



PUBLIC

WESM Manual

# Guidelines Governing the Constitution of the WESM Governance Committees

Issue 5.0 | WESM-WGC

This Market Manual sets out the qualifications and disqualification of members of the WESM Governance Committees and the process of their selection and appointment.

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

## Document Change History

<b>Issue No.</b>	<b>Modifier</b>	<b>Date of Effectivity</b>	<b>Synopsis/Reason for Change</b>
1.0	TWG Legal and Regulatory Sub-committee		Initial Release
2.0	<p>Proposed changes were drafted by the Special Working Group composed of the Corporate Secretary, representatives of DOE and PEMC-Office of the President.</p> <p>The Special Working Group was created by the PEMC Board, through Resolution 2009-49 on October 28, 2009 during their 40<sup>th</sup> Meeting.</p>		<ul style="list-style-type: none"> <li>▪ To harmonize the provisions of the guidelines with the WESM Rules or the EPIRA and its IRR, prescribing minimum requirements to qualify as member of the Committees, conduct of business, among others.</li> <li>▪ To establish additional policies, guidelines and clarification to improve the administration of the different PEM Committees.</li> </ul>
3.0	Technical Committee	15 June 2017	Clarifications on the procedures of the Technical Committee
	PEMC	26 June 2021	Revised formatting for the commencement of the enhanced WESM design and operations per DOE Department Circular No. DC2021-06-0015.
4.0	PEMC	23 October 2021	To clarify the roles and functions of the PEM Board, the Enforcement and Compliance Office, the Market Surveillance Committee, the Compliance Committee, and other WESM organizational units that are involved in the enforcement and compliance processes in the WESM.
5.0	PEMC	08 January 2023	To incorporate (1) Policies under the DOE Circulars issued on WESM Governance; (2) Changes to relevant parties involved in WESM Governance; (3) Targeted scope of the Guidelines, which is solely the WESM Governance Committees; and (4) Updated document structure for Market Manuals.

## Document Approval

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

## Reference Documents

Document ID	Document Title
	EPIRA and its IRR
	WESM Rules
	PEMC Articles of Incorporation and By-Laws

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## SECTION 1. DEFINITION OF TERMS

- 1.1 Unless otherwise defined in this section or the context provides otherwise, the terms used in this *Market Manual* shall bear the same meaning as defined in the *WESM Rules*.
- 1.2 The following terms and expressions shall have the meanings set forth below:
- (a) **Applicable Laws and Rules.** Include the *EPIRA* and its Implementing Rules and Regulations, the *WESM Rules*, the *Philippine Grid Code*, *Philippine Distribution Code* and all other laws, rules and regulations relating to or affecting the *WESM*.
  - (b) **Governance Arm Website.** The facility established by the *Governance Arm* to publish information, which is available to and may be accessed by *WESM Members* and the public.
  - (c) **Guidelines.** This document otherwise called: "Guidelines Governing the Constitution of the *WESM Governance Committees*."
  - (d) **Person.** A natural person.
  - (e) **Sector.** Refers to the Generation, Distribution, Transmission, or Supply Sector.
- 1.3 **Rules of Construction.** Unless the context otherwise requires:
- (a) The Applicable Laws are incorporated herein by reference.
  - (b) Words importing the singular include the plural and vice versa.
  - (c) Section headings are for convenience only and do not affect the interpretation of these *Guidelines* and the *WESM Rules*.
  - (d) In the event that any capitalized terms above or any provision in this *Guidelines* conflict with the *WESM Rules*, the latter shall govern.
  - (e) A rule or provision which defines a term without express reference to *EPIRA* or the *WESM Rules*, or to a portion thereof, defines such term for all purposes as used in *EPIRA* and in the *WESM Rules*.

## SECTION 2. FORMATION OF THE COMMITTEES

2.1 **WESM Governance Committees.** The *PEM Board* shall form working groups and appoint qualified personnel who shall act as the following:

- (a) *PEM Audit Committee;*
- (b) *Market Surveillance Committee;*
- (c) *Technical Committee;*
- (d) *Rules Change Committee;* and
- (e) *Dispute Resolution Administrator;* and
- (f) *Compliance Committee.*

2.2 The *PEM Board* shall approve an annual budget allocation for the *WESM Governance Committees*, in support of their duties and functions.

2.3 The *WESM Governance Committees* shall primarily assist the *PEM Board*, the *DOE*, and the *ERC* in the formulation of policies that will help in the achievement of the *WESM* objectives of establishing a sustainable, competitive, efficient, transparent, and reliable market for electricity where:

- (a) An atmosphere of transparency and fair competition exists among *WESM Members*;
- (b) Trading of electricity is facilitated among *WESM Members* within the *Spot Market*;
- (c) Qualified third parties are granted Open Access to the *power system* in accordance with the *EPIRA*;
- (d) Prices are governed as far as practicable by commercial and market forces; and
- (e) Efficiency is encouraged.

2.4 All *WESM Governance Committees*, in the performance of its functions, shall be guided by the provisions of and principles under the *EPIRA* and its implementing rules and the *WESM Rules*. Each *WESM Governance Committee* shall establish *Market Manuals* to govern their respective operations geared towards achieving the purpose for which said *WESM Governance Committees* have been created.

The said manual, upon approval of the *PEM Board* and promulgation by the *DOE*, shall have the force and effect of the rules and regulations of the *WESM* as *Market Manual*.

- 2.5 **DOE Representation in the WESM Governance Committees.** The *Department of Energy* as the agency primarily responsible to implement the *EPIRA* and its implementing rules and the *WESM Rules* shall be represented in all *WESM Governance Committees* for the purpose of facilitating and providing policy support and guidance for the development of the *WESM*.
- 2.6 **Other Resolutions.** Except as may otherwise be provided in the *WESM Rules*, in any *Market Manual* or in the PEMC's Articles of Incorporation and By-Laws, the *PEM Board* may prescribe, among others:
- (a) Any additional duties and responsibilities of the Committees;
  - (b) Changes in or fix the remuneration to be paid to members of the Committees;
  - (c) Any revisions, amendments, supplements or improvement on the provisions relating to or the establishment of ethical standards to be observed by members of the Committees;
  - (d) The terms and conditions of the confidentiality agreement to be entered into by members of the Committees;
  - (e) The terms and conditions of agreements prohibiting Independent Members to accept or agree employment or contract services with another party which may conflict with the performance of Independent Member's obligation as members of the Committees;
  - (f) The terms and conditions upon which the Committee may employ services of a consultant or an expert; and
  - (g) The manner in which the activities of the Committees may be audited.

### **SECTION 3. VACANCY, NOMINATION, SELECTION AND APPOINTMENT OF WESM GOVERNANCE COMMITTEE MEMBERS**

#### **3.1 Vacancy**

3.1.1 A position in a *WESM Governance Committee* is rendered vacant due to any of the following circumstances:

- (a) Expiration of term of office, subject to Section 3.9 below on Hold-Over;

- (b) Death;
- (c) Resignation; and
- (d) Removal from office, upon two-thirds (2/3) votes of the Board of Directors constituting a quorum due to:
  - (i) Disqualification or failure to meet the qualification requirements provided herein;
  - (ii) Illness or disability which requires recovery for more than three (3) months or any similar circumstance;
  - (iii) Just and lawful reasons as the *PEM Board* may determine after notice and hearing and through a resolution, excluding those who abstain voluntarily or are required under the PEMC's Articles of Incorporation and By-Laws to abstain; and
  - (iv) Conduct unbecoming of a member of the Committee in accordance with Section 10 of this *Guidelines*.

3.1.2 Any vacancy shall be filled by an appointment by the *PEM Board* and the appointee shall serve only the unexpired portion thereof.

## 3.2 **Nomination**

- 3.2.1 In case of a vacancy, the concerned *WESM Governance Committee* Chairperson, any member thereof, or PEMC shall give notice to *the PEM Board* immediately upon occurrence of such vacancy or within one month prior to the effectivity of the expiration of term of office of the concerned member.
- 3.2.2 The *PEM Board* shall then cause the publication of notice of such vacancy or solicit nominations for the position.
- 3.2.3 Nominations shall be submitted to the *PEM Board* or to any person designated by the *PEM Board*.
- 3.2.4 All nominations shall be in a form (Appendix [A]) and manner as may be prescribed by the *PEM Board*.
- 3.2.5 Nominations for sectoral representatives shall come from the respective *Sectors* to be represented in the Committee in accordance with this *Guidelines* or applicable rules.

- 3.2.6 A *WESM Member* represented in, or nominated to, more than one *Sector* shall choose only one *Sector* to represent and must accordingly withdraw or decline the nomination/s in the other *Sector/s*.
- 3.2.7 A qualified individual may apply as an Independent Member in any Committee where one is required.
- 3.2.8 Independent Members may also be nominated by any organization not affiliated with any *Sector*.

### 3.3 Selection

- 3.3.1 The *PEM Board* shall pre-screen and shortlist all candidates nominated to become a member of the relevant Committee in accordance with the qualifications and disqualifications set forth in this *Guidelines* and applicable laws and rules.
- 3.3.2 In the determination of the list of candidates, the *PEM Board* may consider foreign professionals, if and only if during the pre-screening and evaluation process, they have proven that such professional is known to be an outstanding expert or specialist in the particular field and that the services of such foreigner is urgently necessary either for lack of local experts or if his/her service will promote the advancement of the *Spot Market*.

The foreign professional should comply with the applicable labor, immigration, and tax laws and regulations of the Philippines, for his or her practice, and shall furnish the *PEM Board* of proof of compliance thereof.

- 3.4 **Publication of Nominees.** Upon screening of the nominees submitted within the allowable time as prescribed by the *PEM Board*, the latter shall cause the publication of the list of the qualified nominees in the *Governance Arm Website*.
- 3.5 **Interview of the Nominees.** After the publication of the shortlisted nominees and upon verification and resolution of opposition thereof, if any, the *PEM Board* may opt to conduct further assessment of the shortlisted nominees through personal interview or any other means as the *PEM Board* may consider appropriate. The *PEM Board* shall rate them in accordance with a scoring system provided for this purpose.
- 3.6 **Appointment of WESM Governance Committee Members and Chairpersons.** The *PEM Board* shall appoint the members and the Chairpersons of the *WESM Governance Committees* from among the list of qualified nominees.

- 3.7 **Declaration/Undertaking.** No person shall commence or continue to assume office as a member of any of the Committees unless a duly accomplished form of undertaking (Appendix [B]) has been submitted.
- 3.8 **Periodic evaluation of qualification and performance.** The *PEM Board* shall require a regular assessment and report of the performance and qualifications of all members of the Committees consistent with Section 11.3 of this *Guidelines*.
- 3.9 **Hold-Over Provision.** Any member of a Committee whose appointment has expired shall continue to hold office, with all the rights and obligation attached to the position, until his/her replacement has been duly appointed.

## **SECTION 4. QUALIFICATIONS, DISQUALIFICATIONS, AND CRITERIA FOR WESM GOVERNANCE COMMITTEE MEMBERS**

- 4.1 **Common Qualifications.** In addition to the specific requirements provided under this *Guidelines* and pertinent laws and rules, each member of a *WESM Governance Committee* shall possess the following qualifications:
- (a) Must be a natural person;
  - (b) Must be of legal age;
  - (c) Must be of sound mind; and
  - (d) Must at least be a college graduate, and with at least ten (10) years of relevant experience in their field of expertise.
- 4.2 **Disqualification.** The following persons are disqualified from being appointed as a member of any of the *WESM Governance Committees*:
- (a) Those convicted by final judgment, local or overseas, for an offense involving moral turpitude or fraudulent act or transgression;
  - (b) Those convicted by final judgment to have intentionally violated, or willfully aided, abetted, counseled, caused or induced another to commit a violation of any of the Applicable Laws;
  - (c) Those judicially declared to be insolvent, whether local or overseas;

- (d) Those convicted by final judgment, local or overseas, for an offense punishable by imprisonment for a period exceeding six (6) years and more;
- (e) Those with permanent residence in a foreign country or those who have acquired the right to reside abroad and continue to avail of the same right after appointment in the Committee.
- (f) Those removed from office, private or government, as a result of an administrative case; or
- (g) Other grounds as may be duly determined by the *PEM Board* or pertinent rules and regulations.

**4.3 Criteria for Independence.** A person shall be deemed Independent if that person:

- (a) Is not a director, officer, employee, contractor, consultant, agent, adviser, legal counsel, manager, or shareholder of a *WESM Member*, the *Market Operator* or *System Operator*;
- (b) Is not a spouse or relative of a person within the fourth civil degree of consanguinity or affinity of a director, officer, manager or shareholder of a *WESM Member*, the *Market Operator*, or *System Operator*, or an official or employee of Philippine government, its agencies or instrumentalities;
- (c) Is not an officer, manager, director, shareholder, agent, employee, consultant, adviser, legal counsel, or contractor of, or is not a person that directly or indirectly through one or more intermediary controls, or is controlled by a company, affiliate, or any other entity related to or associated with a *WESM Member*, the *Market Operator*, or *System Operator* where:
  - (i) A related company or body is a parent, holding company, subsidiary or affiliate of the *WESM Member*, the *Market Operator*, or *System Operator*;
  - (ii) An associate is a person who is a director, officer, manager or shareholder of that related company or entity or a relative of such a person within the fourth civil degree of affinity or consanguinity; and
  - (iii) An affiliate is any person that, alone or together with any other person, directly or indirectly through one or more intermediaries controls or is controlled by, or is under the common control with another person. The term shareholder shall exclude a member of an electric cooperative who is not involved in its operation and management and an end-user required to subscribe to or purchase a share in a distribution utility as an incident to the provision of service by the same distribution utility, and provided that the interest of the end-user is not more than the minimum required to avail of the distribution utility's service;
- (d) Is not an official or employee of the Philippine government, or its agencies or instrumentalities, but this will not apply to members of the academe in public schools and universities; and

- (e) Has not been employed as an officer, whether in a supervisory or managerial capacity, by any electric power industry participant, or a company within one (1) year prior to their nomination date.

## SECTION 5. PEM AUDIT COMMITTEE

5.1 **Composition.** The *PEM Audit Committee* shall consist of at least three (3) members, headed by the Chairperson, with qualifications as prescribed under this *Guidelines* and pertinent rules. All members of the *PEM Audit Committee* shall be Independent as defined in this Manual.

5.2 **Appointment.** The *PEM Board* shall appoint the members and the Chairperson of the *PEM Audit Committee*.

The *PEM Board* shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the *PEM Audit Committee* covers the areas of their concerned functions and responsibilities.

5.3 **Qualifications.** In addition to the qualification requirements under other provisions of this *Guidelines* and pertinent laws and rules:

- (a) Members of the *PEM Audit Committee* must have sufficient relevant experience in one or more of the following fields:
  - (i) Power industry;
  - (ii) Economics;
  - (iii) Risk management;
  - (iv) Information technology and information systems; and/or
  - (v) In such other fields as may be relevant to and required in the performance of the responsibilities of the *PEM Audit Committee*.
- (b) Members of the *PEM Audit Committee* must be Independent of the Philippine electric power industry.

5.4 **Responsibilities.** The *PEM Audit Committee* shall:

- (a) Be responsible for the conduct of audits of the procedures, persons, systems of the *Market Operator* and the *Metering Services Providers*, as they are relevant to the *Spot Market* or as may be deemed necessary by the *PEM Audit Committee*;

- (b) Test and check any enhancements or updates in the market infrastructure including any new items or version of software provided by the *Market Operator* for use by *WESM Members*;
- (c) Review any procedures and practices which are covered by the *WESM Rules* at the direction of the *PEM Board*;
- (d) Recommend changes to the *WESM Rules*, Retail Rules and relevant *Market Manuals* where the *PEM Audit Committee* identified deficiencies as a consequence of an audit, review, test, check or other forms of review;
- (e) Review the security arrangements and requirement of metering installations in consultation with the *Market Operator* and *Metering Service Providers*;
- (f) Publish in the *Governance Arm Website* the results of any audit findings and corresponding recommendations to address the same; and
- (g) Perform all other functions and duties referred to in the *WESM Rules* and in accordance with applicable laws and rules.

**5.5 Term of Office.** The term of office of each member of the *PEM Audit Committee* shall be for three (3) years; provided that the initial members of the *PEM Audit Committee* shall be appointed for the following terms: The Chairperson for three (3) years; one member for two (2) years and the other member for one (1) year. The members of the *PEM Audit Committee* may be eligible for reappointment but in no case shall a member serve for more than three (3) consecutive terms.

Service by a member for less than one year shall not be considered one term.

**5.6 Conduct of Business, Voting and Procedures.** The *PEM Audit Committee* may adopt its internal procedures in accordance with the purpose for which it is created and shall always be consistent with the *EPIRA*, the *WESM Rules*, and this *Guidelines*.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The majority vote of all members is required to constitute a valid Committee decision. Thus, in case of absence of a member, or a vacancy, no decision shall be valid except made by a unanimous vote of all members present.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.

- (d) In case of absence of the Chairperson for a particular meeting, any member may temporarily act as Chairperson.
- (e) In case of permanent vacancy in the position of the Chairperson, the members shall elect from among themselves an acting Chairperson so as not to interrupt its proceedings or operations, subject to subsequent reporting to and approval of the *PEM Board*. The Acting Chairperson herein appointed shall serve until a new one is appointed in accordance with this *Guidelines*.
- (f) In the event of a tie, the Chairperson of the Committee shall be entitled to a second or casting vote.

## SECTION 6. MARKET SURVEILLANCE COMMITTEE

6.1 **Composition.** The *Market Surveillance Committee* shall consist of at least five (5) members.

6.2 **Appointment.** The *PEM Board* shall appoint the members and the Chairperson of the *Market Surveillance Committee*.

The *PEM Board* shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the *Market Surveillance Committee* covers the areas of their concerned functions and responsibilities.

6.3 **Qualifications.** In addition to the qualification requirements under the other provisions of this *Guidelines* and pertinent laws and rules:

- (a) A member of the *Market Surveillance Committee* must have sufficient relevant experience in one or more of the following areas:
  - (i) Competitive wholesale electricity markets or financial or commodity markets;
  - (ii) Philippine law and regulations pertaining to electricity;
  - (iii) Competition laws and policies;
  - (iv) Power system operations;
  - (v) Economics; and/or
  - (vi) In such other fields as may be relevant to and required in the performance of the responsibilities of the *Market Surveillance Committee*.
- (b) Members of the *Market Surveillance Committee* must be Independent of the Philippine electric power industry and of the Government.

6.4 **Responsibilities.** The *Market Surveillance Committee* is tasked to monitor and report on activities in the *Spot Market* in accordance with the *WESM Rules* and shall have the following specific duties and functions:

- (a) Monitor activities conducted by the *WESM Members* in the *Spot Market*.
- (b) Prepare periodic reports, which outline:
  - (i) Activities of *WESM Members* in the *Spot Market*;
  - (ii) Apparent or suspected incidents of anti-competitive behavior by any *WESM Member*;
  - (iii) Matters concerning the operation of the *Spot Market* generally, which reports, upon its completion, shall be submitted to the *PEM Board*, the *DOE* and *ERC*, subject to Clause 5.3 of the *WESM Rules*.
- (c) Assist the *PEM Board* or the *Enforcement and Compliance Office* to investigate and gather evidence of:
  - (i) Unusual or suspicious behavior or activities of *WESM Members* in the *Spot Market*;
  - (ii) Suspected or alleged breaches of the *WESM Rules* by *WESM Members*; and
  - (iii) Suspected or alleged anti-competitive behavior.
- (d) From time to time, if the *Market Surveillance Committee* in its discretion deems necessary or appropriate, propose amendments to the *WESM Rules* with a view to:
  - (i) Improve the efficiency and the effectiveness of the operation of the *WESM*;
  - and
  - (ii) Improve or enhance the prospects for the achievement of the *WESM* objectives.
- (e) Assist the *Rules Change Committee* in relation to its assessment of proposals to amend the *WESM Rules* relative to market behavior concerns.
- (f) Review any decision by the *Market Operator* to impose or relax constraints under Clauses 3.5.13.1 or 3.5.13.2 of the *WESM Rules* at the request of the *Market Operator*, the *System Operator* or any *WESM Member*.
- (g) Upon the occurrence of one or more of the events described in Clause 6.9.4.1 of the *WESM Rules*, investigate the circumstances of that event and prepare a report to assess:
  - (i) The adequacy of the relevant provisions of the *WESM Rules* in relation to the event or events which occurred;

- (ii) The appropriateness of actions taken by the *System Operator* and the *Market Operator* in relation to the event or events which occurred;
  - (iii) The costs incurred by *WESM Members* as a consequence of responding to the event or events; and
  - (iv) Any finding of potential fault of any *WESM Participant* including a preliminary recommendation for further evaluation by the *PEM Audit Committee*.
- (h) Design and promulgate the penalty levels and the appropriate range of penalties, for breaches and non-compliance of *WESM Rules*, anti-competitive behavior, and abuse of market power.
- (i) The *Market Surveillance Committee* shall perform all other functions and duties referred to in the *WESM Rules* and in accordance with applicable laws and rules.

**6.5 Term of Office.** The term of office of each member of the *Market Surveillance Committee* shall be for three (3) years: provided that the initial members of the Committee shall be appointed for the following terms: (i) the Chairperson for three (3) years; two members for two (2) years; and the remaining two members for one (1) year. The members of the *Market Surveillance Committee* may be eligible for reappointment but in no case shall a member serve for more than three (3) consecutive terms.

Service by a member for less than one year shall not be considered one term.

**6.6 Conduct of Business, Voting and Procedure.** The *Market Surveillance Committee* may adopt its own internal procedures in accordance with the purpose for which it is created and always consistent with the *EPIRA*, the *WESM Rules*, and this *Guidelines*.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid Committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.

- (e) In case of permanent vacancy in the position of the Chairperson, the members shall elect from among themselves an acting Chairperson so as not to interrupt its proceedings or operation, subject to subsequent reporting to and approval of the Board. The Acting Chairperson herein appointed shall serve until a new one is appointed in accordance with this *Guidelines*.
- (f) In the event of a tie, the Chairperson of the Committee shall be entitled to a second or casting vote.

## SECTION 7. RULES CHANGE COMMITTEE

7.1 **Composition.** The *Rules Change Committee* shall consist of 15 members:

- (a) One (1) member representing the *Market Operator*;
- (b) One (1) member representing the *Transmission Sector*;
- (c) Four (4) members representing the Distribution Utilities, two (2) of whom coming from the Electric Cooperatives, and the other two (2) from private utilities registered under the *WESM Rules*;
- (d) One (1) member representing the *Supply Sector* registered under the *WESM Rules*;
- (e) Four (4) members representing the *Generation Sector* registered under the *WESM Rules*; and
- (f) Four (4) Independent Members.

7.2 **Appointment.** The *PEM Board* appoints the members and the Chairperson of the *Rules Change Committee*.

The Chairperson of the *Rules Change Committee* shall be chosen from among the Independent Members of the Committee.

The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the *Rules Change Committee* covers the areas of their concerned functions and responsibilities.

7.3 **Qualifications.** In addition to the qualification requirements under other provisions of this *Guidelines* and pertinent laws and rules:

- (a) A member of the *Rules Change Committee* must:

(i) have a level of technical or commercial knowledge and expertise in the operation of power systems and electricity markets;

(ii) not be a Director of the *PEM Board*;

(iii) be a director, officer or an employee of a registered *WESM Member*, in the Sector which such member represents, the *Market Operator*, or *System Operator*; and

(iv) not have any of the disqualifications under Section 4.2 of this Guidelines.

(b) In no event shall a company, firm or business have more than one representative in the *Rules Change Committee* within the same Sector and neither shall a company, firm or business which is already represented in the Committee in one Sector be represented by an individual in any other Sector regardless of whether the company, firm or business has interests or is a member in more than one *Sector*.

(c) The *PEM Board* shall from time to time appoint a Chairperson of the *Rules Change Committee* from among the Independent members of the Committee.

**7.4 Responsibilities.** The *Rules Change Committee*, tasked to assist the *PEM Board* and the *DOE* in relation to the revision and amendment of the *WESM Rules* in accordance with Chapter 8 of the *WESM Rules*, and the formulation, revision and amendment of market manuals, procedures and guidelines, shall have the following specific duties and functions:

(a) Assess whether the rule modification proposals are:

(i) Consistent with the *WESM* objectives;

(ii) Feasible;

(iii) Not unreasonably costly to implement;

(iv) A more appropriate or better means of achieving the criteria set out in paragraphs (i) to (iii) above, where the effect of the change to the *WESM Rules* will be to replace an existing rule; and

(v) Made in accordance with Chapter 8 of the *WESM Rules*.

(b) Submit proposed rules change to the *PEM Board* for approval.

(c) Develop and make available to *WESM Members* a periodic report required under the *WESM Rules*.

- (d) The *Rules Change Committee* member shall be responsible to give information or accordingly keep their respective *Sectors* properly updated on any or all matters involving rules change or WESM/Market concerns.
  - (e) The *Rules Change Committee* shall perform all other functions and duties referred to in the *WESM Rules* and in accordance with applicable laws and rules.
- 7.5 **Term of Office.** The term of office of the members of the *Rules Change Committee* shall be for three (3) years. The members of the *Rules Change Committee* may be eligible for reappointment but in no case shall a member serve more than three (3) consecutive terms.

Service by a member for less than one year shall not be considered one term.

#### 7.6 **Vacancy**

In addition to the requirements in Section 3.1.2 in filling up the vacancy, the *PEM Board* shall appoint a person belonging to the same Sector or membership category under Section 7.1, following the nomination and selection process as provided under this *Guidelines*.

#### 7.7 **Conduct of Business, Voting and Procedure.** The *Rules Change Committee* may adopt its own internal procedure in accordance with the purpose for which it is created and always consistent with the *EPIRA*, the *WESM Rules*, and this *Guidelines*.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid Committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.
- (e) In case of permanent vacancy in the position of the Chairperson, the members shall elect from among themselves an acting Chairperson so as not to interrupt its proceedings or operation, subject to subsequent reporting and approval of the *PEM Board*. The Acting Chairperson herein appointed shall serve until a new one is appointed in accordance with this *Guidelines*.

- (f) In the event of a tie, the Chairperson of the Committee shall be entitled to a second or casting vote.
  - (g) *Rules Change Committee* Members cannot vote by proxy at *Rules Change Committee* meetings.
- 7.8 **Additional Ground for Termination.** In addition to grounds for termination of services and/or disqualification set forth under other provisions of this *Guidelines*, and pertinent laws and rules, the *PEM Board* may remove a member of the *Rules Change Committee* at any time if the person ceases to represent the *Sector* to which he has been appointed.

#### 7.9 **Nomination**

- (a) All nominees to the *Rules Change Committee* shall be submitted to *the PEM Board* by the respective *Sector* which is intended to be represented therein.
- (b) If a person is nominated in more than one *Sector*, the *PEM Board* shall have the discretion to require additional documentary evidence or other requirements to ensure that such nominee represents the best interest of the *Sectors*, and decide which *Sector* the nominee is most qualified for.

## SECTION 8. TECHNICAL COMMITTEE

- 7.1 **Composition.** The *Technical Committee* shall consist of seven (7) members:
- (a) Three (3) Independent Members;
  - (b) One (1) member representing the *System Operator*;
  - (c) One (1) member representing the *Market Operator*;
  - (d) One (1) member representing the *Generation Sector* registered under the *WESM Rules*; and
  - (e) One (1) member representing the *Distribution Sector* registered under the *WESM Rules*.

The Chairperson of the *Technical Committee* shall be an Independent Member

- 7.2 **Appointment.** The *PEM Board* shall appoint the members and the Chairperson of the *Technical Committee*.

The *PEM Board* shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the *Technical Committee* covers the areas of their concerned functions and responsibilities.

The Chairperson of the *Technical Committee* shall be chosen from among the independent members of the Committee.

7.3 **Qualifications.** In addition to the qualification requirements under Section 4.3 of this *Guidelines* and pertinent laws and rules, the Independent Members of the *Technical Committee* shall have sufficient relevant experience in one or more of the following areas:

- (a) Electrical Engineering, with expertise in the power industry;
- (b) Information Technology;
- (c) Economics; or
- (d) Such other fields as may be relevant to and required in the performance of the responsibilities of the *Technical Committee*.

7.4 **Responsibilities.** The *Technical Committee*, tasked to monitor and review technical matters under and in relation to the *WESM Rules*, the *Grid Code* and *Distribution Code*, shall have the following specific duties and functions:

- (a) Monitor technical matters relating to the operation of the *Spot Market*;
- (b) Provide a report on any matter of a technical nature relating to any *WESM Member* which in the reasonable opinion of the *Technical Committee*, causes:
  - (i) That *WESM Member* to be unable to comply with the *WESM Rules*; or
  - (ii) Unintended or distortionary effects to the operation of the *WESM*;
- (c) Assist the *PEM Board* by providing expertise in relation to:
  - (i) Information technology;
  - (ii) Metering technology and metering data; and
  - (iii) Any other matter of a technical nature relating to the *Spot Market*;
- (d) Propose amendments to the *WESM Rules* in relation to technical matters, with a view to:
  - (i) Improve the efficiency and the effectiveness of the operation of the *Spot Market*; and
  - (ii) Improve or enhance the prospects for the achievement of the *WESM* objectives;
- (e) Assist the *Rules Change Committee* in relation to its assessment of proposals of a technical nature to amend the *WESM Rules*.
- (f) Perform all other functions and duties referred to in the *WESM Rules* and in accordance with applicable laws and rules.

7.5 **Term of Office.** The term of office of each member of the *Technical Committee* shall be for three (3) years. The members of the *Technical Committee* may be eligible for reappointment but in no case shall a member serve for more than three (3) consecutive terms.

Service by a member for less than one year shall not be considered one term.

#### 7.6 **Conduct of Business, Voting and Procedures**

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The majority of those present constituting a quorum shall be sufficient for a valid committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.
- (e) In case of permanent vacancy in the position of the Chairperson, the members shall elect from among themselves an acting Chairperson so as not to interrupt its proceedings or operation, subject to subsequent reporting and approval of the Board. The Acting Chairperson herein appointed shall serve until a new one is appointed in accordance with this Guidelines.

## **SECTION 9. DISPUTE RESOLUTION ADMINISTRATOR**

9.1 **Appointment.** The *PEM Board* shall appoint a person to act as the *Dispute Resolution Administrator*.

9.2 **Qualifications.** In addition to the qualification requirements under other provisions of this *Guidelines*, the *Dispute Resolution Manual* and pertinent laws and rules, the *Dispute Resolution Administrator* must:

- (a) Have a detailed understanding and experience of alternative dispute resolution practice and procedures which do not involve litigation;
- (b) Have the capacity to determine the most appropriate alternative dispute resolution procedures in particular circumstances;

- (c) Have an understanding of the electricity industry;
- (d) Have knowledge and sufficient relevant experience in one or more of the following fields:
  - (i) Operations of wholesale electricity markets;
  - (ii) Economics;
  - (iii) Energy or money market trading or any other commodity market trading;
  - (iv) Power system operations;
  - (v) Philippine law and regulations pertaining to electricity; and/or
  - (vi) In such other fields as may be relevant to and required in the performance of the responsibilities of the *Dispute Resolution Administrator*, and
- (e) Be Independent from the Philippine electric power industry, as defined in the *WESM Rules* and this *Guidelines*.

9.3 **Responsibilities.** The *Dispute Resolution Administrator* is tasked to facilitate the amicable resolution of disputes between parties in accordance with the *WESM* dispute resolution process and, in addition to the responsibilities under applicable rules, shall have the following specific duties and functions:

- (a) To facilitate the mediation and arbitration of disputes between or among the parties as described and identified under *WESM Rules* Clause 7.3.1 and appropriate Market Manual.
- (b) To facilitate the mediation and arbitration of disputes arising from or in connection with or in relation to one or more of the following:
  - (i) The application or interpretation of the *WESM Rules*, including its *Market Manuals*;
  - (ii) A dispute under or in relation to a contract between two or more persons or entities referred to above where that contract provides that the dispute resolution procedures under the *WESM Rules* are to apply to any dispute under or in relation to that contract with respect to the application of the *WESM Rules*;
  - (iii) A dispute under or in relation to other rules and regulations issued by the *DOE* and *ERC* under the Act, where such rules and regulations provide that the dispute resolution procedures under the *WESM Rules* are to apply to any dispute under or in relation to those rules and regulations; or
  - (iv) The failure of an entity or entities to act or behave in a manner consistent with the *WESM Rules*; or

(v) The failure to settle a payment obligation under the WESM Rules.

9.4 **Term of Office.** The *Dispute Resolution Administrator* shall be appointed for a fixed term of five (5) years and shall be eligible for reappointment for one additional fixed term.

Service by the Dispute Resolution Administrator for less than one year shall not be considered one term.

9.5 **Conduct of Business, and Procedure.** The *Dispute Resolution Administrator* shall be guided by the Dispute Management Protocol specified in the Dispute Resolution Manual. The *Dispute Resolution Administrator* may adopt his/her own internal procedures in accordance with the purpose for which it is created and always consistent with the *EPIRA*, the *WESM Rules* and this *Guidelines*.

## SECTION 10. COMPLIANCE COMMITTEE

10.1 **Composition.** The *Compliance Committee* shall consist of three (3) members. The members of the *Compliance Committee* shall all be Independent. At least one (1) member of the Committee shall be a lawyer.

10.2 **Appointment.** The *PEM Board* shall appoint the members and the Chairperson of the *Compliance Committee*. The *PEM Board* shall endeavor to appoint persons with the expertise necessary to ensure that the expertise of the *Compliance Committee* covers its functions and responsibilities.

10.3 **Qualifications.** In addition to the qualification requirements under other provisions of this *Guidelines*, pertinent laws and rules, a member of the *Compliance Committee* must have sufficient relevant experience in one or more of the following fields:

- (a) Competitive wholesale electricity markets or financial or commodity markets;
- (b) Philippine laws and regulations pertaining to electricity;
- (c) Competition laws and policies;
- (d) Power system operations;
- (e) Economics; and/or
- (f) Such other fields as may be relevant for the *Compliance Committee* to perform its tasks.

10.4 **Responsibilities.** The *Compliance Committee* shall from time to time, as necessary, and as appropriate, or whenever the *PEM Board* directs:

- (a) Review reports of investigation of breaches of the *WESM Rules* and *Market Manuals* carried out by the *Enforcement and Compliance Office* and, based on

the results of such investigation, decide on the outcomes of the investigation and recommend imposition of sanctions or penalties if warranted;

- (b) Review and monitor the compliance of *Enforcement and Compliance Office* with the reportorial requirements pursuant to the *WESM Rules*, *Market Manuals*, and other applicable laws, rules, regulations or issuances;
- (c) Review and monitor the compliance by the *Market Operator* and the *System Operator* with their obligations pursuant to the *WESM Rules* and *Market Manuals*, or any coordinating or operating agreements, or protocols which may be established governing the performance of their functions and obligations under the *WESM Rules* and *Market Manuals*;
- (d) Propose amendments to the *WESM Rules* or *Market Manuals* in accordance with Chapter 8 with a view to: (i) improve the efficiency and the effectiveness of the operation of the *WESM*; and (ii) improve or enhance the prospects for the achievement of the *WESM* objectives;
- (e) Assist the *Rules Change Committee* in relation to its assessment of proposals to amend the *WESM Rules* or *Market Manuals* under Chapter 8 of the *WESM Rules*; and
- (f) Perform such other functions as may be required by relevant *Market Manuals*.

**10.5 Term of Office.** The term of office of each member of the *Compliance Committee* shall be for three (3) years. The members of the *Compliance Committee* may be eligible for reappointment but in no case shall a member serve for more than three (3) consecutive terms.

Service by a member for less than one year shall not be considered one term.

**10.6 Conduct of Business, Voting and Procedure.** The *Compliance Committee* may adopt its own internal procedures in accordance with the purposes for which it is created and always consistent with the *EPIRA*, the *WESM Rules* and this *Guidelines*.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid Committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties, provided that there is a quorum; provided that the lack of a lawyer among the remaining members shall not affect the existence of a quorum for the purpose of allowing the Committee to continue to function in the

interim; provided further that, the vacancy shall be filled within the timeline prescribed in this Manual.

- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.
- (e) In case of permanent vacancy in the position of the Chairperson, the members shall elect from among themselves an acting Chairperson so as not to interrupt its proceedings or operation, subject to subsequent reporting to and approval of the *PEM Board*. The Acting Chairperson herein appointed shall serve until a new one is appointed in accordance with this *Guidelines*.
- (f) In the event of a tie, the Chairperson of the Committee shall be entitled to a second or casting vote.

## **SECTION 11. STANDARDS OF CONDUCT FOR MEMBERS OF THE COMMITTEES**

11.1 To enable the *WESM Governance Committees* to discharge their collective responsibilities under the *WESM Rules*, all members shall:

- (a) Maintain independence and objectivity;
- (b) Conduct themselves honestly, fairly, ethically and with integrity;
- (c) Contribute views based on their unique skills and experience;
- (d) Bring to the attention of the *PEM Board* the perspective of the Sector (if any) that they represent, while continuing to act in the best interest of the *WESM*;
- (e) Comply and act consistently with the statutory and contractual obligations of PEMC;
- (f) Perform in a fair and non-discriminatory manner, all functions and duties specifically delegated to him under the *WESM Rules*, any *Market Manuals* or by the *PEM Board*;
- (g) Avoid actual or potential conflicts of interest by refraining from participating in any activity that could:
  - (i) Promote activities in conflict with, or otherwise damaging to, the objectives of the *WESM*;

- (ii) Utilize *WESM* resources, property or know-how, in any outside venture;
  - (iii) Take advantage of their position as member of a *WESM Governance Committee* in the conduct of an outside business; and
  - (iv) Conduct business transactions with *PEMC* or the *Market Operator* in a manner which might be considered against the best interests of *WESM*.
- (h) Promptly declare to the *PEM Board* or to the appropriate Committee to which they belong, any conflicts of interest, potential or actual, and abstain from discussion and voting on any related matter.
  - (i) Report to the *PEM Board* any suspected illegal or unethical behavior of a *WESM Member*; and
  - (j) Keep all confidential information, including proprietary and market sensitive information, confidential and not to use such information for personal gain or benefit.
- 11.2 A breach of any of the foregoing standards of conduct shall be a ground for disqualification under Section 4.2 of this *Guidelines*.
- 11.3 **Performance Evaluation.** The *PEM Board* shall regularly evaluate the performance of the *WESM Governance Committee* in accordance with a standard duly set for this purpose.
- 11.4 **Committee Honoraria.** The *PEM Board* has the authority to formulate company policy and guidelines for the grant of privileges, per diems and other benefits for the *WESM Governance Committee* members and subject to the availability of funds.

## **SECTION 12.        LIMITATIONS        OF        LIABILITIES        AND INDEMNIFICATION**

- 12.1 The Committees and their members shall not be liable for any loss or damage suffered or incurred by a *WESM Member* or any other person as a consequence of any act or omission of those persons in the performance of their functions unless the Committee or its members, as the case may be, acted with malice, manifest partiality, bad faith, gross incompetence or gross negligence.
- 12.2 Except for liability arising out of conduct involving malice, manifest partiality, bad faith, gross incompetence or gross negligence, if any of the Committees or the members thereof is made liable to pay any amount for loss or damage suffered or incurred by any person or entity as a consequence of any of its acts or omissions in

the performance of its duties, the PEMC shall indemnify said persons through an indemnification process to be developed by the PEM Board.

## **SECTION 13. AMENDMENTS**

Any amendments to this Manual on Guidelines Governing the Constitution of the WESM Governance Committees shall be approved by the *DOE*, following the procedures for changes to *Market Manual* set out in the *WESM Rules* and in the relevant *Market Manual*.

## **SECTION 14. PUBLICATION AND EFFECTIVITY**

This *Market Manual*, as it may be amended from time to time, shall be published in the *Governance Arm Website*.

This *Market Manual* or any amendments thereto shall become effective upon promulgation by the *DOE* of the relevant Circular adopting the amendments.

## APPENDIX A – NOMINATION FORM

 <b>PHILIPPINE ELECTRICITY MARKET CORPORATION</b> 8th Floor, Robinsons Equitable Tower, ADB Avenue cor. Poveda St., Ortigas Center 1605, Pasig City Telephone No.: 6318734; Email Address: pemc.info@wesm.ph									
<b>NOMINATION TO THE WHOLESALE ELECTRICITY SPOT MARKET GOVERNANCE COMMITTEES</b>									
Information provided in this form shall be used for initial evaluation purposes. The Philippine Electricity Market Corporation will require other supporting documents to be submitted during the selection process.			2 X 2 PHOTO						
Nomination to: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><input type="checkbox"/> DISPUTE RESOLUTION ADMINISTRATOR</td> <td style="width: 50%; border: none;"><input type="checkbox"/> RULES CHANGE COMMITTEE</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> PEM AUDIT COMMITTEE</td> <td style="border: none;"><input type="checkbox"/> TECHNICAL COMMITTEE</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> MARKET SURVEILLANCE COMMITTEE</td> <td style="border: none;"><input type="checkbox"/> COMPLIANCE COMMITTEE</td> </tr> </table>				<input type="checkbox"/> DISPUTE RESOLUTION ADMINISTRATOR	<input type="checkbox"/> RULES CHANGE COMMITTEE	<input type="checkbox"/> PEM AUDIT COMMITTEE	<input type="checkbox"/> TECHNICAL COMMITTEE	<input type="checkbox"/> MARKET SURVEILLANCE COMMITTEE	<input type="checkbox"/> COMPLIANCE COMMITTEE
<input type="checkbox"/> DISPUTE RESOLUTION ADMINISTRATOR	<input type="checkbox"/> RULES CHANGE COMMITTEE								
<input type="checkbox"/> PEM AUDIT COMMITTEE	<input type="checkbox"/> TECHNICAL COMMITTEE								
<input type="checkbox"/> MARKET SURVEILLANCE COMMITTEE	<input type="checkbox"/> COMPLIANCE COMMITTEE								
<b>PERSONAL INFORMATION OF THE NOMINEE</b>									
FULL NAME									
PRESENT EMPLOYER									
POSITION/DESIGNATION									
COMPLETE BUSINESS ADDRESS									
COMPLETE RESIDENTIAL ADDRESS									
NATIONALITY	TELEPHONE NO.								
DATE OF BIRTH	MOBILE PHONE NO.								
PLACE OF BIRTH	E-MAIL ADDRESS								
SEX	PASSPORT NO.								
CIVIL STATUS	TIN								
<b>INFORMATION OF THE NOMINATING ENTITY OR PERSON</b> <i>(Please leave this section blank if self-nominating)</i>									
NOMINATING ENTITY OR PERSON									
COMPLETE BUSINESS ADDRESS									
AUTHORIZED REPRESENTATIVE OF NOMINATING ENTITY									
TELEPHONE NO.									
MOBILE PHONE NO.									
E-MAIL ADDRESS									



Please explain briefly why the nominee is an ideal candidate for membership in the PEMC Board of Directors.

( Check appropriate boxes  )

a.	Is the nominee an employee of, or in any way connected to, the Government?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
b.	Is the nominee an employee, contractor, agent, manager, director, or shareholder of a Philippine electric power industry participant?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
c.	Is the nominee a relative, within the fourth civil degree of consanguinity or affinity, of an employee, contractor, agent, manager, director, or shareholder of a Philippine electric power industry participant?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
d.	Is the nominee an employee, contractor, agent, manager, director, or shareholder of a company, affiliate or any other entity related to or associated with a Philippine electric power industry participant, where:  A related company or body, is a parent or holding company of the Philippine electric power industry participant, a subsidiary or affiliate of the Philippine electric power industry participant or a subsidiary of a holding company of the Philippine electric power industry participant?  An associate is a person who is a director, manager or shareholder of that related company or entity or a relative of such a person?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____  <input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
e.	Has the nominee ever been employed by a Philippine electric power industry participant, or a company or body related to or associated with a Philippine electric power industry participant within one year prior to the nomination date?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
f.	Has the nominee ever been convicted by final judgment of an offense involving moral turpitude or fraudulent act or transgression?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
g.	Has the nominee ever been found with finality by a court of competent jurisdiction or a quasi-judicial body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any Applicable Laws?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
h.	Has the nominee ever been judicially declared to be insolvent?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
i.	Has the nominee ever been found guilty by final judgment by a foreign court or equivalent regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in Items (f), (g) and (h) above?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____
j.	Has the nominee ever been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years?	<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ _____

(For purposes of this nomination, an electric power industry participant refers to any person or entity engaged in the generation, transmission, distribution or supply of electricity)

I certify that I have read and understood all the questions set forth in this nomination and the answers I have furnished on this form are true and correct to the best of my knowledge and belief. I understand that the Philippine Electricity Market Corporation has to verify/validate the information stated herein. I trust that this information shall remain confidential and I have read the PEMC's Data Privacy Statement and express my consent to collect, use, disclose, share, process and record my personal data as part of my information submitted and filed with PEMC.

NOMINEE'S  
SIGNATURE

: \_\_\_\_\_

Date: \_\_\_\_\_

: \_\_\_\_\_

: \_\_\_\_\_

: \_\_\_\_\_

**INSERT SCANNED COPY OF VALID GOVERNMENT  
ID CLEARLY SHOWING SIGNATURE**

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED REPRESENTATIVE OF NOMINATING ENTITY

## APPENDIX B – COMMITTEE MEMBER’S UNDERTAKING

REPUBLIC OF THE PHILIPPINES )  
\_\_\_\_\_ ) S.S

### COMMITTEE MEMBER’S UNDERTAKING

In accepting my role as a member of the (*Please indicate WESM Governance Committee*) of the Philippine Electricity Market Corporation (“PEMC”), I, the undersigned, of legal age, after being duly sworn in accordance with law hereby state and undertake that:

1. I agree to serve the PEMC, and shall perform to the best of my ability the duties and functions as member of the Committee, actively promote the WESM objectives of market efficiency, transparency and competition, and safeguard with full trust and confidence any lawful and reasonable directions of the PEM Board.
2. At all times, I shall faithfully comply with all laws, rules or codes of conduct such as, but not limited to, the WESM Rules, the By-Laws of PEMC, WESM Manuals, and the Code of Corporate Governance, as may be amended from time to time and required by any government authority in relation to the business of PEMC or which PEMC shall reasonably determine are necessary for the proper functioning of its business.
3. During my tenure as Committee member, I will not (a) make use of, for personal gain, or (b) divulge to any unauthorized person or entity, any of the confidential information relating to the business of PEMC and its Committees except where such disclosure is required by law or by the proper governmental authority or is allowed in writing by PEMC.
4. I shall endeavor to maintain an excellent record of attendance and shall actively participate in all Committee meetings.
5. I further attest that I understand and possess all of the qualifications and none of the disqualifications of a Committee Member and, in the event, that I cease to possess the qualifications and/or have acquired any of the disqualifications, or at any time, come into any enterprise, activity or transaction that may be in conflict with my Committee membership, I shall be obliged to immediately inform the PEM Board of such circumstance. That such circumstance shall be grounds for termination of my membership to the Committee.
6. I agree not to be employed or accept employment with any electric power industry participant, or a company or body related to or associated with a WESM member as defined under the pertinent provisions of WESM Rules and Market Manual, within one (1) year after ceasing to be a member of the Committee.

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_.

(Signature of Affiant)

Name :  
Nationality :  
Address :

SUBSCRIBED AND SWORN TO before me this \_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_,  
affiant exhibiting to me \_\_\_\_\_ issued on \_\_\_\_\_ at  
\_\_\_\_\_.