*, end-user with *RE Generation Facilities* and *RE Generation Facilities* accredited under the *GEOP*.
- 2.2.2.3 Entities with *RE Generation facilities* in *Off-Grid Systems* shall register each of its facilities under the *REM Generator* sub-category *Off-Grid RE Generator*.

2.2.3 Data Providers

- 2.2.3.1 The entity or entities designated as being the metering services provider for embedded *FiT Eligible Facilities* shall be automatically registered in the *Data Provider* category and shall be responsible for providing the *Registrar* with *Metered Quantities* pertaining to *FiT Eligible Facilities*.
- 2.2.3.2 The entity designated as the *FiT-All Fund Administrator* shall be responsible for providing the *Registrar* with information pertaining to the *FiT-All Tariff* as set out in Clause 3.2.1.

2.3 QUALIFICATIONS OF REM

2.4 MEMBERS

2.4.1 General qualifications

To qualify as a *REM Member*, an entity must:

- (a) Be a resident in, or is permanently established in, the Philippines;
- (b) Not be under liquidation, receivership or corporate rehabilitation under Republic Act No. 10142 otherwise known as the Financial Rehabilitation and Insolvency Act of 2010, or under a similar form of administration under any laws applicable to that person or entity in any jurisdiction;
- (c) Not be immune from suit in respect of the obligations of an *REM Member* under these *REM Rules*;
- (d) Be capable of being sued in its own name in a court of the Philippines;
- (e) Be qualified to be registered under no less than one (1) *REM Member* category; and
- (f) Be able to meet any other requirements as specified in the relevant *REM Manual*.

2.4.2 Qualifications of Trading Participants

2.4.2.1 The following entities connected to *On-Grid Systems* shall register as *On-Grid Mandated Participants*:

- (a) *On-Grid Distribution Utilities* serving *Captive Customers*, including Privately-Owned, Electric Cooperative, LGU-owned and Controlled, and Economic Zone Utility;
- (b) All *Suppliers* of Electricity for the *Contestable Market*, as defined in the *EPIRA* and pursuant to Retail Competition and Open Access (RCOA); and
- (c) *Generation Companies* who serve *Directly Connected Customers* registered in a *WESM*.

2.4.2.2 The following entities connected to *Off-Grid Systems* shall register as *Off-Grid Mandated Participants*:

- (a) NPC-SPUG and NPPs/QTPs as defined in the *RPS* for *Off-grid Areas*;
- (b) *Off-Grid Distribution Utilities* with respect to their own generation facilities;
- (c) Entities that generate electricity and serve off-grid areas as may be determined and approved by the *DOE*; and
- (d) Entities that meet the requirements set forth in relevant legislation pertaining to the application of a renewable portfolio standards instrument in *Off-Grid Systems* and in the relevant *REM Manual*.

2.4.2.3 The following entities shall register as a *Generation Company*:

- (a) Entities with *RE Generation Facilities* that are registered in the *WESM* and generate *Renewable Electricity* into the *WESM* pool
- (b) Entities with *RE Generation Facilities* that meet the requirements set forth in the relevant *REM Manual*.

2.4.3 Eligible REM Generators and their Classification

2.4.3.1 A *REM Generator* must belong to one of the following renewable technology categories, in accordance with Section 9 of the RPS Rules:

- (a) Biomass;
- (b) Waste to energy;
- (c) Wind energy;
- (d) Solar energy;
- (e) Ocean energy;
- (f) Run of river hydropower;
- (g) Impounding hydropower systems meeting internationally acceptable standards;
- (h) Geothermal;
- (i) *Hybrid Systems* as defined in the *RE Act*; and
- (j) Other renewable energy technologies that may be officially classified by the *DOE*.

2.4.3.2 A *REM Generator's* facilities must be certified by the *DOE* as falling under one of the following categories to be eligible to create *RECs* for *RPS* compliance from its *Renewable Electricity* generation:

- (a) Existing and New *RE Generation Facilities*;
- (b) Incremental capacity resulting from the expansion, retrofitting, refurbishing or repowering on existing *RE Generation Facilities*;
- (c) New *RE Generation Facilities* resulting from converting a *Non-Renewable Generation Facility* to a renewable technology;
- (d) Facilities participating under the Net-Metering Program, and renewable energy self-generating facilities;
- (e) Mothballed *RE Generation Facilities* restored into operation; and
- (f) Other *RE Generation Facilities* as may be later defined by the *DOE*.

Provided that in order to be an eligible *RE Facility* for *RPS* compliance, the *RE Facility* falling under any of the categories mentioned above have come into commercial operations after the effectivity of the *RE Act*, as provided in Section 10 of the *RPS Rules*.

2.4.3.3 A *Hybrid System* must meet the following requirements:

- (a) The *Hybrid System* must meet the requirements prescribed by the *DOE* pursuant to guidelines on to be promulgated by the *DOE* for *hybrid systems*.
- (b) The *Hybrid System* must meet the requirements set forth in relevant *REM Manual*.

2.4.3.4 A *WESM RE Generator* must meet the following requirements:

- (a) Be registered in the *WESM*; and
- (b) Meet the requirements set forth in the relevant *REM Manual*.

2.4.3.5 A *Net-Metered RE Generator* must meet the following requirements:

- (a) The entity who owns the *Net-Metered RE Generation Facility* shall have a valid *Net-Metering Agreement* with their host *Distribution Utility* governing the commercial and inter-connection arrangement between the two parties; and
- (b) The entity who owns the *Net-Metered RE Generation Facility* shall meet the requirements set forth in the relevant *REM Manual*.

- 2.4.3.6 *Off-Grid RE Generators* must meet the requirements set forth in relevant legislation pertaining to the application of a renewable portfolio standards instrument in *Off-Grid Systems* and in the relevant *REM Manual*.
- 2.4.3.7 *RE Generators* providing the RE requirements of *GEOP end-users* through the host *Distribution Utility* must meet the requirements set forth in the *GEOP Rules*.

2.5 RESPONSIBILITIES OF REM MEMBERS

Each *REM Member*:

- (a) Shall perform all its rights, duties and obligations under the *REM Rules*, and other relevant issuances, decisions and resolutions of the *DOE* and *ERC*, in good faith and with the degree of care and to the standard expected of a prudent public utility, *End-User* or generator;
- (b) Shall at all times procure compliance with and maintain all consents, permissions and licenses required to be obtained and maintained to participate in the *REM* for each category in which it is registered under;
- (c) Shall promptly pay all fees, charges and other payments arising under the *REM Rules* as they become due;
- (d) Shall ensure that, any information or data it is required to submit to the *Registrar* or any other entity or to maintain, as required by virtue of being an *REM Member*, shall, to the best of its knowledge and belief, be true, valid, correct, complete and accurate at the time it is given and, while it is maintained and where appropriate, it shall keep the *Registrar* informed of any mistakes or omissions in and corrections or updates to any information or data which it has submitted to the *Registrar* or any other entity under the *REM Rules*;
- (e) Shall ensure that any information or data it is required to submit to the *Registrar*, or any person as required by under the *REM Rules* will be submitted in a timely manner to enable the *Registrar* or such other person to perform their obligations and functions arising under the *REM Rules*; and
- (f) Shall co-operate with and provide all reasonable assistance to the *Registrar* on request for the purposes of the *Registrar* performing its functions and obligations under the *REM Rules*.
- (g) Shall delegate to the *WESM Compliance Officer* the monitoring and reporting of the obligation and compliance to the *REM Rules* of the *REM Member* that the *WESM Compliance Officer* represents.

2.6 APPLICATION AND REGISTRATION OF REM MEMBERS

2.6.1 Registration process

- 2.6.1.1 Intending *REM Members* shall register with the *Registrar* pursuant to Clause 2.1 through the submission of an application form and registration requirements specified in the relevant *REM Manual*.
- 2.6.1.2 Entities who intend to register their embedded and/or net-metered *Renewable Electricity* facilities may opt to elect their host *Distribution Utility* as a registration agent, pursuant to Clause 2.1.3.
- 2.6.1.3 If elected by the entity as a registration agent under Clause 2.6.1.2, the host *Distribution Utility* shall be responsible for registering the same with the *Registrar* pursuant to Clause 2.6 and the relevant *REM Manual*.

- 2.6.1.4 The *Registrar* shall maintain and publish a *REM Manual* which shall set out the requirements and procedures which will guide the applicants in the registration process in the *REM*.

2.6.2 Assessment

- 2.6.2.1 Within five (5) *Working Days* of receiving an application for registration, the *Registrar* shall advise the applicant of any further information which the *Registrar* reasonably considers to be required to enable the *Registrar* to assess the application.
- 2.6.2.2 If the applicant does not provide the information requested under Clause 2.6.2.1 within fifteen (15) *Working Days* of the request then the *Registrar* may treat the application as withdrawn.
- 2.6.2.3 If the *Registrar* incurs additional costs as a result of requesting and assessing any further information required under Clause 2.6.2.1, the *Registrar* may require the applicant to pay the actual amount incurred to cover the additional costs.

2.6.3 Approval or disapproval of application

- 2.6.3.1 For those who will apply for registration, if after assessment, the *Registrar* determines that the applicant meets all the qualifications and the requirements, the *Registrar* shall approve the application within ten (10) *Working Days* of receipt of all requirements from the applicant. The applicant shall be notified of the approval in writing. The date of effectivity of the registration shall be stated in the notice. The *Registrar* shall provide a copy of the notice to both the *DOE* and *ERC* within five (5) *Working Days* from notice issuance to the applicant.
- 2.6.3.2 If after assessment, the *Registrar* determines that the applicant cannot meet the qualifications and requirements, the *Registrar* shall disapprove the application and shall, within fifteen (15) *Working Days* of receipt of all requirements from the applicant, provide written notice to the applicant, stating the reasons for the disapproval. The *Registrar* shall provide a copy of the notice to both the *DOE* and *ERC* within five (5) *Working Days* of issuance to the applicant.

2.7 CESSATION, DEREGISTRATION, SUSPENSION, TRANSFER OF MEMBERSHIP CATEGORY AND NON-PAYMENT OF TRANSACTION FEES

2.7.1 Cessation of Registration

- 2.7.1.1 An entity that ceases its operations related to any *REM Member* category for which it is registered shall send written notice to the *Registrar* to cease its registration under that category.
- 2.7.1.2 Such notice sent to the *Registrar* under Clauses 2.7.1.1 shall include:
- (a) The date upon which it wishes to cease to be registered, which date should not be less than thirty (30) *Working Days* from the *Registrar's* receipt of the said notice; and
 - (b) The category or categories in which the *REM Member* no longer wishes to be registered.
- 2.7.1.3 On said effective date, the entity shall be deregistered in accordance with Clause 2.7.2.

2.7.2 Deregistration of REM Members

2.7.2.1 The *Registrar* shall deregister a *REM Member* only if:

- (a) The *REM Member* has provided a notice of cessation of registration under Clause 2.7.1; or
- (b) The *REM Member* has been sanctioned for a breach of the *REM Rules* in accordance with Clause 6.1 and the relevant *REM Manual*.

2.7.2.2 Any *REM Member* that is deregistered shall no longer be allowed to participate in the *REM* in the category from which they were deregistered, provided however that such entity shall continue to be liable for any obligations incurred prior to its deregistration.

2.7.3 Suspension of REM Members

2.7.3.1 The *Registrar* may suspend a *REM Member* if:

- (a) The *REM Member* has failed to pay transaction fees pursuant to Clause 2.7.5.2; or
- (b) The *REM Member* has been sanctioned for a breach of the *REM Rules* in accordance with Clause 6.1.2 and the relevant *REM Manual*.

2.7.3.2 Any *REM Member* that is suspended shall no longer be allowed to participate in the *REM* in the category from which it was suspended until the suspension is revoked, provided however that such entity shall continue to be liable for any obligations incurred prior to its suspension.

2.7.4 Transfer of Membership Category

2.7.4.1 The *Registrar*, as soon as applicable, shall transfer membership of *REM Members* from *Off-Grid* to *On-Grid* if the *On-Grid* system is already interconnected with the *Off-Grid* system where the *REM Members* are situated.

2.7.4.2 The *Registrar* shall inform the *REM Members* on the transfer of category and on the new obligations and responsibilities, and shall require the submission by the *REM Members* of relevant documents pursuant to the relevant *REM Manual*.

2.7.5 Non-Payment of Transaction Fees

2.7.5.1 If the *REM Trading Participant* fails to make payment of any amount payable by it when due, the *REM Trading Participant* shall pay interest on such unpaid amounts from the due date until the date of payment in full, at the rate per annum equal to the lending rate published by the Bangko Sentral ng Pilipinas at the time of payment plus three percent (3%), not later than three (3) months.

2.7.5.2 In the event of failure to a *REM Trading Participant* to pay any fees to the *Registrar* under Clause 1.4 within three (3) months from due date, the *Registrar* may suspend the *REM Trading Participant* by issuing a *Notice of Suspension* to the *REM Trading Participant*. Such suspension shall not be revoked until payment has been made inclusive of any interest incurred.

Chapter 3 – Market Operations

3.1 CERTIFICATE CREATION

3.1.1 Issuance

- 3.1.1.1 The *Registrar* shall issue one *REC* for every mega-watt hour (MWH) of *Renewable Electricity* generated by *REM Generators*.
- 3.1.1.2 The *Registrar* shall issue *RECs* to eligible *REM Trading Participants* pursuant to this Clause 3.1 and in accordance with the *REC Issuance Timetable*.
- 3.1.1.3 If a *REM Generator* is a *Partially Eligible Facility*, then for any *Renewable Electricity* generated by that *REM Generator*, the *Registrar* shall only issue *RECs* for the *Eligible Capacity*.
- 3.1.1.4 With consideration of Clause 3.1.4, if the *Renewable Electricity* generated by a *REM Generator* is covered by a *Power Supply Agreement* then the *Registrar* shall issue any *RECs* created thereof to the *On-Grid Mandated Participants* or *Off-Grid Mandated Participants* who are the counterparties to such *Power Supply Agreements*.
- 3.1.1.5 If the *Renewable Electricity* generated by a *REM Generator* is covered by a *Power Supply Agreement* where the consuming counterparty is a *Directly Connected Customer*, then the *Registrar* shall issue any *RECs* created thereof to the *Mandated Participant* who is the generating counterparty.
- 3.1.1.6 If the *Renewable Electricity* generated by a *REM Generator* is under the *FiT*, then the *Registrar* shall issue any *RECs* created thereof to the *Mandated Participants* pursuant to allocation methodology provided in Clause 3.2.
- 3.1.1.7 If the *Renewable Electricity* is generated by a *Net-Metered RE Generator* or by a *RE Generation Facility* for the end-user's own-use then the *Registrar* shall issue any *RECs* created thereof to the *On-Grid Mandated Participant* who is the host *Distribution Utility* of such facility. Provided, that for the *Net-Metered RE Generator*, the host *Distribution Utility* is also the counterparty to the relevant *Net-Metering Agreement*.
- 3.1.1.8 If the *Renewable Electricity* generated by a *WESM RE Generator* is not covered by a *Power Supply Agreement* and is generated into the *WESM pool*, then the *Registrar* shall:
 - (a) If the entity who has registered the *WESM RE Generator* is also registered as a *Generation Company*, issue any *RECs* created thereof to that *Generation Company*; and
 - (b) If the entity who has registered the *WESM RE Generator* is not also registered as a *Generation Company*, not issue any *RECs* created thereof.
- 3.1.1.9 If the *Renewable Electricity* is generated by a *REM Generator* registered under the *GEOP*, then the *Registrar* shall issue any *RECs* created thereof to the host *Distribution Utility* that registered the *REM Generator* in the *Registrar*, in accordance with the *GEOP Rules*.

3.1.2 Information to be included on a REC

RECs issued under this Clause 3.1 shall include the following information:

- (a) The name, vintage and technology type of the *REM Generator* whose *Renewable Electricity* generation is the source of the *REC*;
- (b) The start date and end date of the *WESM Billing Period* or *REM Quarter* for which the *REC* was issued;
- (c) The date on which the *REC* was issued;
- (d) The expiry date of the *REC*;
- (e) A serial number uniquely identifying the *REC*; and
- (f) Any other information as set out in the relevant *REM Manual*.

3.1.3 REC Issuance Timetable

- 3.1.3.1 *The Market Operator* shall submit to the *Registrar* the information set out in Clause 3.1.4.1 no later than the third (3rd) *Working Day* after the *Market Operator* issues a *Final Settlement Statement* for that *WESM Billing Period*.
- 3.1.3.2 The *Registrar* shall issue *RECs* created through *Renewable Electricity* generated by *WESM RE Generators* that are not *Multi-Fuel Hybrid Systems*, in respect of a *WESM Billing Period* no later than Thirty (30) calendar days after the end of that *WESM Billing Period* in accordance with Clause 3.1.6.
- 3.1.3.3 If a *REM Trading Participant* determines that there is an error or a discrepancy in respect of *RECs* issued under Clause 3.1.6 then it shall notify the *Registrar* no later than Fifteen (15) calendar days after the date on which the *REC* was issued.
- 3.1.3.4 *On-Grid Mandated Participants* and *Off-Grid Mandated Participants* shall apply to the *Registrar* for *RECs* created in respect of *Renewable Electricity* generated by *Embedded Non-WESM RE Generators* and *Off-Grid RE Generators* that are not *Multi-Fuel Hybrid Systems* and with whom they have *Power Supply Agreements* no later than Ten (10) *Working Days* after the end of a *REM Quarter* in accordance with the *REC* calculations provided Clause 3.1.8.
- 3.1.3.5 If the *On-Grid Mandated Participant* or *Off-Grid Participant* fails to apply for *RECs* within the period specified in Clause 3.1.3.4 then that *On-Grid Mandated Participant* or *Off-Grid Participant* shall forgo any *RECs* created through *Renewable Electricity* generated by the relevant *Embedded Non-WESM RE Generators* and *Off-Grid RE Generators* in respect of that *REM Quarter*.
- 3.1.3.6 The *Registrar* shall issue *RECs* created in respect of *Renewable Electricity* generated by *Embedded Non-WESM RE Generators* and *Off-Grid RE Generators* that are not *Multi-Fuel Hybrid Systems* no later than Thirty (30) calendar days after the end of a *REM Quarter* in accordance with Clause 3.1.9.
- 3.1.3.7 *On-Grid Mandated Participants* who are also the host *Distribution Utilities* for registered *Net-Metered RE Generators* and entities with *RE Generation Facilities* for own-use in their *Franchise Areas* or for the *GEOP*, shall apply to the *Registrar* for *RECs* created through *Renewable Electricity* generated by such entities no later than the twentieth (20th) day of the month following the applicable *REM quarter* in accordance with Clause 3.1.8.
- 3.1.3.8 If the *On-Grid Mandated Participant* fails to apply for *RECs* within the period specified in Clause 3.1.3.7 then that *On-Grid Mandated Participant* shall forgo any *RECs* created through *Renewable Electricity* generated by the relevant *Net-Metered RE Generator* or entity with *RE Generation Facilities* for own-use or for the *GEOP* in respect of that *REM Quarter*.

- 3.1.3.9 The Registrar shall issue *RECs* created through *Renewable Electricity* generated by *Net-Metered RE Generators* entities with *RE Generation Facilities* for own-use no later than Thirty (30) calendar days after the end of a *REM Quarter* in accordance with Clause 3.1.9.
- 3.1.3.10 If a *Mandated Participant* determines that there is an error or a discrepancy in respect of *RECs* issued under Clause 3.1.9 then it shall notify the *Registrar* no later than Fifteen (15) calendar days after the date on which the *REC* was issued.
- 3.1.3.11 *REM Trading Participants* shall apply to the *Registrar* for *RECs* created in respect of *Renewable Electricity* generated by *REM Generators* that are *Multi-Fuel Hybrid Systems* by submitting the information set out in Clause 3.1.5.2 or Clause 3.1.8.1(b), as applicable, no later than Ten (10) *Working Days* after the end of a *REM Quarter*.
- 3.1.3.12 If the *REM Trading Participant* fails to apply for *RECs* within the period specified in Clause 3.1.3.11 then that *REM Trading Participant* shall forgo any *RECs* created through *Renewable Electricity* generated by the relevant *REM Generator* in respect of that *REM Quarter*.
- 3.1.3.13 The *Market Operator* shall submit to the *Registrar* the information for *REM Generators* that are *Multi-Fuel Hybrid Systems* set out in Clause 3.1.5.1 no later than Ten (10) *Working Days* after the end of a *REM Quarter*.
- 3.1.3.14 The *Registrar* shall issue *RECs* created through *Renewable Electricity* generated by *Multi-Fuel Hybrid Systems* no later than Thirty (30) calendar days after the end of a *REM Quarter* in accordance with Clause 3.1.6 or 3.1.9 as applicable.
- 3.1.3.15 If a *REM Trading Participant* determines that there is an error or a discrepancy in respect of *RECs* issued under Clause 3.1.6 or 3.1.9 in respect of *Renewable Electricity* generated from a *Multi-Fuel Hybrid System* then it shall notify the *Registrar* no later than Fifteen (15) calendar days after the date on which the *REC* was issued.

3.1.4 REC calculations for Renewable Electricity generated from WESM RE Generators that are not Multi-Fuel Hybrid Systems

- 3.1.4.1 The *Market Operator* shall submit to the *Registrar* the following information in respect of a *WESM Billing Period* for each *RE Generator* that is registered in the *WESM* that they operate within the timeframe specified in Clause 3.1.3.1:
 - (a) If the *WESM RE Generator* is not a *Multi-Fuel Hybrid System* and is a *Partially Eligible Facility*:
 - (i) The hourly MWH *Metered Quantity* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities*;
 - (ii) The hourly MWH *Bilateral Contract Quantity Declarations* at the *WESM RE Generator's Injection Point* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities*; and
 - (iii) Each *On-Grid Mandated Participant's* hourly MWH share of the *Bilateral Contract Quantity Declarations* submitted under paragraph (ii).
 - (b) If the *WESM RE Generator* a *Separately Metered Hybrid System*:
 - (i) The monthly MWH *Metered Quantity* in respect of only the *Renewable Electricity* generated by the facility;
 - (ii) The total monthly MWH *Metered Quantity* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities*;

- (iii) The monthly MWH *Bilateral Contract Quantity Declarations* at the *WESM RE Generator's Injection Point* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities*; and
- (iv) Each *On-Grid Mandated Participant's* monthly MWH share of the *Bilateral Contract Quantity Declarations* submitted under paragraph (iii).

(c) Otherwise:

- (i) The monthly MWH *Metered Quantity* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities*;
- (ii) The monthly MWH *Bilateral Contract Quantity Declarations* at the *WESM RE Generator's Injection Point* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities*; and
- (iii) Each *On-Grid Mandated Participant's* monthly MWH share of the *Bilateral Contract Quantity Declarations* submitted under paragraph (ii).

3.1.4.2 The *Registrar* shall determine the following quantities for each *WESM RE Generator* that is not a *Multi-Fuel Hybrid System* as follows:

- (a) If the *WESM RE Generator* is a *Partially Eligible Facility*, the *Hourly Eligible Metered Quantity* as the maximum of:
 - (i) Zero; and
 - (ii) The product of the hourly *Metered Quantity* submitted under Clause 3.1.4.1(a)(i) and the *Eligible Capacity* of the *WESM RE Generator* divided by the *WESM RE Generator's* registered capacity;
- (b) If the *WESM RE Generator* a *Separately Metered Hybrid System* the *Monthly Eligible Metered Quantity* as the monthly *Metered Quantity* representing the facility's *Renewable Electricity* generation submitted under Clause 3.1.4.1(b)(i);
- (c) Otherwise, the *Monthly Eligible Metered Quantity* as the monthly *Metered Quantity* submitted under Clause 3.1.4.1(c)(i).

3.1.4.3 The *Registrar* shall determine the following quantities for each *WESM RE Generator* that is not a *Multi-Fuel Hybrid System* as follows:

- (a) If the *WESM RE Generator* is a *Partially Eligible Facility*, the *Hourly Eligible Bilateral Contract Quantity Declarations* as the minimum of:
 - (i) The *Hourly Eligible Metered Quantities* calculated under Clause 3.1.4.2(a) and
 - (ii) The product of:
 - The hourly *Bilateral Contract Quantity Declarations* submitted under Clause 3.1.4.1(a)(ii); and
 - The *Hourly Eligible Metered Quantity* calculated under Clause 3.1.4.2(a) divided by the hourly *Metered Quantity* submitted under Clause 3.1.4.1(a)(i).
- (b) If the *WESM RE Generator* a *Separately Metered Hybrid System*, the *Monthly Eligible Bilateral Contract Quantity Declarations* as the minimum of:
 - (i) The *Monthly Eligible Metered Quantity* calculated under Clause 3.1.4.2(b); and

- (ii) The product of the monthly *Bilateral Contract Quantity Declarations* submitted under Clause 3.1.4.1(b)(iii) and *Monthly Eligible Metered Quantity* calculated under Clause 3.1.4.2(b) divided by total monthly *MWH Metered Quantity* submitted under Clause 3.1.4.1(b)(ii);
 - (c) Otherwise, the *Monthly Eligible Bilateral Contract Quantity Declarations* as the minimum of:
 - (i) The *Monthly Eligible Metered Quantity* calculated under Clause 3.1.4.2(c); and
 - (ii) The monthly *Bilateral Contract Quantity Declarations* submitted under Clause 3.1.4.1(c)(ii).
- 3.1.4.4 The *Registrar* shall determine for each *WESM RE Generator* that is not a *Multi-Fuel Hybrid System*, the following quantities in respect of each *On-Grid Mandated Participant* as follows:
- (a) If the *WESM RE Generator* is a *Partially Eligible Facility*, the *Hourly Attributable Bundled WESM Generation* as the sum of the product of:
 - (i) The *Hourly Eligible Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.3(a); and
 - (ii) The *On-Grid Mandated Participant's* hourly share of the *Bilateral Contract Quantity Declaration* submitted under Clause 3.1.4.1(a)(iii) divided by the hourly *Bilateral Contract Quantity Declaration* submitted under Clause 3.1.4.1(a)(ii);
 - (b) If the *WESM RE Generator* a *Separately Metered Hybrid System*, the *Monthly Attributable Bundled WESM Generation* as the product of:
 - (i) The *Monthly Eligible Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.3(b); and
 - (ii) The *On-Grid Mandated Participant's* monthly share of the *Bilateral Contract Quantity Declaration* submitted under Clause 3.1.4.1(b)(iv) divided by the total monthly *Bilateral Contract Quantity Declaration* submitted under Clause 3.1.4.1(b)(iii).
 - (c) Otherwise, the *Monthly Attributable Bundled WESM Generation* as the product of:
 - (i) The *Monthly Eligible Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.3(c); and
 - (ii) The *On-Grid Mandated Participant's* monthly share of the *Bilateral Contract Quantity Declaration* submitted under Clause 3.1.4.1(c)(iii) divided by the total monthly *Bilateral Contract Quantity Declaration* submitted under Clause 3.1.4.1(c)(ii).
- 3.1.4.5 The *Registrar* shall determine the following quantities for each *WESM RE Generator* that is not a *Multi-Fuel Hybrid System*:
- (a) The *Eligible Metered Quantity* as:
 - (i) If the *WESM RE Generator* is a *Partially Eligible Facility*, as the sum of the *Hourly Eligible Metered Quantities* calculated under Clause 3.1.4.2(a);

- (ii) If the *WESM RE Generator a Separately Metered Hybrid System*, as the *Monthly Eligible Metered Quantity* calculated under Clause 3.1.4.2(b);
 - (iii) Otherwise as the *Monthly Eligible Metered Quantity* calculated under Clause 3.1.4.2 (c).
 - (b) The *Eligible Bilateral Contract Quantity Declarations* as:
 - (i) If the *WESM RE Generator* is a *Partially Eligible Facility*, as the sum of the *Hourly Eligible Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.3(a);
 - (ii) If the *WESM RE Generator a Separately Metered Hybrid System*, as the *Monthly Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.3(b);
 - (iii) Otherwise as the *Monthly Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.3 (c).
 - (c) The *Attributable Bundled WESM Generation* of each *On-Grid Mandated Participant* as:
 - (i) If the *WESM RE Generator* is a *Partially Eligible Facility*, as the sum of the *Hourly Attributable Bundled WESM Generation* calculated under Clause 3.1.4.4(a);
 - (ii) If the *WESM RE Generator a Separately Metered Hybrid System*, as the *Monthly Attributable Bundled WESM Generation* calculated under Clause 3.1.4.4(b);
 - (iii) Otherwise as the *Monthly Attributable Bundled WESM Generation* calculated under Clause 3.1.4.4 (c).
- 3.1.4.6 The *Registrar* shall determine the following quantities for each *WESM RE Generator* that is not a *Multi-Fuel Hybrid System* in respect of a *WESM Billing Period*:
- (a) The *Total Unbundled WESM Quantity* as the difference between:
 - (i) The *WESM RE Generator's* total monthly *Eligible Metered Quantity* calculated under Clause 3.1.4.5(a) ; and
 - (ii) The sum of the *Eligible Bilateral Contract Quantity Declarations* calculated under Clause 3.1.4.5(b);
 - (b) The *Total Adjusted Unbundled WESM Quantity* as the sum of:
 - (i) The *Total Unbundled WESM Quantity* calculated for the *WESM RE Generator* under paragraph (a);
 - (ii) The *Carry-Over WESM Quantity* calculated for the *WESM RE Generator* in respect of previous *WESM Billing Periods*; and
 - (iii) Any adjustments calculated under Clause 3.1.7.
 - (c) The *Monthly Unbundled WESM RECs* as the smallest integer quantity that represents the nearest whole MWH value to the *Total Adjusted Unbundled WESM Quantity* determined under paragraph (b).
 - (d) The *Carry-Over WESM Quantity* as:
 - (i) The *Total Adjusted Unbundled WESM Quantity* calculated under paragraph (b); minus

(ii) The *Monthly Unbundled WESM RECs* calculated under paragraph (c).

3.1.4.7 The *Registrar* shall determine the following quantities in respect of a *WESM Billing Period* for each *WESM RE Generator* that is not a *Multi-Fuel Hybrid System* and for each *On-Grid Mandated Participant* that has a *Power Supply Agreement* with that *WESM RE Generator*:

- (a) The *Total Bundled WESM Quantity* as the *On-Grid Mandated Participant's Attributable Bundled WESM Generation* in respect of the *WESM RE Generator* calculated under Clause 3.1.4.5(c).
- (b) The *Total Adjusted Bundled WESM Quantity* as the sum of:
 - (i) The *Total Bundled WESM Quantity* calculated for the *On-Grid Mandated Participant* under paragraph (a);
 - (ii) The *Carry-Over Quantity* for the *On-Grid Mandated Participant* calculated in respect of the *WESM RE Generator* for previous *WESM Billing Periods*; and
 - (iii) Any adjustments calculated under Clause 3.1.7.
- (c) The *Monthly Bundled WESM RECs* as the smallest integer quantity that represents the nearest whole MWH value to the *Total Adjusted Bundled WESM Quantity* determined under paragraph (b).
- (d) The *Carry-Over Quantity* as:
 - (i) The *Total Adjusted Bundled WESM Quantity* calculated under paragraph (b); minus
 - (ii) The *Monthly Bundled WESM RECs* calculated under paragraph (c).

3.1.5 REC calculations for Renewable Electricity generated from WESM RE Generators that are Multi-Fuel Hybrid Systems

3.1.5.1 The *Market Operator* shall submit to the *Registrar* the following information in respect of each *WESM Billing Period* in the relevant *REM Quarter* for each *WESM RE Generator* that is registered in the *WESM* that they operate within the timeframe specified in Clause 3.1.3.13:

- (a) The monthly MWH *Metered Quantity* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities* for all *WESM Billing Periods* in the relevant *REM Quarter*;
- (b) The monthly MWH *Bilateral Contract Quantity Declarations* at the *WESM RE Generator's Injection Point* used by the *Market Operator* to calculate the *WESM RE Generator's Final Settlement Quantities* for all *WESM Billing Periods* in the relevant *REM Quarter*; and
- (c) Each *On-Grid Mandated Participant's* monthly MWH share of the *Bilateral Contract Quantity Declarations* submitted under paragraph (b).

3.1.5.2 *Generation Companies* shall submit the following data in respect of each of their *WESM* registered *Multi-Fuel Hybrid Systems* within the timeframe specified in Clause 3.1.3.11:

- (a) The total monthly MWH *Metered Quantity* for all *WESM Billing Periods* in the relevant *REM Quarter*;
- (b) The total monthly *Renewable Metered Quantity* which represents the renewable component of the total monthly MWH *Metered Quantity* submitted under paragraph (a) for all *WESM Billing Periods* in the relevant *REM Quarter*;

- (c) Certification that the *Renewable Metered Quantity* submitted under paragraph (b) has been calculated in accordance with the requirements prescribed by the *DOE* pursuant to Clause 9.2.1.
- 3.1.5.3 If the *Registrar* notifies a *Generation Company* that there is an error in the data submitted under Clause 3.1.5.2, the *Generation Company* shall submit the corrected data within five (5) *Working Days* of the notification.
- 3.1.5.4 If the *Registrar* does not receive the corrected data under Clause 3.1.5.3 within the timeframe specified in Clause 3.1.5.3, the *Registrar* shall not issue any *RECs* in respect of the relevant *Multi-Fuel Hybrid System(s)*.
- 3.1.5.5 The *Registrar* shall determine the *Monthly Renewable Bilateral Contract Quantity* for each *WESM RE Generator* that is a *Multi-Fuel Hybrid System* as the minimum of:
 - (a) The monthly *Renewable Metered Quantities* submitted under Clause 3.1.5.2(b) and
 - (b) The product of
 - (i) The monthly *MWH Bilateral Contract Quantity Declarations* submitted under Clause 3.1.5.1(b); and
 - (ii) The monthly *Renewable Metered Quantities* submitted under Clause 3.1.5.2(b) divided by the total monthly *MWH Metered Quantity* submitted under Clause 3.1.5.2(a).
- 3.1.5.6 The *Registrar* shall determine for each *WESM RE Generator* that is a *Multi-Fuel Hybrid System*, the *Monthly Attributable Bundled WESM Generation* of each *On-Grid Mandated Participant* as the product of:
 - (a) The *Monthly Renewable Bilateral Contract Quantity* calculated under Clause 3.1.5.5; and
 - (b) The *On-Grid Mandated Participant's* monthly share of the *Bilateral Contract Quantity Declarations* submitted Clause 3.1.5.1(c) divided by the total monthly *Bilateral Contract Quantity Declarations* submitted under Clause 3.1.5.1(b).
- 3.1.5.7 The *Registrar* shall determine the following quantities for each *WESM RE Generator* that is a *Multi-Fuel Hybrid System* in respect of the relevant *REM Quarter*:
 - (a) The *Eligible Metered Quantities* as the sum of the monthly *Renewable Metered Quantities* submitted under Clause 3.1.5.2(b);
 - (b) The *Eligible Bilateral Contract Quantity Declarations* as the sum of the *Monthly Renewable Bilateral Contract Quantities* calculated under Clause 3.1.5.5;
 - (c) The *Attributable Bundled WESM Generation* of each *On-Grid Mandated Participant* as the sum of the *Monthly Attributable Bundled WESM Generation* calculated under Clause 3.1.5.6.
- 3.1.5.8 The *Registrar* shall determine the following quantities for each *WESM RE Generator* that is a *Multi-Fuel Hybrid System* in respect of the relevant *REM Quarter*:
 - (a) The *Total Unbundled WESM Quantity* as the difference between:
 - (i) The *WESM RE Generator's Eligible Metered Quantity* calculated under Clause 3.1.5.7(a); and
 - (ii) The *Eligible Bilateral Contract Quantity Declarations* calculated under Clause 3.1.5.7(b);

- (b) The *Total Adjusted Unbundled WESM Quantity* as the sum of:
 - (i) The *Total Unbundled WESM Quantity* calculated for the *WESM RE Generator* under paragraph (a);
 - (ii) The *Carry-Over WESM Quantity* calculated for the *WESM RE Generator* in respect of previous *REM Quarters*; and
 - (iii) Any adjustments calculated under Clause 3.1.7.
- (c) The *Monthly Unbundled WESM RECs* as the smallest integer quantity that represents the nearest whole MWH value to the *Total Adjusted Unbundled WESM Quantity* determined under paragraph (b).
- (d) The *Carry-Over WESM Quantity* as:
 - (i) The *Total Adjusted Unbundled WESM Quantity* calculated under paragraph (b); minus
 - (ii) The *Monthly Unbundled WESM RECs* calculated under paragraph (c).

3.1.5.9 The *Registrar* shall determine the following quantities in respect of the relevant *REM Quarter* for each *WESM RE Generator* that is a *Multi-Fuel Hybrid System* and for each *On-Grid Mandated Participant* that has a *Power Supply Agreement* with that *WESM RE Generator*:

- (a) The *Total Bundled WESM Quantity* as the *On-Grid Mandated Participant's Attributable Bundled WESM Generation* in respect of the *WESM RE Generator* calculated under Clause 3.1.5.7(c).
- (b) The *Total Adjusted Bundled WESM Quantity* as the sum of:
 - (i) The *Total Bundled WESM Quantity* calculated for the *On-Grid Mandated Participant* under paragraph (a);
 - (ii) The *Carry-Over Quantity* for the *On-Grid Mandated Participant* calculated in respect of the *WESM RE Generator* for previous *REM Quarters*; and
 - (iii) Any adjustments calculated under Clause 3.1.7.
- (c) The *Monthly Bundled WESM RECs* as the smallest integer quantity that represents the nearest whole MWH value to the *Total Adjusted Bundled WESM Quantity* determined under paragraph (b).
- (d) The *Carry-Over Quantity* as:
 - (i) The *Total Adjusted Bundled WESM Quantity* calculated under paragraph (b); minus
 - (ii) The *Monthly Bundled WESM RECs* calculated under paragraph (c).

3.1.6 REC issuance for Renewable Electricity generated from WESM RE Generators

3.1.6.1 The *Registrar* shall issue and deposit *RECs* for a *WESM Billing Period* within the period specified in Clause 3.1.3.2 as follows:

- (a) For each *On-Grid Mandated Participant* eligible to receive *RECs* in respect of the *Renewable Electricity* generated in the *WESM* in accordance with Clause 3.1.4, issue and deposit into the *On-Grid Mandated Participant's Registry Account* a number of *RECs* equal to the sum of the *Monthly Bundled WESM RECs* calculated under Clause 3.1.4.7(c) for all *WESM RE Generators* that are not *Multi-Fuel Hybrid*

Systems and that the On-Grid Mandated Participant has a Power Supply Agreement with.

- (b) *For each Generation Company eligible to receive RECs in respect of the Renewable Electricity generated in a WESM in accordance with Clause 3.1.4 and Clause 3.1.1.8, issue and deposit into the Generation Company's Registry Account a number of RECs equal to the sum of the Monthly Unbundled WESM RECs calculated under Clause 3.1.4.6(c) for all WESM RE Generators that are not Multi-Fuel Hybrid Systems and are registered by the Generation Company.*

3.1.6.2 The Registrar shall issue and deposit RECs for a REM Quarter within the period specified in Clause 3.1.3.14 as follows:

- (a) *For each On-Grid Mandated Participant eligible to receive RECs in respect of the Renewable Electricity generated in a WESM in accordance with Clause 3.1.5, issue and deposit into the On-Grid Mandated Participant's Registry Account a number of RECs equal to the sum of the Monthly Bundled WESM RECs calculated under Clause 3.1.5.9(c) for all WESM RE Generators that are Multi-Fuel Hybrid Systems and that the On-Grid Mandated Participant has a Power Supply Agreement with.*
- (b) *For each Generation Company eligible to receive RECs in respect of the Renewable Electricity generated in a WESM in accordance with Clause 3.1.5 and Clause 3.1.1.8, issue and deposit into the Generation Company's Registry Account a number of RECs equal to the sum of the sum of the Monthly Unbundled WESM RECs calculated under Clause 3.1.5.8(c) for all WESM RE Generators that are Multi-Fuel Hybrid Systems and are registered by the Generation Company.*

3.1.6.3 For avoidance of doubt:

- (a) *If the sum of the Monthly Bundled WESM RECs referenced in Clause 3.1.6.1(a) or Clause 3.1.6.2(a) is:*
 - (i) *A positive number then the Registrar shall deposit that number of RECs into the relevant On-Grid Mandated Participant's Registry Account*
 - (ii) *A negative number then the Registrar shall deduct that number of RECs from the relevant On-Grid Mandated Participant's Registry Account*
- (b) *If the sum of the Monthly Unbundled WESM RECs referenced in Clause 3.1.6.1(b) or Clause 3.1.6.2(b) is:*
 - (i) *A positive number then the Registrar shall deposit that number of RECs into the relevant Generation Company's Registry Account*
 - (ii) *A negative number then the Registrar shall deduct that number of RECs from the relevant Generation Company's Registry Account*

3.1.7 Adjustments to RECs issued in respect of Renewable Electricity generated from WESM RE Generators

- 3.1.7.1 Subject to Clause 3.1.7.3 (c), if the Registrar determines that there is an error or discrepancy in the number of RECs issued to REM Trading Participants under Clause 3.1.6 then it shall ensure that the correction is reflected in the REC issuance for the next WESM Billing Period or REM Quarter as applicable.
- 3.1.7.2 If the Metered Quantity submitted under Clause 3.1.4.1 contains estimated values then the Market Operator shall:

- (a) Indicate the same to the *Registrar* in their submission under Clause 3.1.4.1; and
- (b) Submit the corrected *Metered Quantities* as soon as practicably possible.

3.1.7.3 If the *Market Operator* determines that there is an error in the *Metered Quantity* or, *Bilateral Contract Quantity Declarations* submitted under Clauses 3.1.4.1 and 3.1.5.1, then the *Market Operator* shall:

- (a) Immediately notify the *Registrar*; and
- (b) Submit the corrected *Metered Quantity* as soon as practicably possible within twelve (12) months after the REC issuance deadline under Clause 3.1.3.2 for the *WESM Billing Period* to which the erroneous data pertains.
- (c) If the *Market Operator* submits the corrected data under Clause 3.1.7.2 and Clause 3.1.7.3 within two (2) *Working Days* of the monthly REC issuance deadline in Clause 3.1.3.2, the *Registrar* shall ensure that the correction is reflected in the monthly REC issuance for the current *WESM Billing Period*. Otherwise, the correction shall be reflected in the monthly REC issuance for the following *WESM Billing Period*.

3.1.8 REC calculations for Renewable Electricity generated from REM Generators that are not WESM RE Generators

3.1.8.1 *On-Grid Mandated Participants* and *Off-Grid Mandated Participants* shall submit the following data to the *Registrar* in respect of *Embedded Non-WESM RE Generators* and *Off-Grid RE Generators* and with whom they have *Power Supply Agreements* for each *REM Quarter* within the period specified in Clause 3.1.3.4 or Clause 3.1.3.11 (as applicable):

- (a) If the *Embedded Non-WESM RE Generator* is a *Separately Metered Hybrid System*:
 - (i) The monthly MWH *Metered Quantities* in respect of only the *Renewable Electricity* generated by the facility in that *REM Quarter*;
 - (ii) The total monthly MWH *Metered Quantities* pertaining to that *REM Quarter*;
- (b) If the *Embedded Non-WESM RE Generator* is a *Multi-Fuel Hybrid System*:
 - (i) The total monthly MWH *Metered Quantities* for the relevant *REM Quarter*;
 - (ii) The total monthly *Renewable Metered Quantities* which represents the renewable component of the total monthly MWH *Metered Quantity* submitted under paragraph (i) for the relevant *REM Quarter*;
 - (iii) Certification that the *Renewable Metered Quantities* submitted under paragraph (ii) has been calculated in accordance with the requirements prescribed by the *DOE* pursuant to Clause 9.2.1.
- (c) Otherwise, the monthly MWH *Metered Quantities* pertaining to that *REM Quarter*.

3.1.8.2 *On-Grid Mandated Participants* who are also the host *Distribution Utilities* for registered *Net-Metered RE Generators* and entities with *RE Generation Facilities* for own-use in their *Franchise Areas* or for the *GEOP* shall submit the monthly MWH *Metered Quantity* pertaining to that *REM Quarter* to the *Registrar* in respect of each *Net Metered RE Generators* with whom they have a *Net-Metering Agreement*, and entity with *RE Generation Facilities* for own-use within the period specified in Clause

3.1.3.7. The data submitted under this Clause 3.1.8.2 shall represent the *Net Metered RE Generator's* net injection into the distribution network.

- 3.1.8.3 *Mandated Participants* submitting data under Clause 3.1.8.1 or Clause 3.1.8.2 shall ensure that the data is validated, accurate and uncorrupted.
- 3.1.8.4 If the *Registrar* notifies a *Mandated Participant* that there is an error in the data submitted under Clause 3.1.8.1 or Clause 3.1.8.2, the *Mandated Participant* shall submit the corrected data within five (5) *Working Days* of the notification or forfeit any *RECs* that would have been issued in respect of that submission.
- 3.1.8.5 The *Registrar* shall determine the following quantities for each *Embedded Non-WESM RE Generator*, each *Off-Grid RE Generator*, *Net-Metered RE Generator* or each entity with *RE Generation Facilities* for own-use as follows:
- (a) If the *Embedded Non-WESM RE Generator* is a *Separately Metered Hybrid System*, the *Monthly Eligible Metered Quantities* as the monthly *Metered Quantities* submitted under Clause 3.1.8.1(a)(i);
 - (b) If the *Embedded Non-WESM RE Generator* is a *Multi-Fuel Metered Hybrid System* the *Monthly Eligible Metered Quantities* as the monthly *Renewable Metered Quantities* submitted under Clause 3.1.8.1(b);
 - (c) Otherwise, the *Monthly Eligible Metered Quantities* as the monthly *Metered Quantities* submitted under Clause 3.1.8.1(c) or Clause 3.1.8.2 as relevant.
- 3.1.8.6 The *Registrar* shall determine the *Eligible Metered Quantities* for each *Embedded Non-WESM RE Generator*, each *Off-Grid RE Generator* or each *Net-Metered RE Generator*, or each entity with *RE Generation Facilities* for own-use as the sum of the *Monthly Eligible Metered Quantities* calculated under Clause 3.1.8.5(a), Clause 3.1.8.5(b) or Clause 3.1.8.5(c) as relevant.
- 3.1.8.7 The *Registrar* shall determine the following quantities in respect of a *REM Quarter* for each *Embedded Non-WESM RE Generator*, each *Off-Grid RE Generator* and each *Net-Metered RE Generator*, or each entity with *RE Generation Facilities* for own-use and for each *Mandated Participant* that has a *Power Supply Agreement* or *Net-Metering Agreement* with that *Embedded Non-WESM RE Generator*, *Off-Grid RE Generator* or *Net-Metered RE Generator*, or is the host of an entity with *RE Generation Facilities* for own-use:
- (a) The *Total Bundled Non-WESM Quantity* of each *Mandated Participant* as the total *Eligible Metered Quantities* in respect of the *Embedded Non-WESM RE Generator*, *Off-Grid RE Generator* or *Net-Metered RE Generator* (as calculated under Clause 3.1.8.6) with whom the *Mandated Participant* has a *Power Supply Agreement* or *Net-Metering Agreement*;
 - (b) The *Total Adjusted Bundled Non-WESM Quantity* as the sum of:
 - (i) The *Total Bundled Non-WESM Quantity* calculated under paragraph (a);
 - (ii) The *Carry-Over Quantity* for the *Mandated Participant* in respect of the *Embedded Non-WESM RE Generator*, *Off-Grid RE Generator* or *Net-Metered RE Generator* calculated in for previous *REM Quarters*; and
 - (iii) Any adjustments calculated under Clause 3.1.10.
 - (c) The *Quarterly Bundled Non-WESM RECs* as the smallest integer quantity that represents the nearest whole MWH value to the *Total Adjusted Bundled Non-WESM Quantity* determined under paragraph (b).
 - (d) The *Carry-Over Quantity* as:

- (i) The *Total Adjusted Bundled Non-WESM Quantity* calculated under paragraph (b); minus
- (ii) The *Quarterly Bundled Non-WESM RECs* calculated under paragraph (c).

3.1.9 REC issuance for Renewable Electricity generated from REM Generators that are not WESM RE Generators

3.1.9.1 For each *Mandated Participant* eligible to receive *RECs* in respect of the *Renewable Electricity* generated by an *Embedded Non-WESM RE Generator*, *Off-Grid RE Generator* or *Net-Metered RE Generator* or entity with *RE Generation Facilities* for own-use in accordance with Clause 3.1.8, the *Registrar* shall issue and deposit into the *Mandated Participant's Registry Account* for that *REM Quarter* within the period specified in Clause 3.1.3.9 or Clause 3.1.3.14 (as applicable) a number of *RECs* equal to the sum of the *Quarterly Bundled Non-WESM RECs* calculated under Clause 3.1.8.7(c) over all:

- (a) *Embedded Non-WESM RE Generators*;
- (b) *Off-Grid RE Generators*; and
- (c) *Net-Metered RE Generators*
- (d) Entities with *RE Generation Facilities* for own-use
- (e) Entities with *RE Generation Facilities* accredited for the *GEOP*

with whom the *Mandated Participant* has a *Power Supply Agreement* or *Net-Metering Agreement*, or is the host *Distribution Utility* for entities with *RE Generation Facilities* for own-use

3.1.9.2 For avoidance of doubt, if the sum of the *Quarterly Bundled Non-WESM RECs* referenced in Clause 3.1.9.1 is:

- (a) A positive number then the *Registrar* shall deposit that number of *RECs* into the relevant *Grid Mandated Participant's Registry Account*
- (b) A negative number then the *Registrar* shall deduct that number of *RECs* from the relevant *Mandated Participant's Registry Account*.

3.1.10 Adjustments to RECs issued in respect of Renewable Electricity generated from REM Generators that are not WESM RE Generators

3.1.10.1 Subject to Clause 3.1.10.2(b), if the *Registrar* determines that there is an error or discrepancy in the number of *RECs* issued to *REM Trading Participants* under Clause 3.1.9.1 then it shall ensure that the correction is reflected in the quarterly *REC* issuance for the next *REM Quarter*.

3.1.10.2 If the relevant *Mandated Participant* determines that there is an error in the *Metered Quantity* submitted under Clause 3.1.8.1 or Clause 3.1.8.2, then that *Mandated Participant* shall:

- (a) Immediately notify the *Registrar*; and
- (b) Submit the corrected *Metered Quantity* as soon as practicably possible, but no later than 30 days after the *REC* issuance deadline under Clause 3.1.3.9 for the *REM Quarter* to which the erroneous data pertains.

3.1.10.3 If a *Mandated Participant* fails to submit corrected *Metered Quantities* under Clause 3.1.10.2 within the period prescribed in Clause 3.1.10.2(b), then the *Registrar* shall not issue any further error corrections or adjustments to the relevant *REC* issuances.

- 3.1.10.4 The *Registrar* shall issue revisions on the *RECs* issued to the *Mandated Participant* for the *REM Quarter* not later than 15 days upon receipt of the corrected *Metered Quantities* within the period prescribed in Clause 3.1.10.2 (b).

3.2 ALLOCATION OF RENEWABLE ELECTRICITY GENERATION FROM FiT ELIGIBLE FACILITIES

3.2.1 Provision of data to enable FiT Allocation

The *Market Operator* shall provide for each *FiT Eligible Facility* that is registered in the *WESM* the monthly *MWH Metered Quantities* in respect of a *WESM Billing Period* no later than the third (3rd) *Working Day* after the *Market Operator* issues a *Final Settlement Statement* for that *WESM Billing Period*.

- 3.2.1.1 The *Market Operator* shall submit to the *Registrar* the following information in respect of a *WESM Billing Period* for each *Directly Connected Customer* that has a *Power Supply Agreement* with a *Generation Company* that is registered in the *WESM* that they operate and in the *REM* as an *On-Grid Mandated Participant* no later than the third (3rd) *Working Day* after the *Market Operator* issues a *Final Settlement Statement* for that *WESM Billing Period*:

- (a) The monthly *MWH Metered Quantities* used by the *Market Operator* to calculate the *Directly Connected Customer's Final Settlement Amounts*; and
- (b) The monthly *MWH Bilateral Contract Quantity Declarations* with respect to each *WESM Generator* with whom the *Directly Connected Customer* has a *Power Supply Agreement* (declared at the *WESM RE Generator's Injection Point*), used by the *Market Operator* to calculate the *Directly Connected Customer's Final Settlement Amounts*.

- 3.2.1.2 The *FiT-All Fund Administrator* shall submit to the *Registrar* the following data in respect of a *WESM Billing Period* no later than Fifty (50) calendar days after the end of the *WESM Billing Period*:

- (a) The *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* by each *FiT-All Collection Agent* that is an *On-Grid Mandated Participant* and is not a *Generation Company*.
- (b) The *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* by the relevant *FiT-All Collection Agent* in respect of *Directly Connected Customers*.

3.2.2 Allocation of FiT generation to Mandated Participants

- 3.2.2.1 The *Registrar* shall determine each *Mandated Participant's Monthly FiT Generation Share* and shall issue the corresponding *RECs* to the *aggregated* monthly *MWH Metered Quantities* of all the *FiT-eligible Facilities* in accordance with the following:

- (a) The allocation of the monthly *FiT Generation* for each *Mandated Participant* will be in the proportion of their monthly *metered energy quantities* to the total monthly *metered energy quantities* of all the *Mandated Participants* and percentage level of *FiT All* payment for the corresponding month;
- (b) The *Monthly FiT Generation Share* shall be the smallest integer quantity that represents the nearest whole *MWH* value based on the allocation described in (a) ;
- (c) The *Incremental MWh* in relation to b) shall be carried over to the following month's *REC* issuance;

3.2.2.2 The Incremental MWh in relation to partial payment by the Mandated Participant shall be issued with RECs based on the following:

- (a) Regarding the corresponding MWh of the unpaid *FiT-All* by the *Mandated Participant* due to its failure to remit the collected *FiT All* payment from its end users, it shall be carried over to the month when the *FiT-All* obligation is fully paid for REC issuance, and
- (b) Regarding the corresponding MWh of the unpaid *FiT All* by the *Mandated Participant* due to non-payment of the *FiT All* by its end users, the RECs shall be apportioned again to the *Mandated Participants* based on their *monthly metered energy quantities*.

3.2.2.3 The Registrar shall notify each *On-Grid Mandated Participant* of their *Monthly FiT Generation Share* and issue the corresponding RECs in respect of a *WESM Billing Period* no later than Sixty (60) calendar days after the end of the *WESM Billing Period*.

3.2.2.4 The Registrar shall publish a *REM Manual* that sets out the:

- (a) The methodology that it shall use to determine a Mandated Participant's *Monthly FiT Generation Share* under Clause 3.2.2.1; and
- (b) The data and information that *Data Providers* shall provide to the Registrar to enable it to calculate the *Monthly FiT Generation Share* under Clause 3.2.2.1.

3.2.3 Adjustment for errors

3.2.3.1 If an *On-Grid Mandated Participant* determines that there is an error or a discrepancy in respect of their *Monthly FiT Generation Share* notified under Clause 3.2.2.3 then it shall notify the Registrar no later than Fifteen (15) calendar days after the date on which they were notified under Clause 3.2.2.3.

3.2.3.2 Subject to Clause 3.2.3.4, if the Registrar determines that there is an error or discrepancy in the *Monthly FiT Generation Share* notified under Clause 3.2.2.3 then it shall ensure that the correction is reflected in the *Monthly FiT Generation Share* calculation for the next *WESM Billing Period*.

3.2.3.3 If a *Data Provider* becomes aware of any error or discrepancy in data submitted under Clause 3.2.2.4(b), it shall:

- (a) Immediately notify the Registrar; and
- (b) Submit the corrected data as soon as practicably possible.

3.2.3.4 If a *Data Provider* submits the corrected data under Clause 3.2.3.3 within two (2) *Working Days* of the *Monthly FiT Generation Share* notification deadline in Clause 3.2.2.3, the Registrar shall ensure that the correction is reflected in the *Monthly FiT Generation Share* calculation for the current *WESM Billing Period*. Otherwise, the correction shall be reflected in the *Monthly FiT Generation Share* calculation for the following *WESM Billing Period*.

3.2.4 Disputes related to FiT allocations

3.2.4.1 If an *On-Grid Mandated Participant* determines that there is an error or a discrepancy in respect of the *Monthly FiT Generation Share* calculations under Clause 3.2.3, and despite notice to the Registrar the same has not been corrected in accordance with Clause 3.2.3.2 or Clause 3.2.3.4, the *On-Grid Mandated Participant* may lodge a *Dispute* with the Registrar.

- 3.2.4.2 *Disputes* lodged under Clause 3.2.4.1 must be lodged no later than Sixty (60) calendar days after the date on which the *Monthly FiT Generation Share* was notified under Clause 3.2.2.3. The failure to lodge a dispute within the prescribed timeline already constitutes a waiver for effecting corrections on the *Monthly FiT Generation Share*.

3.3 CERTIFICATE TRANSACTIONS

3.3.1 Certificate transfers

- 3.3.1.1 A *REM Trading Participant* may transfer a *REC* to another *REM Trading Participant's Registry Account* in accordance with the procedures set forth in the relevant *REM Manual*.
- 3.3.1.2 A *REM Trading Participant* may transfer a *REC* under Clause 3.3.1.1 through:
- (a) One-off *REC* transfer; or
 - (b) *Standing Order*.
- 3.3.1.3 If a *REM Trading Participant* opts to transfer *RECs* through a *Standing Order*, it shall ensure that it has sufficient *RECs* in its *Registry Account* to meet the requirements of all of its *Standing Orders* prior to the scheduled date of transfer.
- 3.3.1.4 The *Registrar* shall not permit any transfer that does not meet the requirement set forth in Clause 3.3.1.3.
- 3.3.1.5 *REM Trading Participants* shall disclose the price and volume of each *REC* transfer executed under Clause 3.3.1.1 in accordance with the relevant *REM Manual*.
- 3.3.1.6 *REM Trading Participants* shall follow the procedures set forth in the relevant *REM Manual* when transferring *RECs*.

3.3.2 Banking of RECs

- 3.3.2.1 A *REM Trading Participant* may bank a *REC* for up to three (3) years from the date the *REC* was issued, subject to further issuances by the *DOE*.
- 3.3.2.2 Subject to Clause 3.5.1.9, a *REC* that is banked under Clause 3.3.2.1 shall expire three (3) years from the date the *REC* was issued.
- 3.3.2.3 A *REC* that has expired under Clause 3.3.2.2 shall be considered invalid and cannot be transferred to another *REM Trading Participant* or surrendered for compliance with a *Mandated Participant's RPS* requirement.

3.3.3 Surrendering of RECs for RPS compliance

- 3.3.3.1 A *Mandated Participant* may surrender a *REC* generated by a *REM Generator* eligible for *RPS* compliance that has not been retired or has not expired under Clause 3.3.4 for compliance with their *Annual RPS Obligation* in respect of a particular *RPS Compliance Period* until the deadline set in the *RPS Rules*.
- 3.3.3.2 *RECs* surrendered under Clause 3.3.3.1 shall only count towards a *Mandated Participant's Annual RPS Obligation* in the *RPS Compliance Period* referenced in Clause 3.3.3.1.

- 3.3.3.3 If a *Mandated Participant* surrenders *RECs* in excess of its *Annual RPS Obligation* in respect of an *RPS Compliance Period*, then the *Registrar* shall retire those *RECs* in accordance with Clause 3.3.4.1.

3.3.4 Retirement of RECs

- 3.3.4.1 The *Registrar* shall retire a *REC* if a *Mandated Participant* surrenders the *REC* for compliance with their *RPS* requirement under Clause 3.3.3.1.
- 3.3.4.2 A *REC* that has been retired under Clause 3.3.4.1 may not be transferred to another *REM Trading Participant* or surrendered for compliance with a *Mandated Participant's RPS* requirement.

3.3.5 Pricing of RECs

- 3.3.5.1 The *REC Price* shall be in Philippine Pesos per *REC* (Php/*REC*) corresponding to one (1) megawatt-hour of actual *RE* generation and shall be in whole Philippine Pesos per *REC*.
- 3.3.5.2 The *REC Price* shall not be greater than any limit that shall be approved by the *ERC* upon endorsement by the *DOE* based on the difference of the cost of adding renewable generation, and of the cost of the generation that the latter replaces.
- 3.3.5.3 The limit to the *REC Price* shall be subject to regular review and adjustments by *DOE*, and will be approved by the *ERC*.

3.4 THE REGISTRY AND REGISTRY BUSINESS RULES

3.4.1 The Registry

The *Registrar* shall establish the *Registry* which shall be an electronic registry intended to create, track, transfer and retire *RECs*.

3.4.2 The Registry Business Rules

The *Registrar* shall publish a *REM Manual* that sets out:

- (a) The *Registrar's* general responsibilities with respect to maintaining and operating the *Registry*;
- (b) The account structure of the *Registry*;
- (c) Access privileges to be granted to *REM Trading Participants*; and
- (d) The terms of use of the *Registry* by the *Registrar* and *REM Trading Participants*.

3.5 DISPUTES

- 3.5.1.1 If a *REM Trading Participant* determines that there is an error or a discrepancy in respect of *RECs* issued under Clause 3.1, and despite notice to the *Registrar* the same has not been corrected in accordance with Clause 3.1.7.1 or Clause 3.1.10.1, the *REM Trading Participant* may lodge a *Dispute* with the *Registrar*.
- 3.5.1.2 *Disputes* lodged under Clause 3.5.1.1 must be lodged no later than Sixty (60) calendar days after the date on which the *REC* was issued.

- 3.5.1.3 *Disputes* lodged under Clause 3.5.1.1 must be settled through dispute resolution mechanism referred to in Clause 6.3.1.
- 3.5.1.4 *REM Trading Participant* may lodge a *Dispute* in respect of any transaction under Clause 3.3.
- 3.5.1.5 *Disputes* lodged under Clause 3.5.1.4 must be lodged no later than Sixty (60) calendar days after the date on which the transaction occurred.
- 3.5.1.6 A *Dispute* raised under Clause 3.5.1.4 which involves a transfer executed under Clause 3.3.1 may be settled either through the dispute resolution mechanism referred to in Clause 6.3.1, or through such other means as may be agreed by the parties.
- 3.5.1.7 Matters that may be the subject of a *Dispute* under Clauses 3.5.1.1 and 3.5.1.4 may not be raised as a breach of the *REM Rules*.
- 3.5.1.8 A *REC* that is subject of a *Dispute* lodged under Clause 3.5.1.4 shall not be transferred under Clause 3.3.1 or surrendered for *RPS* compliance under Clause 3.3.3.
- 3.5.1.9 If a *REC* that is frozen under Clause 3.5.1.8 is still under dispute past its expiration date (as determined under Clause 3.3.2.2) the *Registrar* may, at its discretion, change the expiration date of said *REC*.

3.6 REM BULLETIN BOARD

- 3.6.1.1 The *Registrar* shall provide *REM Trading Participants* with a *REM Bulletin Board* to facilitate the trading of *RECs*.
- 3.6.1.2 The *REM Bulletin Board* shall provide a venue for *REM Trading Participants* to post information with respect to *RECs* available for sale or *RECs* required to be bought.
- 3.6.1.3 The *REM Bulletin Board* shall not be a trading platform.
- 3.6.1.4 *REM Trading Participants* shall provide to the *Registrar* the contact details of the relevant personnel at the *REM Trading Participant's* organization who is responsible for facilitating *REC* transactions in *REM*.
- 3.6.1.5 *REM Trading Participants* shall notify the *Registrar* of any changes to the information provided under Clause 3.6.1.4.
- 3.6.1.6 The *Registrar* shall maintain an up to date list of *REM Trading Participants* on the *REM Bulletin Board* which lists:
 - (a) All *REM Trading Participants* currently registered in the *REM*; and
 - (b) The contact details of each *REM Trading Participant* as provided under Clause 3.6.1.4 or Clause 3.6.1.5 as relevant.
- 3.6.1.7 *REM Trading Participants* may at any time:
 - (a) Advertise *RECs* available for sale on the *REM Bulletin Board*. In doing so the *REM Trading Participant* shall post the information prescribed in Clause 3.6.1.8.
 - (b) Advertise *RECs* required for purchase on the *REM Bulletin Board*. In doing so the *REM Trading Participant* shall post the information prescribed in Clause 3.6.1.9.
- 3.6.1.8 *REM Trading Participants* shall post the following information on the *REM Bulletin Board* in respect of each *REC* they wish to sell:
 - (a) The price that the *REM Trading Participant* shall sell the *REC* for;

- (b) The vintage and technology type of the *REM Generator* whose *Renewable Electricity* generation is the source of the *REC*; and
- (c) The expiry date of the *REC*.

3.6.1.9 *REM Trading Participants* shall post the following information on the *REM Bulletin Board* in respect of *RECs* they wish to purchase:

- (a) The quantity of *RECs* the *REM Trading Participant* wishes to purchase;
- (b) The price per *REC* that the *REM Trading Participant* is willing to pay; and
- (c) If relevant, the vintage and technology type required.

3.6.1.10 The entity that is responsible for administering the renewable portfolio standards instrument in *Off-Grid Systems* shall provide the *Registrar* with the annual RPS obligation of each *Off-Grid Mandated Participant* no later than fifteen (15) *Working Days* before the start of the relevant *RPS Compliance Period*.

Chapter 4 – RPS Compliance and Reporting for On-Grid Mandated Participants

4.1 DEFINITIONS AND RESPONSIBILITIES

4.1.1 Annual RPS Obligation

- 4.1.1.1 The *Baseline RPS Obligation* shall be set by the DOE in accordance with DOE Circular DC 2017-12-0015.
- 4.1.1.2 Unless otherwise directed by the DOE, the *Annual RPS Obligation* for each *RPS Compliance Period* shall be calculated by incrementing the *Annual RPS Obligation* for the previous *RPS Compliance Period* in accordance with the methodology set by the DOE in accordance with DOE Circular DC 2017-12-0015.

4.1.2 RPS Compliance timelines

- 4.1.2.1 The *RPS Compliance Period* for *On-Grid Mandated Participants* subject to an *Annual RPS Obligation* under DOE Circular DC 2017-12-0015 shall be a twelve (12) month period starting on December 26 of a calendar year and ending on December 25 of the following calendar year.
- 4.1.2.2 The *Registrar* shall issue a *Preliminary REC Statement* that sets out the quantities determined in Clause 4.2.1 to each *On-Grid Mandated Participants* no later than 45 calendar days after the end of an *RPS Compliance Period*.
- 4.1.2.3 *On-Grid Mandated Participants* shall demonstrate compliance with their *Annual RPS Obligations* in a given *RPS Compliance Period* in accordance with Clause 4.1.3 no later than the deadline set in the *RPS Rules* after the end of that *RPS Compliance Period*.
- 4.1.2.4 The *Registrar* shall issue a *Final REC Statement* to each *On-Grid Mandated Participant* for an *RPS Compliance Period* no later than Ten (10) *Working Days* after the deadline specified in Clause 4.1.2.3 that sets out the quantities determined under Clause 4.2.2.1.
- 4.1.2.5 The *Registrar* shall submit an *Annual REC Report* to the DOE no later than the deadline set in the *RPS Rules*.

4.1.3 RPS Compliance Mechanism

On-Grid Mandated Participants shall surrender unexpired RECs in accordance with Clause 3.3.4.1 to demonstrate compliance with their Annual RPS Obligations.

4.2 CALCULATION OF SHORTFALL AMOUNTS

4.2.1 Quantities to be included in the *Preliminary REC Statement*

- 4.2.1.1 The Registrar shall determine the following quantities in respect of each On-Grid Mandated Participant for an RPS Compliance Period
 - (a) The *Preliminary Surrendered RECs* as the total number of RECs surrendered by the *On-Grid Mandated Participant* in respect of the *RPS Compliance Period* under Clause 3.3.3 as at the date specified in Clause 4.1.2.2;

(b) The *Preliminary Shortfall Amount* as the difference between:

- (i) the *On-Grid Mandated Participant's Annual RPS Obligation* in respect of the *RPS Compliance Period*; and
- (ii) The *Preliminary Surrendered RECs* calculated under paragraph (a).

4.2.1.2 If an *On-Grid Mandated Participant* believes that there is an error or discrepancy in respect of their *Preliminary REC Statement* they shall inform the *Registrar* no later than Ten (10) *Working Days* after receiving the notification under Clause 4.1.2.2.

4.2.1.3 If notified under Clause 4.2.1.2, the *Registrar* shall review its calculations to verify the error or discrepancy. If the *Registrar* determines there has been an error or discrepancy, it shall ensure the correction is reflected in *Final REC Statement*.

4.2.2 Calculation of Shortfall Amounts for the *RPS Compliance Period*

4.2.2.1 The *Registrar* shall determine the following quantities in respect of each *On-Grid Mandated Participant* for an *RPS Compliance Period*:

- (a) The *Total Surrendered RECs* as the total number of *RECs* surrendered by the *On-Grid Mandated Participant* in respect of the *RPS Compliance Period* under Clause 3.3.3 as at the date specified in Clause 4.1.2.3;
- (b) The *Final Shortfall Amount* as the difference between:
 - (i) the *On-Grid Mandated Participant's Annual RPS Obligation* in respect of the *RPS Compliance Period*; and
 - (ii) The *Total Surrendered RECs* calculated under paragraph (a).

4.2.2.2 If an *On-Grid Mandated Participant* believes that there is an error or discrepancy in respect of their *Final REC Statement* they shall inform the *Registrar* no later than Two (2) *Working Days* after receiving the notification under Clause 4.1.2.4.

4.2.2.3 If notified under Clause 4.2.2.2, the *Registrar* shall review its calculations to verify the error or discrepancy. If the *Registrar* determines there has been an error or discrepancy, it shall reissue a corrected *Final REC Statement* no later than Two (2) *Working Days* after being notified under Clause 4.2.2.2.

4.3 DISPUTES

Matters that may be the subject of a *Dispute* under this Clause 4.3 shall be settled only through the dispute resolution mechanism referred to in Clause 6.3.1 and may not be raised as a breach of the *REM Rules*.

4.3.1 Disputes related to compliance levels

4.3.1.1 If an *On-Grid Mandated Participant* determines that there is an error or a discrepancy in respect of *Final REC Statement* and despite notice to the *Registrar* the same has not been corrected in accordance with Clause 4.2.2.3, the *On-Grid Mandated Participant* may lodge a *Dispute* with the *Registrar*.

4.3.1.2 *Disputes* lodged under Clause 4.3.1.1 must be lodged no later than Sixty (60) calendar days after the date on which the *Final REC Statement* was issued.

4.3.2 Impact of Dispute on RPS compliance requirements

Disputes lodged under Clause 3.2.4.1 and Clause 4.3.1.1 shall not affect an *On-Grid Mandated Participant's RPS* obligations or under Clause 4.2.

4.4 ANNUAL REC REPORT

The *Annual REC Report* to be submitted by the *Registrar* to the *DOE* pursuant to the timeline provided in the *RPS Rules* shall contain the following information in respect of an *RPS Compliance Period*:

- (a) For each *On-Grid Mandated Participant*:
 - (i) Its *Annual RPS Obligation*;
 - (ii) The *RECs* issued corresponding to the *Annual FiT Generation Share* as calculated under Clause 3.2.2.1(a);
 - (iii) The *Total Surrendered RECs* as calculated under Clause 4.2.2.1(a);
 - (iv) The *Final Shortfall Amount* as calculated under Clause 4.2.2.1(b);
 - (v) The total number of *RECs* issued to the *On-Grid Mandated Participant* under Clause 3.1;
 - (vi) The total number of *RECs* banked by the *On-Grid Mandated Participant* at deadline specified in Clause 4.1.2.3; and
 - (vii) total number of expired *RECs*.
- (b) For each *REM Trading Participant* that is a *Generation Company* or an *Off-Grid Mandated Participant*:
 - (i) The total number of *RECs* issued to the *REM Trading Participant* under Clause 3.1;
 - (ii) The total number of *RECs* banked by the *REM Trading Participant* as at deadline specified in Clause 4.1.2.3; and
 - (iii) total number of expired *RECs*.
- (c) For each *REM Trading Participant*, the number of *RECs* transferred to its account for the *GEOP*, consistent with the *GEOP Rules*;
- (d) For each *REM Generator*, the total number of *RECs* issued in respect of the *REM Generator's Renewable Electricity* generation under Clause 3.1; and
- (e) Other information as required by the *DOE*.

Chapter 5 - Information confidentiality

5.1 MARKET INFORMATION

5.1.1 Provision of Information

5.1.1.1 The *Registrar* shall:

- (a) Disseminate information which it acquires pursuant to the *Registrar's* functions in accordance with its rights, powers and obligations in a manner which promotes ease of entry into and the orderly operation of the *REM*; and
- (b) Protect such information from any use or access contrary to the provisions of the *REM Rules*.

5.1.1.2 Pursuant to Clause 5.1.1.1, the *Registrar* shall publish a data catalogue, listing each type of market information and document produced or exchanged in accordance with the *REM Rules*, and setting out the timing and frequency of publication or transfer for each type of information and document and its confidentiality classification. Clause

5.1.1.3 The *Registrar* and *REM Members* shall publish and transfer market information in accordance with the procedures and timetable described in Clause 5.1.1.2.

5.1.1.4 In addition to any specific obligation of the *Registrar* under the *REM Rules* to provide information, the *Registrar* shall, upon request, make available to *REM Members* any information concerning the operation of the *REM* provided that said information is not confidential or commercially sensitive. The *Registrar* may charge a fee reflecting the cost of providing such information.

5.1.1.5 The *Registrar* shall make available to the *DOE* all pertinent information which would help the latter effectively perform its energy policy-making function.

5.1.1.6 The *Registrar* shall provide the *DOE* all necessary facilities to effectively monitor the operation of the *REM* for review purposes.

5.1.1.7 The *Registrar* shall retain all information provided to it under the *REM Rules* for at least five (5) years in a form it deems appropriate for reasonable access as may be required by the *DOE*.

5.1.2 Electronic Information Exchange

5.1.2.1 Where these *REM Rules* specify, require or otherwise contemplate the regular and frequent transfer of information between the *Registrar* and *REM Members*, such transfer shall be provided by means of an electronic communication system unless the *REM Rules* specify otherwise.

5.1.2.2 The electronic communication system contemplated herein shall cover, but not be limited to, the following:

- (a) *Registry* user interface for *REM Trading Participants* through installation of digital certificates;
- (b) *Bulletin Board* user interface for *REM Trading Participants* through installation of digital certificates; and
- (c) Electronic mail.

- 5.1.2.3 All automated data transfers as provided in the *REM Rules* shall be made via secured protocols.
- 5.1.2.4 All electronic mail containing *Confidential Information* shall be encrypted with a password available only to the intended recipient and the sender of such information.
- 5.1.2.5 Information transferred by means of an electronic communication system shall be in accordance with the templates included in the said electronic communication system and the electronic communication provisions set forth in this Clause 5.1.2.
- 5.1.2.6 As far as practicable, the *Registrar* shall incorporate a binding acknowledgement receipt in its electronic communication systems which would establish the time the pertinent information is actually received.

5.1.3 Market Information Website

- 5.1.3.1 The *Registrar* shall maintain a *Market Information Website* in which it will publish information for access by *REM Members* or for the general public.
- 5.1.3.2 Information is deemed to be published by the *Registrar* when the information is posted on the *Market Information Website* and made available to the general public.
- 5.1.3.3 The *Registrar* shall publish information on the volumes of *RECs* issued and *RECs* available for trade in the *REM* on the *Market Information Website* and on the *REM Bulletin Board* subject to the confidentiality provision set forth in Clause 5.1.4.
- 5.1.3.4 The *Registrar* shall publish information on the prices of *RECs* traded in the *REM* on the *Market Information Website* and on the *REM Bulletin Board* on a monthly basis, subject to the provisions set forth in Clause 5.1.4.
- 5.1.3.5 The *Registrar* shall maintain and publish a list of all *REM Members* that identifies:
 - (a) Current, former and de-registered *REM Members*;
 - (b) Categories of *REM Members*; and
 - (c) Dates of registration de-registration and change of status.
- 5.1.3.6 The *Registrar* shall provide hard copies of any information published under this Clause 5.1.3 upon request and reimbursement of cost to produce the same. The *Registrar* may further evaluate the necessity of reimbursement of cost from the requesting entity.

5.1.4 Publication of REC information

- 5.1.4.1 Pursuant to Clause 5.1.3.3 the *Registrar* shall, on a monthly basis, publish aggregated information on the number of *RECs* issued to *REM Trading Participants* and available for trade.
- 5.1.4.2 Pursuant to Clause 5.1.3.4 the *Registrar* shall, on a monthly basis, publish aggregated information on the price of *REC* transfers submitted by *REM Trading Participants* under Clause 3.3.1.5.
- 5.1.4.3 In publishing information under Clause 5.1.4.1 and Clause 5.1.4.2 the *Registrar* shall ensure that no information pertaining to a specific *REM Trading Participant* can be identified.
- 5.1.4.4 Pursuant to Clause 5.1.4.3 the *Registrar* shall:
 - (a) Only publish average volume weighted prices of *REC* transfers, subject to paragraph (c);

- (b) Only publish total quantities of RECs issued and available for trade, subject to paragraph (d);
- (c) If the sample used to calculate the average volume weighted price is less than Five (5), either:
 - (i) Not publish the price; or
 - (ii) Publish a rolling monthly price that incorporates *REC* transfers from previous months.
- (d) If the sample used to calculate the total quantities of RECs issued and available for trade is less than Five (5), either:
 - (i) Not publish the volumes; or
 - (ii) Publish a rolling monthly total volume that incorporates *REC* issuance and availability data from previous months.

5.2 CONFIDENTIALITY OF INFORMATION

5.2.1 Confidentiality

- 5.2.1.1 Pursuant to Clause 5.1.1.2, the *Registrar* shall maintain and publish a record of the confidentiality status for each type of market information and document produced or exchanged in accordance with the *REM Rules*.
- 5.2.1.2 All *REM Members* and the *Registrar*:
 - (a) Shall not disclose or permit to be disclosed, directly or indirectly, *Confidential Information* to any person or entity except as permitted in the *REM Rules*, and shall not permit unauthorized persons to have access to *Confidential Information*.
 - (b) Shall only use or reproduce *Confidential Information* for the purpose for which it was disclosed or for a purpose consistent with the *REM Rules*.
 - (c) Shall only allow access to *Confidential Information* to those persons for whom access is necessary. Particularly, they shall:
 - (i) Disclose *Confidential Information* to their respective directors, officers, employees, representatives or agents only on a "need to know" basis, and
 - (ii) Shall inform their directors, officers, employees, representatives and agents that the information requested to be disclosed is confidential, and of their obligations under the *REM Rules*.
 - (d) Shall use all responsible endeavors to prevent unauthorized access to *Confidential Information* which is in its possession or control. If reasonably practicable, they shall mark as confidential all copies of *Confidential Information* and any other material derived from such information, whether in printed or electronic format, or other format in the hands of the recipient, or to properly identify information that is confidential.
 - (e) Shall ensure that any person or entity to whom it discloses *Confidential Information* observes the provisions of this Clause 7.2 in relation to that information.
- 5.2.1.3 The *Registrar* and *REM Members*, and all other recipients of *Confidential Information* shall adopt procedures within their respective organizations to maintain the

confidentiality of all *Confidential Information* as well as ensure their compliance with the above-listed obligations.

5.2.2 Permitted disclosure and exceptions

5.2.2.1 This Clause 5.2 does not prevent the disclosure of information (confidential or otherwise) by any persons or entities:

- (a) If the relevant information is at that time generally and publicly available other than as a result of a breach of this Clause 5.2; or
- (b) To the *WESM Governance Committees* pursuant to their functions under the *REM Rules*;
- (c) With the written consent of the person or persons who provided the relevant information under the *REM Rules*; or
- (d) To the *ERC, DOE, Philippine Competition Commission, National Electrification Administration* or any other government authority having jurisdiction over an *REM Member*, pursuant to the *REM Rules* or otherwise; or
- (e) By or on behalf of an *REM Member* or the *Registrar* for the purposes of or in connection with:
 - (i) Complying with the *REM Rules*, audits, or advising an *REM Member* or the *Registrar* in relation to the *REM Rules*; or
 - (ii) Legal proceedings, arbitration, expert determination or other dispute resolution mechanisms relating to the *REM*, or advising an entity in relation thereto.

Provided that the person receiving the information undertakes in writing not to further disclose that information to any other person.

5.2.2.2 Any entity who receives information disclosed in accordance with Clause 5.2.2.1:

- (a) Shall not disclose the information to any person, except as provided by the *REM Rules*; and
- (b) Shall only use the information for the purposes for which it was disclosed under Clause 5.2.2.1.

5.2.2.3 In the case of a disclosure under Clause 5.2.2.1(d), the disclosing party shall take appropriate precautions to ensure that the recipient keeps the information confidential in accordance with the provisions of this Clause 5.2 and only uses the information for the purposes for which it was disclosed.

5.2.3 Protection of permitted disclosures

5.2.3.1 To ensure protection of *Confidential Information*, the *Registrar* may agree with the recipients of permitted disclosures on certain protocols or procedures, including those relating to the manner of transfer or transmittal of information, and the security and maintenance of monitoring systems.

5.2.3.2 The *Registrar* shall require the recipient of permitted disclosures to execute confidentiality and non-disclosure agreements or undertaking with terms and conditions consistent with the *REM Rules*. Such terms and conditions will include shall include the undertaking to:

- (a) Keep the information provided confidential, and not to disclose the same to any other person or entity; and
- (b) Use the information only for the purpose for which it is provided or for purposes permitted by Clause 5.2.2.1.

5.2.4 Indemnity and Survival

- 5.2.4.1 Each *REM Member* indemnifies the *Registrar* against any claim, action, damage, loss, liability, expense or outgoing which the *Registrar* pays, suffers, incurs or is liable for in respect of any breach of this Clause 5.2 by that *REM Member* or any officer, agent or employee of that *REM Member*, provided that no *REM Member* shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the *Registrar*.
- 5.2.4.2 Notwithstanding any other provision of the *REM Rules*, a person shall continue to comply with this Clause 5.2 after that person has ceased to be an *REM Member*.

Chapter 6 – REM Compliance, Audit and Dispute Resolution

6.1 REM COMPLIANCE

6.1.1 Breach by REM Members

6.1.1.1 A *REM Member* shall be liable for sanctions if, upon an investigation carried out in accordance with this *REM Rules*, it was found to have failed to comply with the following obligations –

- (a) Compliance with registration and participation requirements set out in Chapter 2 and the relevant *REM Manual*;
- (b) Application for issuance of *REC* in accordance with the procedures set out in Clause 3.1.3 of these *REM Rules*;
- (c) Submission of data in accordance with clauses 3.1.5, 3.1.8 and 3.1.10;
- (d) Disclosure of the price and volume of each *REC* transfer executed under Clause 3.3.1.1, as required under Clause 3.3.1.5; and
- (e) Confidentiality provisions set forth in Chapter 5 of these *REM Rules*.

6.1.1.2 Sanctions shall be imposed notwithstanding that the issuance of a *REC* has been forfeited or an issued *REC* was not corrected or adjusted by reason of the breach committed by a *REM Member*.

6.1.2 Sanctions

6.1.2.1 The *RGC* shall recommend to the *PEM Board* the imposition of sanctions on *REM Members* upon an investigation carried out by the *Enforcement and Compliance Office*. Sanctions to be imposed shall be as set out in the relevant *REM Manual* setting out the types and levels of penalties that can be imposed for each type of breach.

6.1.2.2 The types and levels of penalties shall be set out in a *REM Manual* to be adopted by the *RGC* and shall be established based on the following principles –

- (a) Graduated levels of penalties may be set for each type of breach to take into consideration qualifying circumstances including, but not limited to, recurrence and severity of the breach.
- (b) The minimum level of financial penalty shall be set at PhP 5,000.00 for each count of breach.
- (c) The penalties of suspension and deregistration under Clause 2.7 of these *REM Rules* may be imposed for repeated material breaches.
- (d) Any other principles set forth in the relevant *REM Manual*.

6.1.2.3 The *PEM Board* shall provide report on the final decision on the imposition of penalties to the *DOE* and *ERC*.

6.1.3 Investigations

6.1.3.1 The *Enforcement and Compliance Office* created pursuant to the *WESM Rules* shall be designated to investigate non-compliances by *REM Members* of the obligations set out in Clause 6.1.1.1.

- 6.1.3.2 An investigation shall be carried out by the *Enforcement and Compliance Office* upon a report by the *Registrar* that a *REM Member* has failed to comply with any of the obligations specified in Clause 6.1.1.1.
- 6.1.3.3 Upon receiving the report from the *Registrar*, the *Enforcement and Compliance Officer* shall issue a written notice to the *REM Member* specifying the nature of the offense and require the *REM Member* to explain the alleged offense with supporting documents within fifteen (15) *Working Days* from receipt of the notice. A copy of the notice shall be furnished to the *RGC* and the *DOE*.
- 6.1.3.4 The *Enforcement and Compliance Officer* may request any additional information from the *REM Member* or any other party, as may be necessary to complete its investigation. Failure to provide such information within a reasonable time shall constitute a breach without need of further investigation and shall be subject to an applicable penalty. Failure of the party subject of the investigation to provide material information within a reasonable time shall render the party *prima facie* liable for the offense subject of the investigation.
- 6.1.3.5 In the conduct of its investigation, the *Enforcement and Compliance Officer* may request conferences or visits to the *REM Member's* facilities and shall be allowed entry after due notice.
- 6.1.3.6 Upon conclusion of its investigation, the *Enforcement and Compliance Officer* shall submit to the *RGC* a report on its findings on whether or not a breach of the *REM Rules* was committed.
- 6.1.3.7 Upon receipt of the investigation report, the *RGC* shall review the findings of the *Enforcement and Compliance Officer* and act on the investigation report, either approving or disapproving the report or returning the same to the *Enforcement and Compliance Officer* for further investigation. If the *RGC* confirms that there is a breach of the *REM Rules*, it shall impose the appropriate sanctions as set out in Clause 6.1.2 the relevant *REM Manual*.
- 6.1.3.8 As soon as practicable, the *Enforcement and Compliance Officer* shall provide the *PEM Board* and the *DOE* a report summarizing the final decision of the *RGC* on the investigation pursuant to Clause 6.1.3.7.
- 6.1.3.9 The *Enforcement and Compliance Officer* shall be responsible for implementing the decision of the *RGC* and shall develop procedures for the guidance of the *REM Members*.

6.1.4 Breach by the Registrar, Market Operator and Fit-All Administrator

If any *REM Member* has reasonable grounds to believe that the *Registrar*, *Market Operator*, or the *Fit-All Fund Administrator* are in breach of the *REM Rules*, the *REM Member* shall notify the *DOE* of the breach.

6.2 AUDIT

6.2.1 PEM Auditor

- 6.2.1.1 The *PEM Auditor* appointed pursuant to the *WESM Rules* shall be designated to conduct audits of the *REM* and of the *Registrar* in accordance with this Clause 6.2.
- 6.2.1.2 The *PEM Auditor* shall:

- (a) Conduct annual audits of the *Registrar* pursuant to Clause 6.2.3;
- (b) Review any procedures and practices which are covered by the *REM Rules* and *REM Manuals* at the direction of the *RGC*; and
- (c) Recommend any changes to the *REM Rules* and *REM Manuals* where the *PEM Auditor* detects deficiencies as a consequence of an audit, review, test check or some other form of review.

6.2.1.3 The *PEM Auditor* may engage the services of qualified independent reviewers or technical experts in discharging their obligations under Clause 6.2.

6.2.2 Testing of REM Software

6.2.2.1 The *PEM Auditor* shall ensure that software specified in Clause 6.2.2.2 shall have been certified as correctly implementing the intent of the *REM Rules* by an independent reviewer appointed pursuant to Clause 6.2.1.3:

- (a) No later than one (1) year from its deployment for commercial purposes; and
- (b) If any changes to the software or the software specification have been made, before the change is deployed.

6.2.2.2 Software subject to audit under Clause 6.2.2.1 shall include but will not be limited to:

- (a) The *Registry* set up pursuant to Clause 3.4.1;
- (b) Tools, software and/or systems used to issue *RECs* under Clause 3.1 of these *REM Rules*;
- (c) Tools, software and/or systems used to allocate *FiT* generation to *Mandated Participants* under Clause 3.2 of these *REM Rules*; and
- (d) Tools, software and/or systems used to monitor and report on *RPS* Compliance under Clause 4.1 of these *REM Rules*.

6.2.2.3 The *Registrar* shall publish software certificates provided by the independent reviewer on the *Market Information Website*.

6.2.3 Audit of the Registrar

6.2.3.1 The *PEM Auditor* shall arrange for an audit of the *Registrar* and any other procedures, persons, systems or other matters relevant to the *REM* to be performed once a year, or such other period as determined by the *PEM Auditor*.

6.2.3.2 The audit of the *Registrar* shall cover and review, but not be limited to:

- (a) The *Registrar's* compliance with the *REM Rules* and *REM Manuals*;
- (b) The *Registrar's* compliance with its procedures;
- (c) The effectiveness and appropriateness of systems and business processes utilized in the operation of the *REM* and the *Registry*.

6.2.3.3 The *PEM Auditor* shall prepare a report on the results of the audit of the *Registrar* and provide a copy of the report to the *DOE* and the *Registrar*.

6.2.3.4 The *PEM Auditor* shall publish a summary report of non-confidential findings on the *Market Information Website*.

6.2.4 Audit of Mandated Participants providing Metering Data for REC issuance

6.2.4.1 The *PEM Auditor* shall annually audit:

- (a) The *Metered Quantity* provided by *Mandated Participants* in support of their *REC* issuance applications under Clause 3.1.8; and
 - (b) The *Metering Installations* associated with the *Metered Quantity*.
- 6.2.4.2 The *PEM Auditor* may appoint independent reviewers or technical experts pursuant to Clause 6.2.1.3 to undertake such metering audits.
- 6.2.4.3 *REM Generators* whose *Metering Installations* are subject to audit under Clause 6.2.4.1(b), shall ensure that the *PEM Auditor* and any independent reviewers or technical experts appointed under Clause 6.2.4.2 are allowed access to the *Metering Installation* after due notice.
- 6.2.4.4 Where an audit under this Clause 6.2.4 finds that discrepancies in the *Metered Quantity* provided by *Mandated Participants* in support of their *REC* issuance applications under Clause 3.1.8 has resulted in the *Registrar* issuing more *RECs* to the relevant *Mandated Participant* than they would have had the *Metered Quantity* been accurate, the *Registrar* shall deduct the relevant number of *RECs* from the *Mandated Participant's Registry Account* and immediately retire those *RECs*.
- 6.2.4.5 For avoidance of doubt, where an audit under this Clause 6.2.4 finds that discrepancies in the *Metered Quantity* provided by *Mandated Participants* in support of their *REC* issuance applications under Clause 3.1.8 has resulted in the *Registrar* issuing less *RECs* to the relevant *Mandated Participant* than they would have had the *Metered Quantity* been accurate, the *Registrar* shall not be required to issue additional *RECs* to the relevant *Mandated Participant*.
- 6.2.4.6 The *PEM Auditor* shall publish a summary report of non-confidential findings on the *Market Information Website*.
- 6.2.4.7 *Mandated Participants* being audited shall bear the cost of any audits undertaken under this Clause 6.2.4.

6.3 DISPUTE RESOLUTION

6.3.1 Dispute Resolution Process

The *Registrar* shall prepare an alternative dispute resolution mechanism for use by *REM Members* and the *Registrar* in the resolution of *Disputes*.

6.3.2 Dispute Resolution Administrator

The *Dispute Resolution Administrator* appointed pursuant to the *WESM Rules* shall be designated to facilitate the resolution of *Disputes* between or among the parties pursuant to the dispute resolution mechanism under Clause 6.3.1.

Chapter 7 – REM Rule and REM Manual change process

7.1 DEFINITIONS AND RESPONSIBILITIES

7.1.1 Role of the RGC

7.1.1.1 Pursuant to Clause 1.3.4.1(d) and Clause 1.3.4.1(e), the RGC shall:

- (a) Oversee the *REM Rule* and *REM Manual* change process in consultation with the PEM Board;
- (b) Approve or disapprove *Rule Change Proposals* and refer approved *Rule Change Proposals* to the *PEM Board* for endorsement to the *DOE* for its promulgation in accordance with Clause 7.3; and
- (c) Approve or disapprove *Manual Change Proposals* and refer approved *REM Manual* changes to the *PEM Board* for endorsement to the *DOE* for its promulgation in accordance with Clause 7.3.

7.1.1.2 The RGC shall meet and regulate its meetings and conduct its business (related to the *REM Rule* and *REM Manual* change process) in a manner that does not conflict with the *REM Rules*.

7.1.1.3 The RGC may obtain such advice and other assistance as it thinks appropriate including, without limitation, advice or assistance from persons with experience relevant to any change to the *REM Rules* or *REM Manuals* which the RGC is considering and from *REM Members* who are likely to be affected by any changes.

7.1.2 Secretariat for the change process

The RGC shall appoint a unit under *PEMC* to act as the secretariat for the *REM Rule* and *REM Manual* change process.

7.1.3 Promulgation of REM Rule and REM Manual Changes

The *DOE* shall review *Rule Change Proposals* and *REM Manuals* submitted by the RGC and may promulgate or disapprove the associated changes to the *REM Rules* and *REM Manuals* in accordance with Clause 7.4;

7.2 SUBMISSION OF RULE CHANGE PROPOSAL OR MANUAL CHANGE PROPOSAL

7.2.1 Rule Change Proposals and Manual Change Proposals

The *Registrar*, the *DOE* or any *REM Member* and other interested parties may submit proposals for changes to the *REM Rules* (*Rule Change Proposal*) or *REM Manuals* (*Manual Change Proposal*) to the RGC.

7.2.2 Form of submission

Rule Change Proposals and *Manual Change Proposals* shall:

- (a) Be in writing and addressed to the RGC;
- (b) Include the name and address of the applicant;

(c) Demonstrate that the change to the *REM Rule* or *REM Manual* is:

- (i) Consistent with the *REM Objectives*;
- (ii) Feasible;
- (iii) Not unreasonably costly to implement; and
- (iv) A more appropriate or better means of achieving the criteria set out in Clauses 7.2.2(c)(i) to (c)(iii), where the effect of the change to the *REM Rules* or *REM Manual* will be to replace an existing provision of the *REM Rules* or *REM Manual*.

(d) Include a brief statement of the reasons why a change to the *REM Rules* or *REM Manual* is necessary or desirable; and

(e) Contain sufficient information to permit a proper consideration by the *RGC* of those reasons, including the public benefit (if any) of making the change to the *REM Rules* or *REM Manual*.

7.2.3 RGC Obligations

The *RGC* shall:

- (a) Keep a register of all *Rule Change Proposals* and *Manual Change Proposals* submitted to it; and
- (b) Give due course to the proposals within Five (5) *Working Days* from receipt thereof.

7.3 CONSIDERATION OF RULE CHANGE PROPOSALS AND MANUAL CHANGE PROPOSALS BY THE RGC

7.3.1 Assessment of proposed change

Within Ten (10) *Working Days* of deadline specified in Clause 7.2.3(b), the *RGC* shall assess whether the *Rule Change Proposal* or *Manual Change Proposal* is:

- (a) Consistent with the *REM Objectives*;
- (b) Feasible;
- (c) Not unreasonably costly to implement; and
- (d) A more appropriate or better means of achieving the criteria set out in Clauses 7.3.1(a) to (c), where the effect of the change to the *REM Rules* or *REM Manual* will be to replace an existing provision of the *REM Rules* or *REM Manual*.

7.3.2 RGC discretions when assessing Rule Change Proposals and Manual Change Proposals

In considering whether a *Rule Change Proposal* or *Manual Change Proposal* satisfies the criteria set out in Clause 7.3.1, the *RGC* may:

- (a) Take into account any information and documents which the *RGC* reasonably considers to be relevant to its consideration of the *Rule Change Proposal* or *Manual Change Proposal*;
- (b) Consult with such persons as the *RGC* reasonably considers will be likely to be affected by the *Rule Change Proposal* or *Manual Change Proposal*;
- (c) Seek such information and views from any person in relation to the *Rule Change Proposal* or *Manual Change Proposal* as may be practicable under the circumstances; and
- (d) Refer the *Rule Change Proposal* or *Manual Change Proposal* to a working group comprising of persons having such expertise as the *RGC* in its absolute discretion considers to be reasonable in all the circumstances for the purpose of delegating to that working group any

obligation or task of the RGC set out in Clause 7.3.2, Clause 7.3.4, other than this Clause 7.3.2(d).

7.3.3 Notification following failure to satisfy criteria

If the RGC concludes that a *Rule Change Proposal* or *Manual Change Proposal* does not satisfy the criteria set out in Clause 7.3.1, the RGC shall notify the proponent and the PEM Board within Ten (10) *Working Days* of deadline specified in Clause 7.2.3(b) and shall include the reason for its decision.

7.3.4 Notification following satisfying criteria

If the RGC concludes that *Rule Change Proposal* or *Manual Change Proposal* satisfies the criteria out in Clause 7.3.1, the RGC shall within Ten (10) *Working Days* of deadline specified in Clause 7.2.3(b):

- (a) Notify the proponent and the PEM Board;
- (b) Notify all REM Members and all other interested parties of the *Rule Change Proposal* or *Manual Change Proposal*; and
- (c) Invite such parties to make written submissions regarding the *Rule Change Proposal* or *Manual Change Proposal*.

7.3.5 Submissions regarding Rule Change Proposal or Manual Change Proposal

To be validly considered, a written submission made in response to a *Rule Change Proposal* or *Manual Change Proposal* invited under Clause 7.3.4(c) must be received by the RGC no later than Thirty (30) *Working Days* after the notice referred to in Clauses 7.3.4 (a) and (b) is given.

7.3.6 Approval of Rule Change Proposal or Manual Change Proposal

- 7.3.6.1 If the RGC, after having considered all valid submissions, concludes that it is necessary or desirable to give effect to the *Rule Change Proposal*, the *Rule Change Proposal* shall be submitted to the DOE for approval, upon endorsement by the PEM Board.
- 7.3.6.2 If the RGC, after having considered all valid submissions, concludes that it is necessary or desirable to give effect to the *Manual Change Proposal*, the *Manual Change Proposal* shall be submitted to the DOE for approval, upon endorsement by the PEM Board.

7.4 CONSIDERATION OF RULE CHANGE PROPOSALS BY THE DOE

7.4.1 DOE assessment of Rule Change and Manual Change Proposals

If the RGC submits a *Rule Change* or *Manual Change* to the DOE, for approval in accordance with Clause 7.3.6, the DOE shall assess whether the *Rule Change Proposal* or the *Manual Change Proposal* satisfies the criteria which are set out in Clause 7.3.1.

7.4.2 DOE discretions when assessing Rule Change and Manual Change Proposals

In considering whether a *Rule Change Proposal*/ *Manual Change Proposal* satisfy, the criteria, which are set out in clause 7.3.1, the DOE, may:

- (a) Take into account any information and documents which the *DOE* reasonably considers to be relevant to its consideration of the *Rule Change Proposal/ Manual Change Proposal*;
- (b) Consult with such persons as the *DOE*, reasonably considers will be likely to be affected by the *Rule Change Proposal/ Manual Change Proposal*; and
- (c) Seek such information and views from any person in relation to the *Rule Change Proposal / Manual Change Proposal* as may be practicable in the circumstances.

7.4.3 Notification following failure to satisfy criteria

If the *DOE* concludes that a *Rule Change Proposal/ Manual Change Proposal* is inconsistent with the regulatory framework set out in Clause 1.1.2 and does not satisfy the criteria set out in Clause 7.3.1, the *DOE*, shall notify:

- (a) The *RGC*;
- (b) The proponent of the *Rule Change Proposal/ Manual Change Proposal*; and
- (c) Any party who made written submissions to the *RGC* under Clause 7.3.4, within Ten (10) *Working Days* of reaching that conclusion and shall provide reasons for its decision.

7.4.4 Approval of proposed Rule Change or Manual Change

If the *DOE* concludes that a *Rule Change Proposal* or a *Manual Change Proposal* is consistent with the regulatory framework set out in Clause 1.1.2 and satisfies the criteria set out in Clause 7.3.1, it shall approve the amendment and cause its publication. The change to the *REM Rules* or *REM Manual* approved by the *DOE* will take effect within fifteen (15) calendar days from its publication or on such later date as the *DOE*, determines.

Chapter 8 – Interpretation

8.1 INTERPRETATION OF THE REM RULES

8.1.1 Format Conventions

In the *REM Rules*, unless the context otherwise requires:

- 8.1.1.1 Headings are for convenience only and do not affect the interpretation of the *REM Rules*;
- 8.1.1.2 Words importing the singular include the plural and vice versa;
- 8.1.1.3 Words importing a gender include any gender;
- 8.1.1.4 Where italicized and capitalized, a word or phrase has the definition given to that word or phrase in Chapter 10; and
- 8.1.1.5 Other parts of speech and grammatical forms of a word or phrase defined in the *REM Rules* have a corresponding meaning.

8.1.2 Expressions and References

- 8.1.2.1 An expression importing a natural person includes any legal entity, company, partnership, joint venture, association, corporation or other body corporate and any government authority;
- 8.1.2.2 A reference to anything (including, but not limited to, any right) includes a part of that thing;
- 8.1.2.3 A reference to a Clause, paragraph, part, annexure, exhibit or schedule is a reference to a Clause and paragraph and part of, and an annexure, exhibit and schedule to the *REM Rules* and a reference to the *REM Rules* includes any annexure, exhibit and schedule;
- 8.1.2.4 A reference to a statute, rule, regulation, proclamation, order, or circular includes all statutes, rules, regulations, proclamations, orders or circulars, consolidating or replacing it, and a reference to a statute includes all rules, regulations, proclamations, orders, or circulars issued under that statute;
- 8.1.2.5 A reference to the *REM Rules* or to a document or a provision of a document includes an amendment or supplement to, or replacement of, the *REM Rules* or that document or that provision of that document;
- 8.1.2.6 A reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assignees;
- 8.1.2.7 A reference to a body other than an *REM Member* or the *Registrar* (including, without limitation, an institute, association or authority), whether statutory or not: (1) Which ceases to exist; or (2) Whose powers or functions are transferred to another body, is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- 8.1.2.8 A reference in the context of any provision of the *REM Rules* to a "representative" of any person is a reference to any director, officer or employee of that person or any

agent, consultant or contractor appointed or engaged by that person for purposes connected with the subject matter of the relevant provision of the *REM Rules*.

8.1.3 Times and Dates

- 8.1.3.1 A reference in the *REM Rules* to a calendar day (such as 1 January) or a day of the week (such as Sunday) is to the 24-hour period which begins right after 2400H of the previous day and until 2400H of that day.
- 8.1.3.2 A reference in the *REM Rules* to a week is to the period right after 2400H of the previous day of the first day specified or implied until 2400H of the seventh day following.
- 8.1.3.3 A reference in the *REM Rules* to a month (or a number of months) or a calendar month is to the period from 2400H of the previous day of a day in one month until 2400H of the previous day of the same day of the month which follows (or follows by the relevant number of months), or if there is no such day in that month, 2400H hours of the previous day of the first day of the next following month.
- 8.1.3.4 A reference in the *REM Rules* to a year is to the period from right after 2400H of the previous day of a day in one year until 2400H hours of the previous day of the same day (or where the day in the first year was 29 February, on 1 March) in the following year, and a reference to a calendar year (such as 2014) is to be construed accordingly.
- 8.1.3.5 A reference in the *REM Rules* to a time of day is to *Philippine Standard Time* and abbreviated as *PST*.
- 8.1.3.6 A reference in the *REM Rules* to a period of time which dates from a given day, or the day of an act or event, is to be calculated exclusive of that day.
- 8.1.3.7 A reference in the *REM Rules* to a period of time which commences on a given day, or the day of an act or event, is to be calculated inclusive of that day.
- 8.1.3.8 Where under any provision of the *REM Rules* a person is required to provide any information by a certain date or time, the relevant provision is to be taken to include a requirement that that the relevant information shall be given as soon as possible and no later than the date or time given.

8.1.4 Notices

- 8.1.4.1 A notice is properly given under the *REM Rules* to a person if:
 - (a) It is personally served;
 - (b) A letter containing the notice is sent by courier to the person at an address (if any) supplied by the person to the sender for service of notices or, where the person is an *REM member*, an address shown for that person in the register of *REM Members* maintained by the *Registrar*, or, where the addressee is the *Registrar*, the registered office of the *Registrar*;
 - (c) It is sent to the person by facsimile or electronic mail to a number or reference which corresponds with the address referred to in Clause 8.1.4.1(b) or which is supplied by the person to the *Registrar* for service of notices and, if sent by electronic mail, the person sending the notice also sends a copy of the notice by letter or facsimile to the person on the same day; or
 - (d) The person actually receives the notice by any other means.
- 8.1.4.2 A notice is treated as being given to a person by the sender:

- (a) Where sent by courier mail to an address in the central business district of a region in the Philippines, on the second *Working Day* after the day on which it is posted;
- (b) Where sent by courier in accordance with Clause 8.1.4.1(b) to any other address, on the third *Working Day* after the day on which it is posted;
- (c) Where sent by facsimile in accordance with Clause 8.1.4.1(c) and a complete and correct transmission report is received:
 - (i) Where the notice is of the type in relation to which the addressee is obliged under the *REM Rules* to monitor the receipt by facsimile outside of, as well as during, business hours, on the day of transmission; and
 - (ii) In all other cases, on the day of transmission if a *Working Day* or, if the transmission is on a day which is not a *Working Day* or is after 1600H (addressee's time), at 0900H on the following *Working Day*;
- (d) Where sent by electronic mail in accordance with Clause 8.1.4.1(c):
 - (i) Where the notice is of a type in relation to which the addressee is obliged under the *REM Rules* to monitor receipt by electronic mail outside of, as well as during, business hours, on the day when the notice is recorded as having been received at the electronic mail destination; and
 - (ii) In all other cases, on the day when the notice is recorded as having been first received at the electronic mail destination, if a *Working Day* or if that time is after 1600H (addressee's time), or the day is not a *Working Day*, at 0900H on the following *Working Day*; or
- (e) In any other case, when the person actually receives the notice.

8.1.4.3 Any notice to or by a person under the *REM Rules*:

- (a) Shall be in legible writing and in English; and
- (b) Where the sender is a company, shall be signed by a responsible employee or officer thereof or under the corporate or official seal of the sender (except where the notice is sent by electronic mail).

8.1.4.4 Where a specified period (including, without limitation, a particular number of days) is provided, for purposes of calculating the number of days indicated in the period, the first day shall be excluded while the last day is included in said computation.

8.2 APPLICABILITY OF THE REM RULES

8.2.1 Scope of Application

By their participation in the *REM*, the *Registrar*, the *REM Service Providers* and *REM Members* bind themselves to comply with:

- (a) These *REM Rules*, and all other rules, regulations, issuances, decisions, resolutions that may be issued by the *DOE* relevant to the operations of the *REM*; and
- (b) Guidelines and procedures set by the *Registrar* in the course of the operation of the *REM*.

8.2.2 Rights and Obligations

8.2.2.1 Unless otherwise expressly permitted by the *REM Rules*, an *REM Member* shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under the *REM Rules*.

8.2.2.2 An entity does not waive its rights, powers and discretions under the *REM Rules* by:

- (a) Failing to exercise its rights;
- (b) Only exercising part of its rights; or
- (c) Delaying the exercise of its rights.

8.2.3 Severability

Each part or all of a provision of the *REM Rules*:

- (a) Will be construed so as to be valid and enforceable to the greatest extent possible; and
- (b) May be so construed (or deleted if necessary) regardless of the effect which that may have on the provision in question or any other provision or the *REM Rules* as a whole.

Chapter 9 – Transitory provisions

9.1 TRANSITION PERIOD

9.1.1 RPS Transition Period

Year 0 referred to in Section 7 of the *RPS Rules* shall be the year 2018, the RPS Compliance Year 1 shall be the year 2020 and the intervening period shall be the Transition Period.

9.2 MARKET TRANSITION

9.2.1 Standards for Hybrid Systems for Policy Direction on thea DOE

The *DOE* shall establish the policy, parameters and guidelines that *Generation Companies* intending to register *Hybrid Systems* in the *REM* must comply with. *These standards and guidelines shall specify (but not be limited to) the following:*

- (a) The minimum *Renewable Electricity* generation output that a *Multi Fuel Hybrid System* must have to be eligible to participate in the *REM*;
- (b) The minimum metering standards that a *Hybrid System* that is a *Separately Metered Hybrid System* must be compliant with;
- (c) The minimum fuel metering standards that a *Multi Fuel Hybrid System* must be compliant with.
- (d) Fuel metering audit requirements that *Multi Fuel Hybrid System* must be compliant with.
- (e) The certification and on-going monitoring requirements of heat rates and fuel heating values of *Multi Fuel Hybrid Systems*.
- (f) The procedures and certification requirements to be followed by *Generation Companies* who own *Multi Fuel Hybrid Systems* or *Mandated Participants* who have *Power Supply Agreements* with a *Multi Fuel Hybrid Systems* when submitting *Renewable Metered Quantities* to the *Registrar* under Clauses 3.1.5.2 and 3.1.8.1.

9.2.2 FiT-All data provision requirements

Prior to the establishment of the *REM*, the *FiT-All Fund Administrator* shall provide the data necessary to facilitate the *Registrar's* allocation of *FiT* generation to *Mandated Participants* under Clause 3.2.2 of these *REM Rules*.

9.2.3 Establishment of the REM and the Registry

- 9.2.3.1 Within one (1) year from the promulgation of the *RPS Rules*, the *DOE* shall establish the *REM*.
- 9.2.3.2 Prior to *REM* commencement, the *Registrar* shall implement a *Registry* that is compliant with the requirements set forth in the *REM Manual* referenced in Clause 3.4.2.
- 9.2.3.3 Prior to *REM* commencement, the *Registrar* shall ensure it has appropriate procedures, tools and systems in place to implement its obligations under these *REM Rules*.

- 9.2.3.4 The *Registrar* shall ensure software and systems used to implement its obligations under these *REM Rules* shall be certified as correctly implementing the intent of the *REM Rules* and any relevant *REM Manuals* prior to *REM* commencement. Such software and systems shall include, but not be limited to:
- (a) The *Registry* set up pursuant to Clause 3.4.1;
 - (b) Tools, software and/or systems used to issue *RECs* under Clause 3.1 of these *REM Rules*;
 - (c) Tools, software and/or systems used to allocate *FiT* generation to *Mandated Participants*; and
 - (d) Tools, software and/or systems used to monitor and report on *RPS* Compliance under Clause 4.4 of these *REM Rules*.
- 9.2.3.5 Prior to *REM* commencement, corresponding changes to the *WESM Rules* shall be implemented to facilitate the operation of the *REM* in relation to the *WESM*.
- 9.2.3.6 Prior to the commencement of the full commercial operations of the *WESM* in the Mindanao region, *PEMC* or its successors-in-interest as the designated *MQ Reconciliation Agent* for the duration of the implementation Interim Mindanao Dispatch the Protocol provided in DC 2017-05-0009 ("Declaring The Launch Of The Wholesale Electricity Spot Market (*WESM*) In Mindanao And Providing For Transition Guidelines"), shall submit on a monthly basis to the *Registrar* the relevant data for the reconciliation on Nominations, actual Schedules, Metered Quantities, System Losses and Imbalances of the generators and customers.

9.2.4 Establishment of Governance structure

Prior to *REM* commencement, the *PEM Board* shall formulate the by-laws of the *RGC* which shall set out, among others, the following:

- (a) Conduct of meetings, including but not limited to the frequency of meetings, the quorum required to conduct a meeting, the manner in which a meeting may be conducted and the location of meetings;
- (b) Appointments on the *RGC*;
- (c) Tenure of members appointed to the *RGC*;
- (d) Allowance, if any, to be made to members appointed to the *RGC*;
- (e) Disclosure of information by and between members appointed to the *RGC*;
- (f) Detailed procedures for voting;
- (g) Appointment of a Chairperson to conduct the daily business of the *RGC*, if necessary and appropriate;
- (h) Procedure to be followed by the *RGC* for amending the by-law; and
- (i) Any other matter considered relevant by the *PEM Board*.

9.2.5 Registration and membership in the *REM*

- 9.2.5.1 Prior to *REM* commencement, *On-Grid Mandated Participants* and entities with *RE Generation Facilities* that meet the criteria in Clause 2.1.2.2 shall register with the *Registrar* in accordance with Clause 2.1 of these *REM Rules*.
- 9.2.5.2 Registration of *Off-Grid Mandated Participants* and entities with *RE Generation Facilities* shall be mandatory only upon the promulgation of the *RPS* for Off-Grid.
- 9.2.5.3 Intending *REM Members* registering under Clause 9.2.5.1 who are already registered in the *WESM* shall be deemed as being registered with the *Registrar*, subject to them meeting any additional requirements as set out in the relevant *REM Manual*.

- 9.2.5.4 Intending *REM Members* registering *RE Generation Facilities* under Clause 9.2.5.1 that are already registered in a *WESM* shall be deemed as being registered with the *Registrar*, subject to them meeting any additional requirements as set out in the relevant *REM Manual*.

Chapter 10 – Glossary

Act: Refers to Republic Act No. 9513 also known as the “Renewable Energy Act of 2008”.

Annual RPS Obligation: The annual MWh target set by the DOE in accordance with DOE Circular DC 2017-12-00150015, and incremented by the Registrar under Clause 4.1.1, that an On-Grid Mandated Participant must demonstrate compliance with through the mechanisms set forth in Clause 4.1.3.

Attributable Bundled Generation: The quantity determined under Clause 3.1.4.5(c) and Clause 3.1.5.7(c) that represents the amount of a *WESM RE Generator's Renewable Electricity* generation in respect of a *WESM Billing Period* that is allocated to particular *WESM* registered *Mandated Participant* for *REC* issuance purposes.

Baseline RPS Obligation: The initial RPS obligation calculated by the DOE in accordance with DOE Circular DC 2017-12-0015 to determine a *Mandated Participant's Annual RPS Obligation* in the year preceding the first year of *REM* operations.

Bilateral Contract Quantity Declaration: The amount of *Renewable Electricity* generated by *WESM RE* Generators in a *WESM Billing Period* that is covered by *Power Supply Agreements* as used by the *Market Operator* for the purposes of *WESM* settlement.

Captive Customers: An electricity end user who does not have a choice of a supplier of electricity and whose electricity requirements are served by their local *Distribution Utility*.

Carry-Over Quantity: The quantity determined under Clauses 3.1.4.7(b), 3.1.4.7(d), 3.1.5.9(b), 3.1.5.9(d), 3.1.8.7(b) or 3.1.8.7(d) that represents the incremental MWh quantity for each *REM Trading Participant* eligible to receive *RECs* that is carried over into the next *WESM Billing Period* or *REM Quarter's REC* issuance.

Confidential Information: Information which is or has been provided to, or by, an *REM Member* or the *Registrar* under, or in connection with, the *REM Rules* and is stated under the *REM Rules* to be, or is classified by the *Registrar* as, confidential information or is otherwise confidential or commercially sensitive information or information which is derived from any such information.

Contestable Customer: An electricity end user who has a choice of a supplier for electricity, and who is able to source their electricity requirements from *Retail Electricity Suppliers* and/or the *WESM*.

Data Provider: An entity defined in accordance with Clause 2.2.3 that is not a *REM Trading Participant* and is required to provide the *Registrar* with information under the *REM Rules*.

Department of Energy. The government agency created pursuant to Republic Act No. 7638 whose expanded functions are provided in the Act.

Directly Connected Customer: An electricity end user registered in the *WESM* that is directly connected to the high voltage transmission system in their region.

Dispute: Any dispute, controversy, claim or difference of any kind whatsoever arising out or in connection with the *REM*.

Dispute Resolution Administrator: The person tasked to facilitate the resolution of *Disputes* pursuant to Clause 6.3.

Distribution Utilities: An Electric Cooperative, private corporation, government-owned utility, or existing local government unit, that has an exclusive franchise to operate a distribution system in accordance with its franchise and the *EPIRA*.

DOE: See the Department of Energy and Clause 1.1.2.1.

Eligible Capacity for Partially Eligible Facility: The portion of the registered capacity eligible for REC issuance due to expansion of an existing RE plant, upgrading of an existing RE plant, change to RE technology, etc, consistent with Clause 2.4.3.2.

Eligible Bilateral Contract Quantity Declaration: The quantity determined under Clause 3.1.4.5(b) or 3.1.5.7(b) that represents the amount of a *WESM RE Generator's Renewable Electricity* generation that will earn bundled *RECs* that accrue to the *Mandated Participants* who are the counterparties to any *Power Supply Agreement* with the *WESM RE Generator*.

Eligible Metered Quantity: The quantity determined under Clause 3.1.4.5(a), Clause 3.1.5.7(a) or Clause 3.1.8.6 that represents the amount of a *REM Generator's Metered Quantity* that is eligible to earn *RECs*.

Embedded RE Generation Facility: A *RE Generation Facility* that is embedded within (connected to) to a distribution system.

Embedded Non-WESM RE Generator: An *Embedded RE Generation Facility* that operates in an *On-Grid System* and is not registered in the *WESM*, and is registered with the *Registrar* in that capacity under Chapter 2.

End User: Any person or entity requiring the supply and delivery of electricity for its own use.

Energy Regulatory Commission: The independent quasi-judicial regulatory body created under *EPIRA*.

Enforcement and Compliance Officer: A person tasked to perform compliance and enforcement functions pursuant to Clause 6.1.

EPIRA: Refers to Republic Act No. 9136 also known as the "Electric Power Industry Reform Act of 2001".

ERC: See *Energy Regulatory Commission*.

Feed-in-Tariff : A uniform fixed tariff paid to eligible *RE Generation Facilities* in accordance with the *RE Act*.

Feed-In-Tariff ("FiT") Eligible Facility: An *RE Generation Facility* that is eligible to receive a *Feed-in-Tariff*.

Feed-In-Tariff ("FiT") Rules: Refers to the policy implemented by the *ERC* under Resolution No. 16, Series of 2010, Resolution Adopting the Feed-in-Tariff Rules.

Final REC Statement: The statement issued by the *Registrar* to *On-Grid Mandated Participants* under Clause 4.1.2.4 which reflects their final *REC* levels.

Final Settlement Quantity: A MWH quantity applicable to a *WESM* trading participant, used in *WESM* settlement to determine the monies owing from or payable to a *WESM* trading participant. This is the amount that is reflected in the *WESM* trading participant's final settlement statement.

Final Settlement Statement: A statement that is issued by the *Market Operator* to a *WESM* trading participant (under the *WESM* or *IMEM* rules as relevant) setting out the *WESM* trading participant's market transactions in respect of a *WESM Billing Period*.

Final Shortfall Amount: The amount defined in paragraph 4.2.2.1 (b) that reflects the final shortfall in the number of *RECs* that an *On-Grid Mandated Participant* must submit to demonstrate compliance with their *Annual RPS Obligation*. It is this quantity that the *Registrar* shall submit to the *DOE* when reporting on the *RPS* compliance levels of *On-Grid Mandated Participants*.

FIT: See in *Feed-in-Tariff*.

FIT-All Differential: Refers to the charge established pursuant to Clause 2.5 of the *Feed-In-Tariff (FIT) Rules* and defined further in the ERC issued Guidelines for the Collection and Disbursement of the Feed-in-Tariff Allowance ("FIT-All")-

FIT-All-Fund Administrator: Means the National Transmission Corporation as administrator of the FIT-All Fund, as designated in ERC Resolution No. 16, series of 2012 amending the FIT Rules.

Franchise Area: The area covered by a local distribution system pertaining to a particular *Distribution Utility*.

Generating Plants: A facility, consisting of one or more generating units connected at a common connection point, where electric energy is produced from some other form of energy by means of a suitable apparatus.

Generation Company: An entity with *RE Generation Facilities* that are registered in a *WESM* and generate *Renewable Electricity* into a *WESM* pool and have registered with the *Registrar* in that capacity under **WESM Rules**: The detailed rules that govern the administration and operation of the *WESM*.

GEOP End-users: See *Green-Energy Option End-users*.

GEOP: See *Green-Energy Option*.

Green-Energy Option: The mechanism envisaged by Clause 9 of the *RE Act* to empower end-users to choose renewable energy in meeting their energy requirements.

Green-Energy Option End-users: An electricity end-user who has availed themselves of the *Green-Energy Option* provided for under the *Green Energy Option Rules*.

Green Energy Option Rules: The policy promulgated by *DOE* to implement the *Green Energy Option*.

Grid-connected RE Generation Facilities: An *RE Generation Facility* that is connected to the high voltage transmission grid in Luzon, Visayas or Mindanao.

Hourly Attributable Bundled Generation: The quantity determined under Clauses 3.1.4.4(a) or Clause 3.1.4.4(b) that represents the amount of a *WESM RE Generator's* (that is a *Partially Eligible Facility*) hourly *Renewable Electricity* generation in respect of a *WESM Billing Period* that is allocated to particular *WESM* registered *Mandated Participant* for *REC* issuance purposes.

Hourly Eligible Bilateral Contract Quantity Declaration: The quantity determined under Clause 3.1.4.3(a) or Clause 3.1.4.3 (b) that represents the amount of a *WESM RE Generator's* (that is a *Partially eligible facility*) hourly *Renewable Electricity* generation that will earn bundled *RECs* that accrue to the *Mandated Participants* who are the counterparties to any *Power Supply Agreement* with the *WESM RE Generator*.

Hourly Eligible Metered Quantity: The quantity determined under Clauses 3.1.4.2 or Clause 3.1.8.5 that represents the amount of a *REM Generator's* (that is a *Partially Eligible Facility*) hourly *Metered Quantity* that is eligible to earn *RECs*.

Hybrid Systems: Refers to any power or energy generation facility which makes use of two or more types of technologies utilizing both conventional and/or renewable fuel sources, such as, but not limited to integrated solar/wind systems, biomass/fossil fuel systems, hydro/fossil fuel systems, integrated solar/biomass/systems, integrated wind/fossil fuel systems, with a minimum of 10 megawatts or ten percent of annual energy output provided by the Renewable Energy component.

Injection Point: Refers to the connection point of an *RE Generation Facility* which connects to the transmission or distribution network to which the facility is directly connected. It represents the point in the transmission or distribution network where the *RE Generation Facility* injects its generation and hence has no losses associated with it.

Local Retail Electricity Suppliers: Refers to the non-regulated business segment of a *Distribution Utility* catering to *Contestable Customers* only within its franchise area, or persons authorized by appropriate entities to supply electricity within their respective Economic Zones.

Mandated Participants: An electricity purchaser or load serving entity that is required to comply with an *Annual RPS Obligation* set by the *DOE*, and that is registered with the Registrar in that capacity under Chapter 2.

Manual Change Proposal: A proposal to change provisions contained within a *REM Manual* in accordance with Chapter 7.

Market Assessment Group: The group tasked to act as the secretariat for the *REM Rules* and *REM Manual* change process under Clause 7.1.2.

Market Information Website: A facility to be established by the *Registrar* on the electronic communication system on which it may publish information which is then available to and may be accessed by *REM Members*.

Market Operator: The entity responsible for the operation of the WESM, tasked with the performance of the market operation functions under Section 30 of the EPIRA, Section 6 Rule 9 of the EPIRA Implementing Rules and Regulations (IRR), and Clause 1.3 of the WESM Rules.

Meter: A device, which measures and records the consumption or production of electricity

Metered Quantity: The data obtained or derived from a *Metering Installation* that is validated and may be edited in accordance with the *WESM*, and *REM Rules*.

Metering Installation: The *Meter* and associated equipment and installations installed or to be installed for the collection of metered data.

Monthly Attributable Bundled Generation: The quantity determined under Clause 3.1.4.4(b), 3.1.4.4(c) or 3.1.5.6 that represents the amount of a *WESM RE Generator's* (that is not a *Partially Eligible Facility*) monthly *Renewable Electricity* generation in respect of a *WESM Billing Period* or *REM Quarter* that is allocated to particular *WESM* registered *Mandated Participant* for *REC* issuance purposes.

Monthly Bundled WESM RECs: The integer quantity determined under Clause 3.1.4.7(c) or 3.1.5.9(c) that represents the number of *RECs* issued to a *WESM* registered *Mandated Participant* in respect of all *Renewable Electricity* generation purchased by the *Mandated Participant* under a *Power Supply Agreement* and in respect of a *WESM Billing Period* or *REM Quarter*.

Monthly Eligible Bilateral Contract Quantity Declaration: The quantity determined under Clauses 3.1.4.3(b) and 3.1.4.3(c) that represents the amount of a *WESM RE Generator's* (that is not a *Partially Eligible Facility*) monthly *Renewable Electricity* generation that will earn bundled *RECs* that accrue to the *Mandated Participants* who are the counterparties to any *Power Supply Agreement* with the *WESM RE Generator*.

Monthly Eligible Metered Quantity: The quantity determined under Clauses 3.1.4.2 or Clause 3.1.8.5 that represents the amount of a *REM Generator's* (that is not a *Partially Eligible Facility*) monthly *Metered Quantity* that is eligible to earn *RECs*.

Monthly FiT Generation Share: The quantity determined in Clause 3.2.2.1 and in accordance with the relevant *REM Manual* that represents the integer amount of *FiT* eligible *RE Generation* that the Registrar shall allocate to each *On-Grid Mandated Participant* in respect of a *WESM Billing Period*

Monthly Renewable Bilateral Contract Quantity: The quantity determined in Clause 3.1.5.5 that denotes the contracted portion of a *WESM* registered *Multi-Fuel Hybrid System's Renewable Electricity* generation.

Monthly Unbundled WESM RECs: The integer quantity determined under Clause 3.1.4.6(c) or 3.1.5.8(c) that represents the number of *RECs* issued to a *Generation Company* in respect of all *Renewable Electricity* generation generated by its *WESM RE Generator* facilities into a *WESM* pool.

Multi Fuel Hybrid System: A Hybrid System that is able to generate electricity through the combustion of two or more fuel types in a single generator. Examples of Multi Fuel Hybrid Systems include (but are not limited to) biofuel/natural gas, biofuel/oil, biomass/coal.

National Renewable Energy Program: Outlines the policy framework enshrined in the *RE Act* that sets out indicative interim targets for the delivery of renewable energy within the timeframe of 2011 to 2030.

Net-Metered RE Generation Facility: An *RE Generation Facility* embedded in a distribution system, that represents a system in which the distribution end-user has a two-way connected to the distribution network and is only charged for its net-electricity consumption and is credited for any overall contribution to the distribution network

Net-Metered RE Generator: A *Net-Metered RE Generation Facility* that is registered with the *Registrar* in that capacity under Chapter 2.

Net-Metering Agreement: Refers to the agreement between the entity who owns/operates a *Net-Metered RE Generation Facility* and the host *Distribution Utility* governing the commercial and interconnection arrangements between the *Net-Metered RE Generation Facility* and the *Distribution Utility*.

Non-Renewable Generation Facility: An electricity generation facility that utilizes non-renewable energy.

Notice of Suspension. A notice issued by the RER under Clause 2.7.3.

NREP: See *National Renewable Energy Program*.

One-off REC Transfer. A *REC* transfer done only once by the *REM Trading Participants*.

Off-Grid Mandated Participant: A *Mandated Participant* who has an *Annual RPS Obligation* in respect of an *Off-Grid System* and is registered with the *Registrar* in that capacity under Chapter 2.

Off-Grid RE Generator: An *RE Generation Facility* that is connected to an *Off-Grid System* of the Philippines.

Off-Grid Systems: Refers to electrical systems not connected to the wires and related facilities of the *On-Grid Systems* of the Philippines.

On-Grid Mandated Participant: A *Mandated Participant* who has an *Annual RPS Obligation* in respect of an *On-Grid System* and is registered with the *Registrar* in that capacity under Chapter 2.

On-Grid Systems: Refers to electrical systems composed of interconnected transmission lines, distribution lines, substations and related facilities for the purpose of conveyance of bulk power on the grid of the Philippines.

Partially Eligible Facility: A grid-connected *REM generator* wherein a portion of its capacity is eligible for *REC* issuance due to any of the circumstances identified in Section 2.4.3.2 items (b), (c), (e) and (f).

PEM Auditor: The person tasked with *REM* auditing responsibilities under Clause 6.2.

PEM Board: The group of directors that is responsible for governing the *Philippine Electricity Market Corporation*, pursuant to the *WESM Rules and Manuals*.

Philippine Electricity Market Corporation: The company incorporated under the Securities and Exchange Commission (SEC) to function as the Autonomous Group Market Operator (AGMO) that will undertake the preparatory work and initial operation of the WESM pursuant to the *EPIRA*. With the completion on the transition to the Independent Market Operator (*IMO*), PEMC will be the governance arm of the WESM, pursuant to DOE Department Circular DC2018-01-002.

Power Supply Agreement: A contract (that is not a *Net-Metering Agreement*) between two parties governing the sale of electricity.

Preliminary REC Statement: The statement issued by the *Registrar* to *On-Grid Mandated Participants* under Clause 4.2.1 which reflects their preliminary REC levels.

Preliminary Shortfall Amount: The amount defined in Clause 4.2.1.1(b) that reflects the preliminary shortfall in the number of *RECs* that an *On-Grid Mandated Participant* must submit to demonstrate compliance with their *Annual RPS Obligation* as indicated in the *On-Grid Mandated Participant's Preliminary REC Statement*.

Preliminary Surrendered RECs: The quantity determined under Clause 4.2.1.1(a) which represents the number of *RECs* that an *On-Grid Mandated Participant* has surrendered in respect of an *RPS Compliance Period* to demonstrate compliance with its *Annual RPS Obligation* as at the end of the *RPS Compliance Period*.

Quarterly Bundled Non-WESM RECs: The integer quantity determined under Clause 3.1.8.7(c) that represents the number of *RECs* issued to a *Mandated Participant* in respect of all *Renewable Electricity* generation purchased by the *Mandated Participant* under a *Power Supply Agreement* with a *REM Generator* not registered in a WESM and in respect of a *REM Quarter*.

RE Generation Facility: An electricity generation facility that utilizes eligible renewable energy technologies as defined by the *RE Act*.

REC: See *Renewable Energy Certificate*.

REC issuance timetable: The timetable defined in Clause 3.1.3.

Registrar: See *Renewable Energy Registrar*.

Registry: The centralized system used by the *Registrar* to issue, track and manage *Renewable Energy Certificates*.

Registry Account: Refers to the set of accounts held by a *REM Trading Participant* in the *Registry* as defined in the relevant *REM Manual*.

REM: See *Renewable Energy Market*.

REM Bulletin Board: An electronic facility that will be provided by the *Registrar* under Clause 3.6 to facilitate the trading of *RECs* between *REM Trading Participants*.

REM Generator: An *RE Generation Facility* that meets the requirements set forth in DOE Circular DC 2017-12-0015 and is registered with the *Registrar* in that capacity under Chapter 2.

REM Governance Committee: The committee whose composition, duties and obligations are defined under Clause 1.3.

REM Implementing Rules: The detailed rules that govern the administration and operation of the *REM*.

REM Manual: A manual of specific procedures, systems or protocols for the implementation of the *REM Rules* promulgated by the *DOE*.

REM Members: A person who is registered with the *Registrar* in accordance with Chapter 2.

REM Quarter: Four quarters running from: 26 Jun - 25 Sep, 26 Sep - 25 Dec, 26 Dec - 25 Mar and 26 Mar - 25 Jun.

REM Rules: See *REM Implementing Rules*.

REM Trading Participant: A *Mandated Participant*, *Generation Company* or *Green-Energy Option Participant* registered with the *Registrar* in that capacity under Chapter 2.

Renewable Electricity: Refers to electricity generated by the renewable component of a *RE Generation Facility* or using renewable fuels.

Renewable Energy Act of 2008 ("RE Act"): Refers to Republic Act No. 9513 also known as the "Renewable Energy Act of 2008".

Renewable Energy Certificates: Refers to a certificate (issued by the *Registrar* in accordance with Clause 3.1.1 representing all renewable and environmental attributes from one MWH of electricity generation sourced from an eligible *RE Generation Facility*.

Renewable Energy Market or REM: The *market* developed and implemented by PEMC where the trading of the RE certificates is made pursuant to Section 8 of the RE Act.

Renewable Energy Market Rules: See *REM Implementing Rules*.

Renewable Energy Registrar: Refers to the unit established in accordance with Republic Act No. 9513 to issue, keep and verify RE Certificates corresponding to energy generated from eligible RE facilities.

Renewable Metered Quantity: Represents the renewable component (in MWH) of a *Multi-Fuel Hybrid System's* total generation which must be calculated and certified in accordance with the rules set out by the DOE pursuant to Clause 9.2.1.

Renewable Portfolio Standards: refers to the policy implemented by the *DOE* under *DOE Circular DC 2017-12-0015* requires electricity suppliers to source an agreed portion of their energy supply from eligible *RE Generation Facilities*.

Retail Electricity Suppliers: Refers to any person or entity authorized by the *ERC* to sell, broker, market or aggregate electricity to *Contestable Customers*.

Renewable Energy Suppliers or RE Suppliers: Refers to individuals or juridical entities created, registered or authorized to operate in the Philippines in accordance with existing Philippine laws and engaged in the provision of supply from RE Resources to End-User duly licensed by the ERC.

RGC: See *REM Governance Committee*.

RPS Compliance Period: Refers to the period defined in Clause 4.1.1.

Rule Change Proposal: A proposal to change provisions contained in the REM Rules in accordance with Chapter 7.

Separately Metered Hybrid System: A Hybrid System whose renewable component can be separately metered enabling the provision of Metered Quantities attributable solely to the Renewable Electricity generated by the facility.

Standing Order: A transaction involving the transfer of *RECs* made in accordance with Clause 3.3.1.2(b) and the relevant *REM Manual* to transfer an agreed upon volume of *RECs* at an agreed upon price over an agreed upon period from one *REM Trading Participant* to another.

Supplier of Last Resort: An entity designated to serve *Contestable Customers* following a last resort supply event.

Total Adjusted Bundled Non-WESM Quantity: The quantity determined under Clause 3.1.8.7(b) in respect of *Renewable Electricity* generated by *REM Generators* that are not *Multi-Fuel Hybrid Systems* and are not registered in a *WESM* and reflects the amount (including *Carryover Quantities* and adjustments for errors) which forms the basis on which the *Registrar* shall allocate *RECs* (in respect of a *REM Quarter*) to *Mandated Participants* who have *Power Supply Agreements* with those *REM Generators*.

Total Adjusted Bundled WESM Quantity: The quantity determined under Clause 3.1.4.7(b) or 3.1.5.9(b) in respect of *Renewable Electricity* generated by *REM Generators* that are registered in a *WESM* and reflects the amount (including *Carryover Quantities* and adjustments for errors) which forms the basis on which the *Registrar* shall allocate *RECs* (in respect of a *WESM Billing Period*) to *Mandated Participants* who have *Power Supply Agreements* with those *REM Generators*.

Total Adjusted Unbundled WESM Quantity: The quantity determined under Clause 3.1.4.6(b) or 3.1.5.8(b) in respect of *Renewable Electricity* generated by *REM Generators* that registered in a *WESM* and reflects the amount (including *Carryover Quantities* and adjustments for errors) which forms the basis on which the *Registrar* shall allocate *RECs* (in respect of a *WESM Billing Period*) to the *Generation Company* who registered those *REM Generators*.

Total Bundled Non-WESM Quantity: The quantity determined under Clause 3.1.8.7(a) in respect of *Renewable Electricity* generated by *REM Generators* that are registered in a *WESM* and reflects the amount (excluding *Carryover Quantities* and adjustments for errors) which forms the basis on which the *Registrar* shall allocate *RECs* (in respect of a *REM Quarter*) to *Mandated Participants* who have *Power Supply Agreements* with those *REM Generators*.

Total Bundled WESM Quantity: The quantity determined under Clause 3.1.4.7(a) or 3.1.5.9(a) in respect of *Renewable Electricity* generated by *REM Generators* that are registered in a *WESM* and

reflects the amount (excluding *Carryover Quantities* and adjustments for errors) which forms the basis on which the *Registrar* shall allocate *RECs* (in respect of a *WESM Billing Period*) to *Mandated Participants* who have *Power Supply Agreements* with those *REM Generators*.

Total Surrendered RECs: The quantity determined under Clause 4.2.2.1(a) which represents the total number of *RECs* that an *On-Grid Mandated Participants* has surrendered in respect of an *RPS Compliance Period* to demonstrate compliance with its *Annual RPS Obligation* as at the end of the period defined in Clause 4.1.1.

Total Unbundled WESM Quantity: The quantity determined under Clause 3.1.4.6(a) or 3.1.5.8(a) in respect of *Renewable Electricity* generated by *REM Generators* that are registered in a *WESM* and reflects the amount (excluding *Carryover Quantities* and adjustments for errors) which forms the basis on which the *Registrar* shall allocate *RECs* (in respect of a *WESM Billing Period*) to the *Generation Company* who registered those *REM Generators*.

Transaction Fees: The charges imposed on *REM Members* by the *Registrar* to cover the cost of administering and operating the *Registry* and the *REM*, as approved by the ERC.

WESM: See *Wholesale Electricity Spot Market*.

WESM Billing Period: Refers to the billing period used by the *Market Operator* operating the *WESM*, which is a one-month period starting on the 26th day of a calendar month and ending on the 25th day of the following month.

WESM RE Generator: Refers to an *RE Generation Facility* that is registered in a *WESM* and that is registered with the *Registrar* in that capacity under Chapter 2.

WESM: See *Wholesale Electricity Spot Market*.

WESM Compliance Officer. The personnel designated pursuant to DC 2010-07-0008 by each *WESM* member, the *Market Operator*, the *System Operator*, *Metering Service Provider* and any other *WESM Service Providers* and are responsible for monitoring their own organization to ensure full compliance and for coordinating with the *WESM Enforcement and Compliance Officer* and governance committees on all matters pertaining to compliance.

WESM Rules: The detailed rules that govern the administration and operation of the *WESM*.

Wholesale Electricity Spot Market (WESM): The electricity market established by the *DOE* in accordance with Clause 30 of the *EPIRA*.

Working Day: A day (excluding Saturdays and Sundays) on which banks and financial institutions are open in the city or municipality where the principal offices of the *Registrar* are located.