



PUBLIC

WESM Manual

# Procedures for Changes to the WESM Rules, Retail Rules and Market Manuals

Issue 5.0 | WESM-RCM

This Market Manual sets out the method and procedures for changes to the WESM Rules, Retail Rules and Market Manuals.

Approval Date: 12-Oct-2021 | Publication Date: 25-Nov-2021

PEMC Website Posting Date: 29-Dec-2021 | Effective Date: 26-Nov-2021

*In case of inconsistency between this document and the DOE Circulars, the latter shall prevail.*

## Document Change History

| Issue No. | Proponent                        | Date of Effectivity | Reason for Amendment  |
|-----------|----------------------------------|---------------------|---|
| 0.0       | Legal & Regulatory Sub-Committee |                     | New Document  |
| 0.1       | Legal & Regulatory Sub-Committee | 11 February 2005    | Revised procedure for urgent amendments to incorporate comments made by the Technical Working Group in its 42 <sup>nd</sup> Meeting, and by the Marketplace Company Pty., WESM project management consultant.   |
| 1.0       | Legal & Regulatory Sub-Committee |                     | Revised procedure for urgent amendments to incorporate comments made by the Interim Rules Change Committee in its 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Meetings.   |
| 2.0       | RCC                              | 14 November 2012    | To remove from Section 10 the requirement on the publication of Advisories on Amendments, since approved amendments, specifically on the WESM Rules, are already embodied in DOE Circulars.   |
| 3.0       | RCC                              | 14 August 2018      | The proposal sought to: <ul style="list-style-type: none"> <li>(i) reflect in the WESM Manual, the changes per DOE DC 2015-07-0013<sup>1</sup>, which provides the revised procedures for approval of amendments to the WESM Rules and Market Manuals requiring the approval of the DOE, as well as for new Market Manuals;</li> <li>(ii) amend the specified timeline in the WESM Manual to cover the applicable process for rules change procedures and to be consistent with the WESM Rules; and</li> <li>(iii) reflect clerical and minor amendments for clarity and consistency</li> </ul> |
|           | PEMC                             | 26 June 2021        | Revised formatting for the commencement of the enhanced WESM design and operations per DOE Department Circular No. DC2021-06-0015.  |

<sup>1</sup> DOE DC 2015-07-0013. *Adopting Further Amendments to the WESM rules (procedures for changes to the WESM rules and market manuals)*

| Issue No. | Proponent | Date of Effectivity | Reason for Amendment  |
|-----------|-----------|---------------------|---|
| 4.0       | PEMC      | 23 October 2021     | Amendment to clarify the roles and functions of the PEM Board, the Enforcement and Compliance Office, the Market Surveillance Committee and other WESM organizational units that are involved in the enforcement and compliance processes in the WESM |
| 5.0       | PEMC      | 26 November 2021    | To enhance the rules change process and align with DOE policies concerning WESM governance  |

## Document Approval

| Issue No. | RCC Approval     | RCC Resolution No. | PEM Board Approval | PEM Board Resolution No. | DOE Approval    | DOE Department Circular No. |
|-----------|------------------|--------------------|--------------------|--------------------------|-----------------|-----------------------------|
| 1.0       | 28 July 2005     |                    | 27 September 2005  | 2005-19                  | N/A             | N/A                         |
| 2.0       | 14 November 2012 | 2012-13            | 28 February 2013   | 2013-08                  | N/A             | N/A                         |
| 3.0       | 08 December 2017 | 2017-13            | 28 February 2018   | 2018-13 and 2018-14      | 02 July 2018    | 2018-07-0018                |
|           | N/A              | N/A                | N/A                | N/A                      | 25 June 2021    | 2021-06-0015*               |
| 4.0       | 30 August 2018   | 18-06              | 30 August 2018     | 2018-03-06               | 30 July 2021    | 2021-08-0026                |
| 5.0       | 15 May 2020      | 2020-14            | 27 May 2020        | 2020-24-13               | 12 October 2021 | 2021-10-0034                |

\*Declaring the Commercial Operations of Enhanced WESM Design and Providing Further Policies

## Reference Documents

| Document ID | Document Title               |
|-------------|------------------------------|
|             | WESM Rules                   |
|             | WESM Consultation Guidelines |

## Contents

|  |           |
|--|-----------|
| <b>SECTION 1 INTRODUCTION</b>  | <b>1</b>  |
| 1.1 Purpose  | 1         |
| 1.2 Scope  | 1         |
| <b>SECTION 2 DEFINITIONS, INTERPRETATION AND CONSTRUCTION</b>                    | <b>1</b>  |
| 2.1 Definitions  | 1         |
| 2.2 Interpretation and Construction  | 3         |
| <b>SECTION 3 TYPES OF AMENDMENTS</b>   | <b>3</b>  |
| 3.1 Urgent Amendments  | 3         |
| 3.2 Minor Amendments   | 3         |
| 3.3 General Amendments   | 4         |
| <b>SECTION 4 CRITERIA FOR RULES CHANGES</b>                                      | <b>4</b>  |
| <b>SECTION 5 PROPOSALS FOR RULES CHANGE</b>                                      | <b>5</b>  |
| <b>SECTION 6 GENERAL AND MINOR AMENDMENTS</b>                                    | <b>6</b>  |
| 6.1 Rules Change Committee   | 6         |
| 6.2 PEM Board  | 9         |
| 6.3 Department of Energy   | 10        |
| <b>SECTION 7 URGENT AMENDMENTS</b>   | <b>11</b> |
| 7.1 Submission of Proposals  | 11        |
| 7.2 Evaluation by the Rules Change Committee                                     | 11        |
| 7.3 Action by the PEM Board  | 12        |
| 7.4 Effectivity of Urgent Amendment  | 12        |
| <b>SECTION 8 EFFECTIVITY</b>   | <b>13</b> |
| <b>SECTION 9 REPORTS AND RECORDS</b>   | <b>14</b> |
| 9.1 Semestral Report   | 14        |
| 9.2 Custodian of Records   | 14        |
| <b>SECTION 10 REVIEW OF RULES CHANGE PROCEDURES AND OF COMMITTEE PROCEEDINGS</b> | <b>14</b> |
| <b>SECTION 11 AMENDMENTS, PUBLICATION AND EFFECTIVITY</b>                        | <b>15</b> |
| 11.1 Amendments  | 15        |
| 11.2 Publication and Effectivity   | 15        |

## SECTION 1 INTRODUCTION

### 1.1 PURPOSE

This Manual:

- a) Sets forth the procedures for the amendment, review and interpretation of the Wholesale Electricity Spot Market Rules (the “*WESM Rules*” or the “Rules”), the *Retail Rules* and of the *Market Manuals*, guidelines, processes, issuances, and other rules and regulations promulgated by the Department of Energy (the “DOE”), or the Philippine Electricity Market Board (the “PEM Board”) or its Committees to implement the *WESM Rules*, *Retail Rules* and *Market Manuals* and to govern the operation of the WESM and the Retail Market.
- b) Describes the responsibilities and undertakings required of the DOE, the PEM Board, the Rules Change Committee, the other WESM Governance Committees, any WESM Member and of any interested parties in the initiation, evaluation, and approval or disapproval of any amendment, review or interpretation of the *WESM Rules*, *Retail Rules* and *Market Manuals*, guidelines and issuances governing the WESM. The procedures described in this *Market Manual* shall be read and construed consistent with Chapter 8 of the *WESM Rules*.

### 1.2 SCOPE

This Manual addresses the processes for:

- a) urgent, minor and general amendments to the *WESM Rules*, *Retail Rules* and *Market Manuals*, as these terms are defined in this Manual;
- b) interpretation and clarification of the provisions of the *WESM Rules*, *Retail Rules* and *Market Manuals*; and
- c) approval of a change to the *WESM Rules*, *Retail Rules* and *Market Manuals*, including proposals that will result in an amendment to the *WESM* price determination methodology, and adoption of new *Market Manuals*.

## SECTION 2 DEFINITIONS, INTERPRETATION AND CONSTRUCTION

### 2.1 DEFINITIONS

|  |                                    |
|--|------------------------------------|
| <b>DOE</b>   | refers to the Department of Energy |
| <b>EPIRA or Electric Power Industry Reform Act of 2001</b> | enacted as Republic Act No 9136    |

|                                     |  |
|-------------------------------------|--|
| <b>ERC</b>                          | refers to the Energy Regulatory Commission   |
| <b>Market Manual</b>                | refers to specific procedures, systems or protocols for the implementation of the WESM Rules and Retail Rules  |
| <b>Market Operator</b>              | refers either to the Autonomous Group Market Operator or the Independent Market Operator, whichever is appropriate   |
| <b>Other amendments</b>             | refers to amendments to WESM Manuals, guidelines other rules and regulations promulgated and implemented by the PEM Board in relation to or in connection with the WESM Rules  |
| <b>PEM Board</b>                    | refers to the Board of Directors of the Philippine Electricity Market Corporation (the “PEMC”), and may interchangeably be referred to as the <i>PEMC Board</i>  |
| <b>Proposal</b>                     | refers to any proposed amendment to the WESM Rules, or to any manual, guidelines, procedures, processes, rules or regulations, made pursuant to this Manual  |
| <b>Publish</b>                      | means to make information available through the market information website and the Governance Arm website.   |
| <b>Retail Rules</b>                 | The rules promulgated by the DOE governing the integration of retail competition in the operations and governance processes of the WESM and the management of transactions of Suppliers and Contestable Customers in the WESM, and the operation of the Central Registration Body. |
| <b>Rules Change Committee</b>       | refers to the committee created by the PEM Board pursuant to the WESM Rules, and may also be referred to as <i>Committee</i> in this Manual  |
| <b>WESM Consultation Guidelines</b> | refers to the guidelines duly promulgated by the PEM Board   |
| <b>WESM Governance Committees</b>   | refers to the Committees created by the PEM Board pursuant to the WESM Rules.  |

|                    |  |
|--------------------|--|
| <b>WESM Member</b> | refers to any duly registered member of the WESM   |
| <b>WESM Rules</b>  | refers to the Wholesale Electricity Spot Market Rules promulgated by the Department of Energy, and any amendments to those Rules |

## **2.2 INTERPRETATION AND CONSTRUCTION**

- a) Should any provision of this Manual be declared invalid by any tribunal or authority of competent jurisdiction, the other provisions which are not affected by the declaration shall continue to be in full force and effect.
- b) This Manual should be read and construed in relation to the WESM Rules, the EPIRA and its implementing rules and regulations. Should any of the provisions of this Manual be inconsistent with any provision of the WESM Rules, the EPIRA or its implementing rules or regulations, the latter laws or issuances shall prevail over the provisions of this Manual.

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|---|
| <b>SECTION 3      TYPES OF AMENDMENTS</b> |
|---|

### **3.1 URGENT AMENDMENTS**

Urgent Amendments are those which are needed:

- a) To avoid, reduce the risk of or mitigate the adverse effects of certain conditions on the ability of the power system to function normally;
- b) To avoid, reduce the risk of or mitigate the effects of the abuse of market power or anti-competitive behavior;
- c) To avoid, reduce the risk of or mitigate the unintended adverse effect of the WESM Rules, Retail Rules and Market Manuals (or any of its amendments); and
- d) To facilitate the implementation of any regulation, circular, order or issuance of the DOE or ERC pursuant to the EPIRA.

Provided further that the urgent amendments shall be implementable on the affected WESM/Retail operations and/or transactions within the period of six (6) months subject to the confirmation of the Market Operator.

### **3.2 MINOR AMENDMENTS**

Minor amendments are amendments to the *WESM Rules*, *Retail Rules* and *Market Manuals* which are corrections as to form such as typographical or grammatical changes, or those which are of a non-material procedural or a non-substantive nature. A proposal will not qualify as a minor amendment if it entails any of the following:



- a) A WESM Member or the Market Operator would incur material additional costs in order to effect the change or to be compliant with the change brought about by the amendment;
- b) The determination of timetable (including bid and offer submission schedules, auction schedules, etc.) or prices in any of the physical or financial markets would be changed;
- c) The means of procurement of, and prices paid for, an ancillary service would be changed;
- d) The level or timing of information released to the WESM would be changed;
- e) The proposal would result in a change to the conditions for participation such that any currently authorized WESM Member would no longer be authorized;
- f) The proposal would make it unreasonably difficult for a WESM Member to comply with the law, or would render an otherwise compliant WESM Member non-compliant with law, or would deprive a WESM Member of any right under existing law;
- g) The change would introduce additional risks to the Market Operator of not being able to direct the operation of the spot market or to the System Operator of not being able to maintain system reliability in accordance with the applicable standards.

### 3.3 GENERAL AMENDMENTS

Proposed amendments to the *WESM Rules*, *Retail Rules*, *Market Manuals*, or adoption of new *Market Manuals*, which do not otherwise qualify as either minor amendments or urgent amendments shall, for purposes of this *Market Manual*, be considered as general amendments.

|  |
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| <b>SECTION 4      CRITERIA FOR RULES CHANGES</b> |
|--|

In considering amendments to the *WESM Rules*, *Retail Rules*, *Market Manual(s)* and any amendment and/or adoption of a new *Market Manual*, the DOE, the PEM Board and the Rules Change Committee shall be guided by the following criteria as to the proposal's:

- a) consistency with the objectives of the WESM as defined in WESM Rules Section 1.2.5;
- b) legal, technical and commercial feasibility; and
- c) reasonableness of the cost to implement

## SECTION 5 PROPOSALS FOR RULES CHANGE

**5.1. By whom** – Proposals for amendments may be submitted by any *WESM Member*, the *Market Operator*, the *PEM Board* or its Committees, any government agency, or any other interested party affected by the operations of the WESM. All proposals that will necessitate an amendment of the *WESM Rules*, *Retail Rules* or *Market Manuals* shall undergo the rules change procedures in accordance with Chapter 8 of the WESM Rules and this Market Manual.

**5.2. Form and contents of proposal** – The proposal shall:

- a) be in writing addressed to the *Rules Change Committee* through the *WESM Governance Committee Secretariat*, using the prescribed Rules Change Proposal Form;
- b) indicate whether the proposal requires a general, urgent or minor amendment as these terms are defined in this Manual; and
- c) include a discussion:
  - i) demonstrating that the proposed amendment satisfies the criteria set forth in Section 3 of this Manual and in the WESM Rules;
  - ii) giving the reasons that the proposed amendment is desirable or necessary;
  - iii) containing sufficient information to permit proper consideration by the Rules Change Committee of the reasons cited, including the public benefit, if any, of making the amendment; and
  - iv) demonstrating that the proposed amendment falls within the definition of an urgent or minor amendment, in appropriate cases.

**5.3. To whom submitted**

- a) The proposals shall be submitted to the *Rules Change Committee* through the *WESM Governance Committee Secretariat*, who shall check for the completeness of the proposal and its compliance with the formal requirements set forth in Section 5.2 of this *Manual*. Only proposals which are made in the prescribed form shall be accepted and considered as submitted.
- b) Complete *proposals* shall be given due course and shall be forwarded to the *Rules Change Committee* for consideration. *Proposals* for general and minor amendments shall be forwarded to the *Rules Change Committee* within five (5) working days from receipt of complete proposal. *Proposals* for urgent amendments will be forwarded immediately upon receipt as provide for in Section 7.2(a).
- c) Incomplete *proposals* or those which do not comply with the formal requirements shall be denied due course, and the *WESM Governance Committee Secretariat* shall notify the proponent of the denial citing the grounds therefor. The proponent may re-submit the proposal and comply with the formal requirements.

## SECTION 6 GENERAL AND MINOR AMENDMENTS

### 6.1 RULES CHANGE COMMITTEE

#### 6.1.1 Assessment of Proposal

- a) Upon endorsement by the *WESM Governance Committee Secretariat*, the *Rules Change Committee* shall give due course to the *proposal* in the next *Rules Change Committee* meeting.
- b) In determining whether or not the proposal satisfies the criteria, the Rules Change Committee may:
  - i) take into account any information and documents which it reasonably considers to be relevant for its consideration of the proposal;
  - ii) consult with persons who are likely to be affected by the proposal;
  - iii) seek information and views from any person as may be practicable under the circumstances; and
  - iv) refer and delegate the proposal to a working group any or all of the tasks stated in paragraphs (i), (ii) and (iii) hereof. The working group shall comprise of persons having such expertise as the Rules Change Committee in its absolute discretion considers reasonable considering the subject matter of the proposal.
- c) If the *Rules Change Committee* finds that the proposal does not satisfy the criteria, it shall notify the proponent and the PEM Board within ten (10) working\_days of its decision and the reasons therefor.
- d) If the *Rules Change Committee* determines that the *proposal* satisfies the criteria, it shall notify the PEM Board of the proposal and proceed to evaluate the proposal in the manner set forth in this *Market Manual*.

#### 6.1.2 Consultation and referral to Other Committees and Persons

- a) If the proposal is given due course pursuant to Section 6.1.1(d), the Rules Change Committee shall notify all the WESM participants, as well as other interested parties of the proposal through publication, inviting them to give written submissions regarding the proposal.
- b) The following committees or persons shall likewise be notified of the *proposal* and invited to make their written submissions within the period stated in Section 6.1.3(a) of this *Market Manual*:
  - i) the Technical Committee, where the proposal affects any provision of Chapter 4 of the WESM Rules or any matter falling within the competence of the Technical Committee;

- ii) the Dispute Resolution Administrator, where the proposal affects any provision of Chapter 7 of the WESM Rules or any matter relating to the resolution of disputes or enforcement of the WESM Rules, other manuals, procedures, guidelines, and rules and regulations governing the WESM;
  - iii) the PEM Audit Committee, where the *proposal* affects any matter falling under its competence;
  - iv) the Market Surveillance Committee, where the proposal affects any matter falling under its competence;
  - v) other *WESM Governance Committees*, where the proposal affects any matter falling under their respective competence; and
  - vi) the *Energy Regulatory Commission*, where the *proposal* affects any provision of the Philippine Grid Code or Philippine Distribution Code, and other *ERC issuances*, for the purpose, among other things, of determining the effect of the *proposal* and the need to harmonize such *proposal* with the provisions of these issuances.
- c) In matters where the WESM Rules require the holding of public consultations, the Rules Change Committee shall conduct public consultations in accordance with the WESM Rules Clause 1.9. The consultations shall be conducted and completed within thirty (30) working days from the date of first publication of notice as provided for in Section 6.1.2 (a) hereof.
- d) Where the proposal involves a minor amendment, the Rules Change Committee may, at its discretion, no longer hold public consultations, refer to various committees or persons, or require written submissions.

### 6.1.3 Written Submissions

- a) The written submissions requested pursuant to Sections 6.1.2 (a) and (b) shall be given within thirty (30) working days from the date of publication of the notice made pursuant to Section 6.1.2 (a) of this Manual. The proponent shall be invited to respond during deliberation of the comments submitted.
- b) Only written submissions actually received by the *WESM Governance Committee Secretariat* within the prescribed period shall be validly considered by the *Rules Change Committee*.
- c) All written submissions shall contain the name and address of the person making the submission and shall be made using the Rules Change Submission form. Documents and other materials supporting the comments made may also be attached to the written submission.
- d) The written submissions may be provided through printed document, by electronic means or by facsimile, and directed to the *Rules Change Committee* through the *WESM Governance Committee Secretariat*.

#### **6.1.4 Delegation to a Working Group**

- a) The Rules Change Committee, at its discretion, may delegate to a working group the giving of notice, the conduct of consultations and/or the consideration of the written submissions, pursuant to Sections 6.1.2 and 6.1.3 of this Manual. In such case, any reference to the Rules Change Committee in said Sections shall be deemed as referring to the working group.
- b) The working group shall be composed of persons having such expertise which the Rules Change Committee, in its discretion, determines as reasonable given the subject matter of the proposal.
- c) The working group shall submit its report in such form and within such period as the Rules Change Committee directs.

#### **6.1.5 Decision/Recommendations of the Rules Change Committee**

- a) The Rules Change Committee shall make its decision and shall submit its resolution or status report to the PEM Board not later than sixty (60) working days from the date of publication of the notice made pursuant to Section 6.1.2 (a).
- b) Majority vote of all the members present and constituting a quorum shall be sufficient for its decisions or recommendations.
- c) The decision of the Rules Change Committee shall be in writing and shall state clearly the reasons therefor.

#### **6.1.6 Submission to the PEM Board**

- a) The Rules Change Committee shall immediately submit its resolution or status report to the PEM Board within the period stated in Section 6.1.5 of this Manual. The PEM Board may, at its discretion, require that it be furnished with copies of the written submissions received by the Rules Change Committee.
- b) The resolution or status report shall be in writing and shall contain
  - i) the recommendation(s) whether or not to adopt the proposal and the reasons therefor;
  - ii) the proposed amendment, where the recommendation(s) include a proposal to modify the WESM Rules, Retail Rules or Market Manuals;
  - iii) record of the votes and summary of objections if any, of each member of the Rules Change Committee, in respect of each of the recommendations made;
  - iv) summary of any objections to the proposal brought to the attention of the Committee by any interested party;

- v) procedures implemented by the Committee in considering the proposal, including but not limited to the giving of notices, conduct of consultations and receipt and consideration of written submissions.

## 6.2 PEM BOARD

6.2.1 The PEM Board shall convene to evaluate the report and render its decision in the next regular or special meeting following its receipt of the committee report.

6.2.2 The PEM Board shall render its decision:

- a) whether or not the proposal satisfies the criteria set forth in Section 4 of this Manual and in the WESM Rules and it may, as may be practicable under the circumstances:
  - i) take into account any information and document which it reasonably considers to be relevant for its consideration of the proposal;
  - ii) consult with persons who are likely to be affected by the proposal;
  - iii) seek such information and views from any person with expertise on the subject matter of the *proposal*; and
  - iv) remand the *proposal* to the *Rules Change Committee* for further study. As necessary, the *Rules Change Committee* may subject the *proposal* to consultation as set out in WESM Rules Clause 8.4.5 (b).
- b) whether or not the procedures set forth in this Manual and in the WESM Rules have been complied with by the Rules Change Committee.

### 6.2.3 Adoption and Approval of the Proposal

- a) If the PEM Board concludes that the proposal satisfies the prescribed criteria and that the procedures set forth in this Manual have been duly complied with, it shall approve the amendment and if:
  - i) the proposal involves a general amendment of the WESM Rules, Retail Rules and Market Manuals, it shall submit the proposed amendment to the DOE for approval.
  - ii) the proposal involves a minor amendment, it shall submit the approved amendment to the DOE for approval.
- b) In any case, the PEM Board may approve the proposal as recommended by the Rules Change Committee or with such modifications it deems proper.

#### 6.2.4 Rejection of Rules Change Proposal

If the PEM Board concludes that the proposal does not satisfy the prescribed criteria, it shall notify the Rules Change Committee, the proponent, the parties who made written submissions, the DOE and the Energy Regulatory Commission (the “ERC”) of its decision and the reasons for rejection, within ten (10) working days from the date of the decision.

#### 6.2.5 Return of Proposal to the Rules Change Committee

If the PEM Board determines that the procedures set forth in this Manual were not duly complied with and that the breach of procedure is material, it shall:

- a) refer the proposal back to the Rules Change Committee so that the procedural error can be rectified; and
- b) take such steps it considers reasonably necessary and appropriate in all the circumstances to ensure that the Rules Change Committee adheres to the procedure in the future.

#### 6.2.6 Endorsement to the DOE

Pursuant to WESM Rules Clause 8.4.1.2 and 8.5.4.a, the PEM Board shall endorse the approved proposal(s) to the DOE for its review and promulgation, thereafter.

### 6.3 DEPARTMENT OF ENERGY

- 6.3.1 As soon as practicable, the DOE shall assess and decide whether or not the proposal satisfies the prescribed criteria set forth in Section 4 of this Manual and in the WESM Rules and is consistent with the EPIRA.

#### 6.3.2 Approval of Proposal

If the DOE concludes that the proposal satisfies the conditions set forth in Section 6.3.1 of this Manual, it shall approve the proposal and promulgate the pertinent circular publishing the amendment of the *WESM Rules*, *Retail Rules* and/or *Market Manual(s)*, in accordance with Sections 9 thereof.

#### 6.3.3 Disapproval of Proposal

If the DOE concludes that the proposal does not satisfy the conditions set forth in Section 6.3.1 of this Manual, it shall give notice of its decision and the reasons therefor to the following:

- a) the PEM Board;
- b) Rules Change Committee; and
- c) the proponent/s.



## SECTION 7 URGENT AMENDMENTS

### 7.1 SUBMISSION OF PROPOSALS

Proposals for urgent amendments shall be submitted in the manner stated in Section 5 hereof.

### 7.2 EVALUATION BY THE RULES CHANGE COMMITTEE

- a) Upon receipt of a proposal for an urgent amendment, the Committee Secretariat shall immediately transmit the proposal to the *Rules Change Committee* to assess the proposal, via electronic or similar medium, subject to Section 3. If upon determination that the proposal constitutes an urgent amendment, the *Rules Change Committee* shall certify as such, giving notice to the President and the proponent.
- b) The Rules Change Committee shall convene within forty-eight (48) hours from the certification of the proposal as an urgent amendment, and render its decision to determine whether the proposal satisfies the criteria set forth in Section 4 hereof.
- c) In its deliberation, the Rules Change Committee shall –
  - i) take into account any information and document which it reasonably considers to be relevant for its consideration of the proposal;
  - ii) consult with persons who are likely to be affected by the proposal;
  - iii) seek such information and views from any person with expertise on the subject matter of the proposal;
  - iv) in the event of approval of the urgent rules change, provide the reasons for its adoption; and
  - v) in the event of rejection of proposal for urgent rules change, provide the reasons for its rejection.
- d) A majority of those present in the Rules Change Committee meeting called for such purpose stated in Section 7.2 (a) and (b) shall be sufficient to render a decision. Thereafter, the Rules Change Committee shall submit its resolution to the PEM Board which shall contain justification for approval or non-approval of the proposed amendments taking into consideration the following:
  - i) an assessment of the impact of the urgent amendment on prices and reliability and quality of electricity service, and the nature of the impact; and
  - ii) record of votes and summary of objections, if any, of each member of the Rules Change Committee, in respect of each recommendation made.



### 7.3 ACTION BY THE PEM BOARD

- a) Upon receipt of the resolution from the Rules Change Committee, the PEM Board shall immediately convene in one or more occasions as may be necessary to evaluate the approval by the Rules Change Committee of the proposal. The Board shall render its decision not more than five (5) calendar days from transmittal of the Rules Change Committee resolution.
- b) If the PEM Board determines that the approval of the Rules Change Committee is warranted, it shall:
  - i) ratify the action of the Rules Change Committee or with such modifications as it deems proper; and
  - ii) render a report of the amendment to the DOE.
- c) If the PEM Board determines that the approval of the urgent amendment is not warranted, it shall notify the Rules Change Committee, the proponent, the parties who made written submissions, the DOE and the Energy Regulatory Commission (the “ERC”) of its decision and the reasons for rejection, within ten (10) working days from the date of the decision in which case, the approval of the Rules Change Committee shall be deemed vacated within twenty-four (24) hours from such reversal. In its discretion, the PEM Board may return the proposal to the Rules Change Committee for consideration as a general amendment and in accordance with the procedure for such amendments.
- d) If the PEM Board determines that, notwithstanding, the rejection of the Rules Change Committee of the proposal for urgent amendment it is of the opinion that rules change is warranted, the PEM board shall thereupon approve the proposal or make such modifications therein as may be necessary.

### 7.4 EFFECTIVITY OF URGENT AMENDMENT

- a) The approved urgent amendment shall become effective within twenty-four (24) hours upon publication of the relevant Rules and/or *Market Manual(s)* in the market information website and Governance Arm website. The Governance Arm and *Market Operator* shall issue an advisory to the participants of the date of its effectivity. The Governance Arm and *Market Operator* shall publish the amendments within twenty-four (24) hours from its approval and advisories shall be made through email, the market information website and the Governance Arm website.
- b) The amendment shall be effective for a period of not more than six (6) months from publication provided for under subsection (a) hereof or until such time that a general amendment on the same matter has been approved and become effective, whichever comes first.
- c) Actions taken pursuant to or in reliance of an urgent amendment, provided the action is taken within the effectivity period, shall be valid and shall have force and effect notwithstanding that the amendment is subsequently revised or overturned by the PEM Board or by a general amendment.

- d) The PEM Board, Rules Change Committee or any working group shall not be liable to any participant for any urgent amendments made under this section which subsequently has been reversed under Section 7.5 of this Manual or by any appropriate body.
  - e) Any participant who acted in reliance with any rules change under this Section shall not be held liable to other participants, provided, however, that such participant relying on such rules change shall be held responsible for ascertaining the rules' continued effectivity as provided under Section 7.4 (b) of this Manual.
  - f) Within ten (10) days from ratification by the *PEM Board* of the urgent amendment or upon approval by the *PEM Board*, the *Rules Change Committee* shall notify and invite all *WESM Members* and all other interested parties of the amendment to make written submissions as a general amendment in accordance with Section 6 hereof. After one (1) billing period but no later than ninety (90) calendar days from the *PEM Board's* approval, the Market Assessment Group shall prepare and submit to the *Rules Change Committee*, copy furnished the *PEM Board* and the *DOE*, an assessment report on the implementation of the approved urgent amendments. Thereafter, the *Rules Change Committee* shall deliberate on the written submissions received to consider the urgent amendment as a general amendment in accordance with Section 6 hereof.
  - g) On the basis of the assessment conducted by the Market Assessment Group, the *PEM Board* may extend the effectivity of urgent amendments only once for up to six (6) months and shall inform the *DOE* of such extension.
- 7.5 Within ten (10) days from ratification by the *PEM Board* of the urgent amendment or upon approval by the *PEM board*, the *Rules Change Committee* shall notify and invite all *WESM Members* and all other interested parties of the amendment to make written submissions and shall thereafter proceed to consider the amendment as a general amendment in accordance with Section 6 hereof.

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| <b>SECTION 8</b> | <b>EFFECTIVITY OF MINOR AND GENERAL AMENDMENTS</b> |
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General and Minor amendments to the *WESM Rules*, *Retail Rules* and *Market Manual(s)* approved by the *DOE* shall take effect fifteen (15) working days from its publication in two (2) newspapers of general circulation, or on such later date as determined by the *DOE*, or upon such time that the amendments may be implemented. Urgent amendments to the *WESM Rules* shall take effect in accordance with Section 7.4 of this Manual.

## SECTION 9 REPORTS AND RECORDS

### 9.1 SEMESTRAL REPORT

Every end of January and July of each year, the Rules Change Committee shall make available to the PEM Board and the WESM Members a report, which sets out:

- a) All proposals which have been submitted in the previous six-month period;
- b) The progress of proposals in accordance with the procedures prescribed in this Manual;
- c) The reason for any delays in the consideration of the proposals and any action the Rules Change Committee, the PEM Board or the DOE has taken to overcome those delays; and
- d) Any other matter which the Rules Change Committee, the PEM Board or the DOE reasonably consider to be relevant to the progress of the pending proposals, including but not limited to any policies developed by the Rules Change Committee, the PEM Board or the DOE in relation to:
  - i) The way in which it intends to deal with any procedure specified in this Manual; and
  - ii) The facts matters or circumstances which the Rules Change Committee, the PEM Board or the DOE may take into account in making a decision and otherwise discharging its functions and obligations under this Manual
- e) Provided that nothing in this Section is to be taken to limit the exercise by the Rules Change Committee, the PEM Board or the DOE, as the case may be, of its discretion under this Manual.

### 9.2 CUSTODIAN OF RECORDS

The Head of the *Rules Change Committee* Secretariat shall have official custody and be in-charge of the records prepared for or in connection with the rules change process, including but not limited to the journal, resolutions, and minutes of deliberations of the *Rules Change Committee* or the *PEM Board*. The Governance Arm shall keep and maintain the official version of all the amendments made pursuant to this *Market Manual*.

## SECTION 10 REVIEW OF RULES CHANGE PROCEDURES AND OF COMMITTEE PROCEEDINGS

The PEM Board may review, from time to time, the work and proceedings of the Rules Change Committee and issue to the Rules Change Committee such directions as the PEM Board from time to time determines appropriate. Such directions may relate to one or more proceedings

respecting particular proposals, review of the WESM Rules, or may be of more general application. The Rules Change Committee shall comply with such directions.

## **SECTION 11      AMENDMENTS, PUBLICATION AND EFFECTIVITY**

### **11.1      AMENDMENTS**

Any amendments to this Manual shall be approved by the DOE, following the procedures for changes to Market Manuals set out in the WESM Rules and in the relevant Market Manual.

### **11.2      PUBLICATION AND EFFECTIVITY**

This *Market Manual*, as it may be amended from time to time, shall be published in the Governance Arm and market information website for reference of the stakeholders.

This Market Manual or any amendments thereto shall become effective upon approval of the DOE in accordance with WESM Rules Clause 8.6.4. The date of effectivity shall be indicated in this document.