



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC2017-03-0002

**ADOPTING THE VARIOUS WHOLESALE ELECTRICITY SPOT MARKET (WESM)
MARKET MANUALS AND THEIR FURTHER AMENDMENTS FOR THE
IMPLEMENTATION OF MUST DISPATCH AND PRIORITY DISPATCH
GENERATING UNITS IN THE WESM**

WHEREAS, Sections 30 and 37(f) of the Electric Power Industry Reform Act (EPIRA) provides that the DOE, jointly with the electric power industry participants, shall establish the Wholesale Electricity Spot Market (WESM) and formulate the detailed rules governing the operations thereof;

WHEREAS, on 28 June 2002, the DOE, with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular No. DC2002-06-003;

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

WHEREAS, on 24 February 2016, the Rules Change Committee (RCC) received the Market Operator's (MO) proposed amendments to the various Market Manuals for the implementation of Must Dispatch and Priority Dispatch generating units in the WESM;

WHEREAS, the proposal aimed to revise various WESM Market Manuals for consistency with the DOE policies on the implementation of Must Dispatch and Priority Dispatch Renewable Energy Resources and the amended WESM Rules through DC2015-03-0001 and DC2016-01-0002, respectively;

WHEREAS, a new WESM Market Manual was also proposed, entitled Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units Issue 1.0, for the implementation of forecast accuracy standards in the WESM;

WHEREAS, on 03 March 2016, the RCC during its 111th RCC Meeting, discussed the said amendments to the WESM Market Manuals, including the proposed new Market Manual on Forecast Accuracy Standards for Must Dispatch Generating Units, which thereafter approved publication of the proposals in the WESM website to solicit comments from market participants and other interested parties;

WHEREAS, on 28 July 2016, the RCC during its 114th RCC Meeting deliberated on the proposal giving due course to the comments received from market participants, which thereafter approved its endorsement to the PEM Board;

WHEREAS, the RCC, during its aforementioned meeting, shall likewise approved for endorsement to the PEM Board the proposed amendments to the Dispatch Protocol Manual concerning implementation of Must Dispatch and Priority Dispatch, dispatch tolerance limit, cogeneration facilities and revisions due to audit findings;

WHEREAS, on 10 November 2016, after due evaluation and deliberation, the PEM Board during its 120th PEM Board Meeting approved for endorsement to the DOE the above stated RCC proposals;

WHEREAS, on 23 November 2016, the above stated PEM Board-approved proposals to the Market Manuals were submitted to the DOE for final approval, in compliance with Chapter 8 of the WESM Rules;

WHEREAS, the DOE thoroughly reviewed the said PEM Board-approved proposals, and considered them consistent with the objectives of the WESM and policies on the implementation of Must Dispatch and Priority Dispatch in the WESM; and

NOW THEREFORE, pursuant to its authority under the EPIRA and WESM Rules, the DOE hereby adopts, issues, and promulgates the following Market Manuals and their further amendments:

Section 1. Amendments to the WESM Market Manuals. Pursuant to DOE Circular No. DC2015-07-0013 entitled "Adopting Further Amendments to the WESM Rules (Procedure for Changes to the WESM Rules and Market Manuals)," the following WESM Market Manuals and presented as Annexes to this Circular are hereby approved and adopted:

- (a) Annex A – Billing and Settlement Manual Issue 5.0;
- (b) Annex B – Market Operator Information Disclosure and Confidentiality Manual Issue 4.0;
- (c) Annex C – Metering Standards and Procedures Issue 11.0;
- (d) Annex D – Registration, Suspension and De-Registration Criteria and Procedures Issue 3.0;
- (e) Annex E – Guidelines on Significant Variations In and Between Trading Intervals Issue 3.0; and
- (f) Annex F – Procedures for the Monitoring of Forecast Accuracy Standards for Must Dispatch Generating Units Issue 1.0.

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

Section 3. Effectivity. This Circular shall take effect after fifteen (15) days following the completion of its publication either in the Official Gazette or in a newspaper of general circulation in the Philippines, and shall remain in effect until otherwise revoked.

Issued this ____ February 2017 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

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ALFONSO G. CUSI
Secretary



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