

Department Circular 2002-06-003

Wholesale Electricity Spot Market Rules

WHEREAS, Republic Act No. 9136, otherwise known as the. "Electric Power Industry Reform. Act of 2001" (Act), which became effective on the 26th of June 2001 provides the framework for the restructuring of the electric power industry to bring about a free and fair competition on the pricing of electricity;

WHEREAS, the Act mandates the establishment of a wholesale electricity spot market (WESM) where the trading of, electricity can be made;

WHEREAS, the Act enjoined and authorized the Department of, Energy (DOE) to establish the WESM, and formulate the detailed rules thereof within one (1) year from the effectivity thereof Provided that, the price determination methodology shall be subject to the approval of the Energy Regulatory Commission;

WHEREAS, in accordance and in compliance with the Act, the DOE undertook a series of public consultations to jointly formulate the WESM rules with electric power industry participants;

WHEREAS, the development of the WESM Rules had commenced, since March 2000 and the very first draft was posted in the DOE website for information of and dissemination to the public in March 2001;

WHEREAS, after the effectivity of the Act and its Implementing Rules and Regulations the draft was updated to conform with the provisions thereof and posted in November 2001.

WHEREAS, numerous public consultations since November 2001 have been held to discuss and solicit comments, views, suggestions on the proposed WESM Rules, viz.:

- ?? Series of public consultative workshops from November to December of 2001;
- ?? National Consolidation Workshop to facilitate resolution of differing views, comments and suggestions held in Baguio City on February 19, 2002;
- ?? Sectoral Consolidation Workshops with different, industry participants of the sectors of the electricity industry held at the DOE from June, 10 to 11 of 2002;
- ?? Finalization Workshops to finalize the WESM Rules held at the DOE from June 13 to 26 of 2002.

NOW THEREFORE, pursuant to its mandate under the Act, the DOE, hereby issues, adopts and promulgates the attached WESM Rules, which shall be effective on the fifteenth (15th) day following its publication in at least two (2) national papers of general circulation.

VINCENT S. PÉREZ, JR.

Secretary

Malacañang Palace, San Miguel, Manila, June 28, 2002.

**Joint-Endorsement of the
Wholesale Electricity Spot Market Rules**

WHEREAS, Republic Act No. 9136., otherwise known, as the "Electric Power Industry Reform Act of 2001", (.Act) which became effective on the 26th of, June 2001 provides the framework for the restructuring of the electric power industry to bring about a free and fair competition on the pricing of electricity,

WHEREAS, the Act mandates the establishment of a wholesale electricity spot market (WESM) where the-trading of electricity can be made;

WHEREAS, the Act enjoined and authorized the Department of Energy (DOE) to establish the WESM and formulate the detailed rules thereof within one (1) year from the effectivity thereof Provided that, the price determination methodology shall be subject to the approval of the Energy Regulatory Commission;

WHEREAS, in accordance and in compliance with the Act, the DOE conducted a series of public consultations to formulate the WESM rules jointly with electric power industry participants; .

WHEREAS, the development of the WESM Rules had commenced since March 200,0 and the very first draft was posted in the DOE website for information of and dissemination to the public on March 2001;

WHEREAS, after the effectivity of the Act and As Implementing Rules and Regulations the draft was updated to conform with the provisions thereof and posted in November 2001.

WHEREAS, numerous public consultations since November 2001 have been conducted by the DOE held to discuss and solicit comments, views, suggestions from the industry participants on the proposed WESM Rules, viz.:

- ?? Series of public consultative workshops from November to December of 2001;
- ?? National Consolidation Workshop to facilitate resolution of differing views, comments and suggestions held in Baguio City on February 19, 2002;
- ?? Sectoral Consolidation Workshops with different industry Participants of the sectors of the electricity industry held at the DOE from June 10

to 11 of 2002;

?? Finalization Workshops to finalize the WESM Rules held at the DOE from June 13 to 26 of 2002.

NOW THEREFORE, we, the undersigned industry participants for and in behalf of the entities we represent, hereby endorse the WESM Rules promulgated by the Department of Energy.

Malacañang Palace, San Miguel, Manila, June 28, 2002.