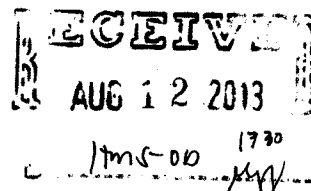


Republic of the Philippines
DEPARTMENT OF ENERGY



DEPARTMENT CIRCULAR NO. DC 2013-07-0017

**ADOPTING FURTHER AMENDMENTS TO THE WESM RULES
(Defining the Gross Ex-Post Energy Settlement Quantity for Market Trading Nodes)**

WHEREAS, Section 37 of the Electric Power Industry Reform Act provides that the DOE, jointly with the electric power industry participants, shall establish the Wholesale Electricity Spot Market (WESM) and formulate the detailed rules governing the operations thereof;

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

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

WHEREAS, on 20 March 2013, the Philippine Electricity Market Corporation (PEMC) submitted its proposed amendment to Clause 3.13.6 (Defining the Gross Ex-Post Energy Settlement Quantity for Market Trading Nodes) of the WESM Rules to the Rules Change Committee (RCC) for consideration and approval;

WHEREAS, the proposal intends to introduce more solid basis for the netting of bidirectional energy flows in a trading interval recorded in the meter as read in Clause 3.13.6 of the WESM Rules;

WHEREAS, on 03 April 2013, the RCC and the PEMC thoroughly discussed the proposed amendments during the 73rd RCC Meeting;

WHEREAS, on the same meeting, the RCC agreed to published the proposal in the WESM website to solicit comments from participants and other interested parties;

WHEREAS, on 15 May 2013, the RCC in its 74th Meeting deliberated upon the comments submitted and agreed to adopt the proposed amendment as originally submitted by PEMC for endorsement to the PEM Board;

WHEREAS, on 20 June 2013, after due evaluation and deliberation, the PEM Board has resolved to approve for endorsement to the DOE the above stated amendment to the WESM Rules;

WHEREAS, on 01 July 2013, the above stated amendment was endorsed to the DOE for approval, consistent with Chapter 8 of the WESM Rules;

NOW THEREFORE, pursuant to its authority under the WESM Rules, the DOE hereby issues, adopts and promulgates the following amendment to the WESM Rules:

Section 1. Amendment to the WESM Rules.

1.1 Clause 3.13.6 under Defining the Gross Ex-Post Settlement Quantity for Market Trading Nodes is amended to read -

For each *trading interval*, the gross *ex-post energy settlement* quantity before being adjusted for bilateral contracts for each *market trading node* shall be determined by the *Market Operator* as follows:

- (a) If the *market trading node* is defined under clause 3.2.2.1 as lying on the boundary of the *power system* operated by the *System Operator*, the gross *ex-post energy settlement* quantity for the *market trading node* is the net metered flow into the *power system* operated by the *System operator* through the associated meter, provided however, that if the *market trading node* is a *customer node*, and there is no ERC-registered embedded generation facility associated with that node, or the source of injection cannot be traced, any injection shall not be accounted for in determining the gross *ex-post energy settlement* quantity for that node;

xxx xxx xxx

- (d) If the net metered flows registered through a meter is inconsistent with the expected power flows at the *market trading node* to which that meter is associated, the *Metering Services Provider* shall determine and shall notify the *Market Operator* and the relevant *Trading Participant* the appropriate manner of determining the gross *ex-post settlement* quantity for that *market trading node*.

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

Section 3. Effectivity. This Circular shall take into effect immediately following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this 26 July 2013 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.


CARLOS JERICHO L. PETILLA
Secretary

