

Minutes of the 2022 Annual General Membership Meeting



MINUTES OF THE GENERAL MEMBERSHIP MEETING

20 July 2022, 1:30 PM, via Online Platform

1. ATTENDANCE

The list of members, as represented by their respective authorized representatives and/or designated proxies, and attendees present online is in **Annex A** of these Minutes.

2. PRELIMINARIES

Prior to the meeting proper, an invocation was said, and a video of the Philippine National Anthem was played.

3. CALL TO ORDER, CERTIFICATION OF NOTICE, AND DETERMINATION OF QUORUM

The host introduced Mr. Noel V. Aboboto, the Chairman of the Philippine Electricity Market Corporation's (PEMC, or the Corporation) Board of Directors (PEM Board), who presided over the meeting. Chairman Aboboto gave brief welcome remarks, called the Annual General Membership Meeting (AGMM) 2022 to order, and explained the rationale for the virtual conduct of the AGMM. He then introduced the eleven (11) members of the PEM Board who were in attendance via remote communication. The directors introduced individually greeted the attendees.

The Chairman then introduced PEMC's department heads and managers and the Wholesale Electricity Spot Market (WESM) and Renewable Energy Market (REM) Governance Committee members.

For the Certification of Notices and Determination of Quorum, the Chairman asked Atty. Marian Venussa S. Santiago-Dela Fuente, then Corporate Secretary, if the meeting has been duly called and if quorum is present for the meeting.

The Corporate Secretary confirmed that the Notice of the Meeting was duly published in the corporation's website, www.wesm.ph, and had been sent via electronic mail to the addresses of record of the duly authorized representatives of the sectoral members on 29 June 2022. She added that the rationale and explanation for each agenda item which requires the members' approval were also provided in the said Notice, and sectoral members were required to register their intent to participate and vote via remote communication prior to the meeting, in accordance with SEC Memorandum Circular No. 6, series of 2022.

The Corporate Secretary then confirmed that a quorum was reached for the meeting, explaining that, as of the date for the closing of books of the Corporation to determine the members entitled

to vote and/or participate in the meeting, there are 345 sectoral members in good standing with a total of 4,268,320 voting rights and, out of which, 185 sectoral members registered and voted with a total of 3,093,020 voting rights, or 72% of the total voting rights held by the Sectoral Members. She added that, in accordance with the By-Laws of the Corporation, majority of the voting rights of all sectoral members in good standing constitutes quorum, and thereafter reported that a quorum for the meeting was reached.

Based on the report of the Corporate Secretary, the Chairman found that proper notice has been given and a quorum is present. He then declared that the AGMM has been properly convened.

4. BUSINESS OF THE MEETING, GROUND RULES, AND VOTING PROCEDURES

The Chairman asked the Corporate Secretary to state the business of the meeting. The Corporate Secretary enumerated the following:

1. Approval of the Minutes of the 2021 Membership Meeting as presented in Proposed Resolution No. 2022-01
2. Reporting of the Management of the milestone and key achievements of the Corporation and a clear picture of how the Corporation reached its goals for the period of 2021
3. Approval of the 2021 Audited Financial Statement of the Corporation for the fiscal year ending 31 December 2021, further to the report on the financials of the Corporation as presented in Proposed Resolution No. 2022-02
4. Ratification of the members of the acts, resolutions, and deeds of the Board and Management since the AGMM held on 21 July 2021 as presented in Proposed Resolution No. 2022-03
5. The Chairman's Outlook on the Corporation, which provides the members with a view of the opportunities and challenges to be faced by the Corporation and its management goals and strategies for the year 2022 and the next few years

The Chairman then asked whether any nominations or proposals for business of the meeting were filed with the Office of the Corporate Secretary, to which the Corporate Secretary answered that there was none as of 18 June 2022. The Chairman then noted that the order of business shall be as stated, and proceeded to explain the ground rules and voting procedure that shall be observed during the meeting for fair, orderly, and efficient proceedings. Thereafter, he explained the process of determining the voting rights of each sectoral member in accordance with the allocation set out in the By-Laws of the Corporation and added that the affirmative vote of the members representing at least a majority of the total voting rights shall be needed to pass and approve each proposed resolution.

5. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF MEMBERS HELD ON 21 JULY 2021

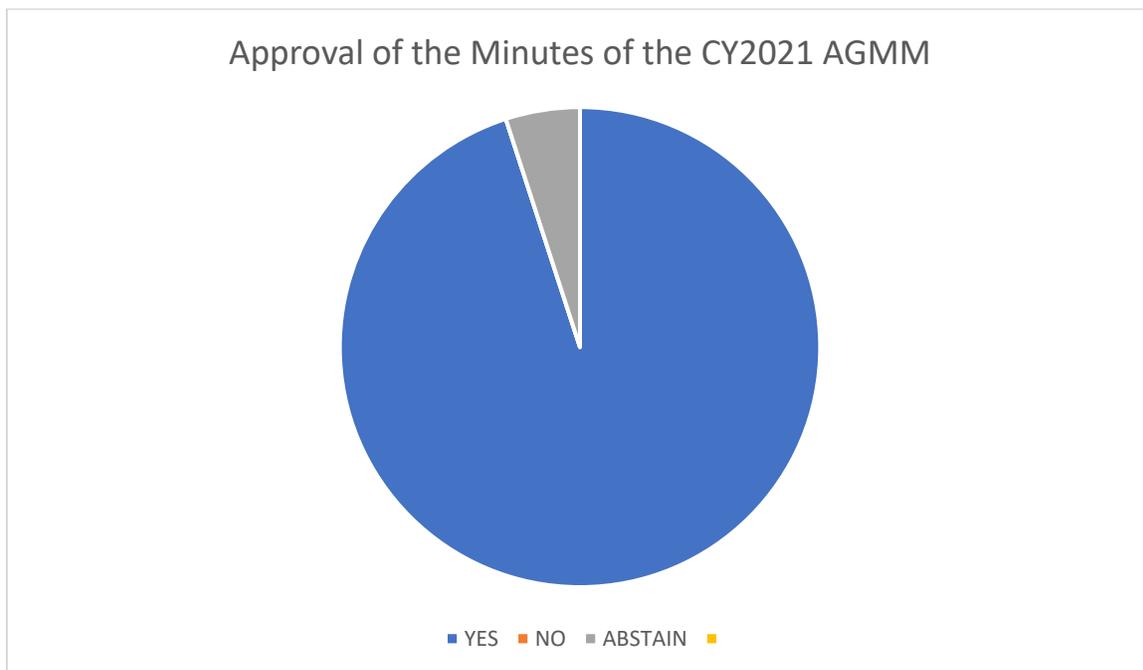
For the next order of business, the Chairman asked the Corporate Secretary to present the proposed resolution and voting results for the approval of the minutes of the Annual General Membership Meeting held on 21 July 2021. He mentioned that a copy of the minutes has been made available by publication on the website of the Corporation.

Atty. Dela Fuente presented PEMC Management's Resolution No. 2022-01, approving the Minutes of the Annual General Membership Meeting held on 21 July 2021. The text of the said Resolution states that:

“RESOLVED, that the Members of the Corporation hereby approve the Minutes of the 2021 Annual General Membership Meeting held on 21 July 2021.”

There being no question submitted pertinent to the agenda item, the Chairman requested the Corporate Secretary to report on the voting results. The Corporate Secretary presented the members’ votes received and tabulated as follows:

Approval of the Minutes of the 2021 AGMM	Final Quorum	3,093,020 (72%)		
	Yes	No	Votes tallied	Abstentions
	2,933,962	0	3,093,020	159,058



Atty. Dela Fuente declared that with the members owning a majority of the total voting rights having voted for the motion to approve the Minutes of the Annual General Membership Meeting held on 21 July 2021, the motion has been approved and Resolution No. 2022-01 has been adopted.

6. REPORT OF THE PRESIDENT

Former President Leonido J. Pulido III delivered the President’s Report. The text of the President’s Report is attached as **Annex B** of these Minutes.

7. APPROVAL OF THE 2021 AUDITED FINANCIAL STATEMENTS AND FINANCIAL REPORT

The next order of business was the approval of the Corporation's Audited Financial Statements for the period ending on 31 December 2021 and the financials of the Corporation. The Chairman introduced the Corporation's Treasurer, Dir. Elenita D. Go, who presented to the membership the 2021 Financial Report of the Corporation.

Dir. Go stated that Navarro Amper and Company (Deloitte Philippines), the Corporation's external auditor, expresses that the Corporation's financial statements present fairly, in all material respects, the financial position of the Corporation as of 31 December 2021, and its financial performance and its cash flow for the year ended is in accordance with the Philippine Financial Reporting Standards (PFRS).

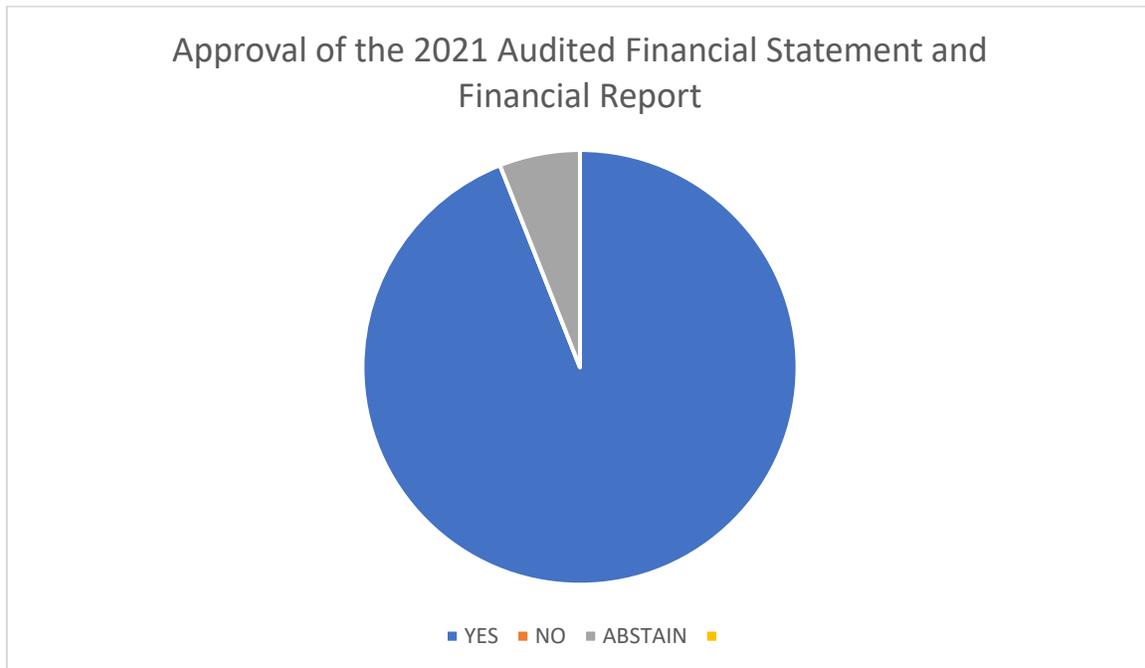
There being no question submitted pertinent to the agenda item, the Chairman requested Dir. Fortunato C. Leynes to read the management proposal and the Corporate Secretary to report on the voting results.

Dir. Leynes presented PEMC Management's Resolution No. 2022-02, recommending the approval of the 2021 Audited Financial Statements and Financial Report of the Corporation and moving for the adoption of the following Resolution:

"RESOLVED, that the Financial Report and Audited Financial Statement of the Corporation for Calendar Year 2021 are hereby confirmed, ratified, and approved."

The Corporate Secretary presented the members' votes received and tabulated as follows:

Approval of the 2021 Audited Financial Statements and Financial Report	Final Quorum		3,093,020 (72%)	
	Yes	No	Votes tallied	Abstentions
	2,897,335	0	3,093,020	195,685



Atty. Dela Fuente declared that with the members owning a majority of the total voting rights having voted for the motion to approve the 2021 Audited Financial Statements and Financial Report of the Corporation, the motion has been approved and Resolution No. 2022-02 has been adopted.

8. RATIFICATION OF THE ACTS, RESOLUTIONS, AND DEEDS OF THE BOARD AND MANAGEMENT

Next on the agenda is the ratification and approval of the acts, resolutions, and deeds of the Board of Directors, its Committees, and Management of the Corporation since the Annual General Membership Meeting held on 21 July 2021.

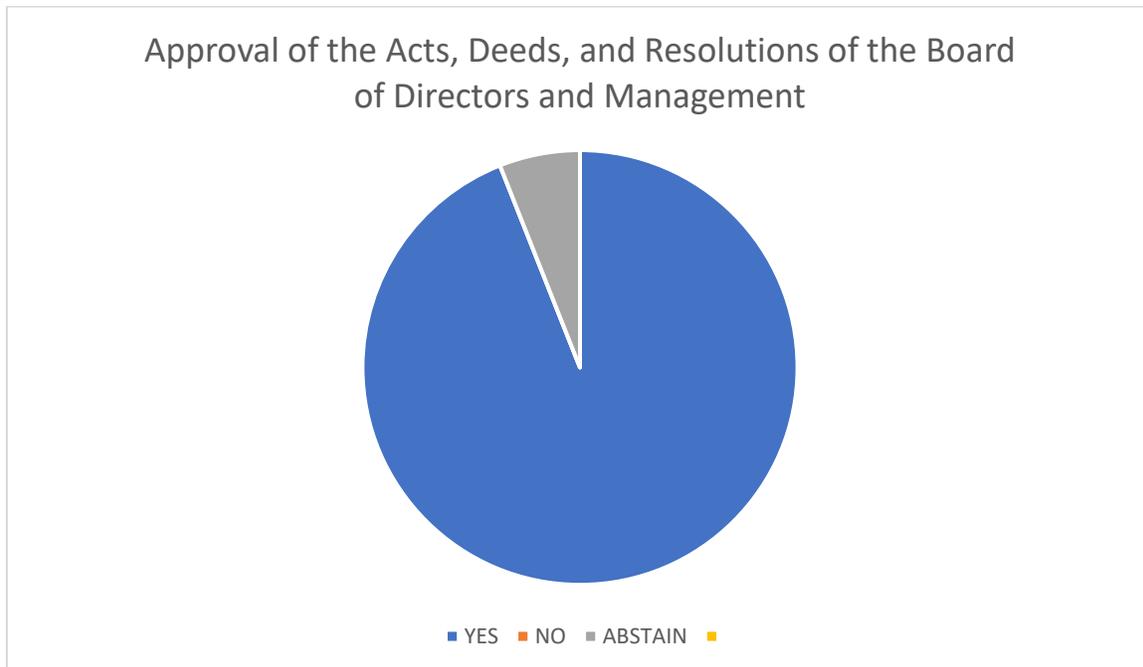
There being no question submitted pertinent to the agenda item, the Chairman requested then Chief Governance Officer Elvin Hayes E. Nidea to read the management proposal and the Corporate Secretary to report on the voting results.

Then CGO Nidea presented PEMC Management's Resolution No. 2022-03. The text of the said Resolution states that:

“RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Corporation from the Annual General Membership Meeting held on 21 July 2021 up to the date of this Meeting be as they hereby are, confirmed, ratified, and approved.”

The Corporate Secretary presented the members' votes received and tabulated as follows:

Ratification of Acts, Resolutions, and Deeds of the Board and Management	Final Quorum	3,093,020 (72%)		
	Yes	No	Votes tallied	Abstentions
	2,896,295	0	3,093,020	196,725



Atty. Dela Fuente declared that with the members owning a majority of the total voting rights having voted for the motion to approve the acts, resolutions, and deeds of the Board of Directors and Management of the Corporation, the motion has been approved and Resolution No. 2022-02 has been adopted.

9. THE CHAIRMAN'S OUTLOOK

Chairman Aboboto gave his Chairman's address. The text of the Chairman's Outlook is attached as **Annex C** of these Minutes.

10. QUESTION AND ANSWER

Chairman Aboboto asked whether the Office of the Corporate Secretary received questions raised by the members that need to be addressed by the Board and Management. Atty. Dela Fuente said that there was none.

11. ADJOURNMENT

Since there was no other business to consider and there being no objections from the membership, the Chairman declared the 2022 Annual General Membership Meeting as adjourned.

Prepared by:


KATE AUBREY G. HOJILLA
Corporate Secretary

PEMC CY2022 ANNUAL GENERAL MEMBERSHIP MEETING
ATTENDANCE

	Company	Last name	First name
1	AC Energy Corporation	Zafe	Skyla Mae
2	Albay Electric Cooperative, Inc.	Lucilo	Haysli
3	Aurora Electric Cooperative, Inc.	Calonge	Rodel
4	Bataan 2020 Ventures Incorporated	Añover	Jhon-Mhel
5	Bicol Biomass Energy Corporation	Rillas	Michael Justin
6	Biscom Inc.	Aguillon	Jessamyn Yvette
7	Biscom Inc.	Ayubo	Roque Ben
8	Cabanatuan Electric Corporation	Abustan	Annaliza
9	Camarines Sur III Electric Cooperative Inc.	Celebrado	Carlo
10	Cebu Energy Development Corp	Dasalla	Philip
11	Dagupan Electric Corporation	Saralde	Lilian
12	Energy Development Corporation	So	Ruth Dianne
13	Euro Hydro Power Asia Holdings Inc.	Tacder	David John
14	FGP Corp	Perez	Francis Ian
15	First Gen Energy Solutions	Rosadia	Niccolo Miguel
16	First Laguna Electric Cooperative, Inc.	Barrion	Karen
17	Global Business Power Corp, Toledo Power Company	Longakit	Ghremar
18	Global Energy Supply Corporation	Magsombol	Robert John
19	Global Energy Supply Corporation	Romero	Rodolfo
20	Goodfound Cement Corporation	Solano	Arnel
21	Green Future Innovations Inc.	Capulong	Maricel
22	Guimaras Electric Cooperative Inc.	Laurente	Shirley
23	Helios Solar Energy Corp.	Calupas	John Michael
24	Ilocos Sur Electric Cooperative, Inc.	Sabio	Egdon
25	Kalinga-Apayao Electric Cooperative, Inc.	Narcisa	Julius
26	Kratos RES, Inc.	Orillaza	Jose Rommel
27	La Union Electric Cooperative, Inc.	Gayo	Mark
28	Lamsan Power Corporation	Lalao	Gemayel
29	Leyte V Electric Cooperative, Inc.	Dayandayan	Jannie Ann
30	Maibarara Geothermal, Inc., Petrowind Energy, Inc., Petrosolar Corporation	San Buenaventura	Miguel
31	Manila Electric Company	Fernandez	Lawrence
32	Masinloc Power Partners Co. Ltd.	Punzalan	Arnel
33	Millenium Energy Inc., Panasia Energy Inc. Rules Change Committee	Claudio	Carlito
34	National Irrigation Administration	Anniban	Fermin Jr.
35	North Bukidnon Power Corporation	Caluza	Ronnie
36	Nueva Ecija II Electric Cooperative, Inc. – Area 1	Salvador	Marife

PEMC CY2022 ANNUAL GENERAL MEMBERSHIP MEETING
ATTENDANCE

	Company	Last name	First name
37	Nueva Ecija II Electric Cooperative, Inc. – Area 1	Santiago	Charles Willian
38	Pacerm-1 Energy Corporation	Luis	Ian
39	Pampanga I Electric Cooperative, Inc.	Navarro	John Lorenz
40	Pampanga I Electric Cooperative, Inc.	Vergara	Oliver
41	Pampanga II Electric Cooperative, Inc.	Diaz	Jasper Loui
42	Pampanga II Electric Cooperative, Inc.	Latic	Mark Joseph
43	Pampanga II Electric Cooperative, Inc.	Miclat	Rizhelle
44	Pampanga II Electric Cooperative, Inc.	Quiazon	Janet
45	Panasia Energy, Inc., Millennium Energy, Inc.	Odrunia	Ethel
46	Panasia Energy, Inc.	Victorio	Jessie
47	Panay Energy Development Corporation	Calonzo	Christian
48	Philippine Electricity Market Corporation	Aguila	Doroteo
49	Philippine Electricity Market Corporation	Leynes	Fortunato
50	Philippine Electricity Market Corporation	Luga	Rossano
51	PEMC - Intern	Tolentino	Bernard Piolo
52	PEMC – Rules Change Committee	Tanglao	Concepcion
53	Philippine Electricity Market Corporation	Villareal	Ferdinand
54	People’s Energy Services, Inc.	Moraña	Aimee
55	Prime Meridian Powergen Corporation	Padrones	Keen
56	Quezon Power (Philippines), Limited Co.	Rondario	Michael Ian
57	San Carlos Bioenergy	Panugaling	Joseph
58	Sarangani Energy Corporation	Mercado	Elsa
59	Siargao Electric Cooperative, Incorporated	Fortaliza	Stephen
60	Sta. Clara Power Corporation	Quimado	Carumae
61	Strategic Power Dev’t. Corp.	Abrenica	Genny Rose
62	Subic Enerzone Corporation	Ducos	Corrine Grace
63	Sultan Kudarat Electric Cooperative, Inc.	Lebanan	Michael Jay
64	Sulu Electric Power & Light (Phils), Inc.	Da Silva	Michael
65	Tarlac Electric Inc.	Fortales	Floriza
66	Team Philippines Energy Corporation	Rivera	Lorroto
67	Zamboanga City Electric Cooperative, Inc.	Baco	Frederix
68	Zamboanga City Electric Cooperative, Inc.	Tiu	Gannymede
69	Zamboanga City Electric Cooperative, Inc.	Eroy	Mary Christel
70	Zamboanga City Electric Cooperative, Inc.	Ancajas	Anthony Mark
71	Zamboanga Del Norte Electric Cooperative	Antonio	Jordanne
72	Philippine Electricity Market Corporation	Andrada	Mark Anthony

PEMC CY2022 ANNUAL GENERAL MEMBERSHIP MEETING
ATTENDANCE

	Company	Last name	First name
73	Philippine Electricity Market Corporation	Delizo	Marlo
74	Philippine Electricity Market Corporation	Bague	Nylle Gregory
75	Philippine Electricity Market Corporation	Fernandez	Patrick
76	Philippine Electricity Market Corporation	Ocampo	Joshua Angelo
77	Philippine Electricity Market Corporation	Mallari	Angela Rica
78	Philippine Electricity Market Corporation	Dublar	Darlene
79	Philippine Electricity Market Corporation	Alegre	Paolo
80	Philippine Electricity Market Corporation	Bataoil	Jovelyn
81	Philippine Electricity Market Corporation	Corectico	Ira Lee
82	Philippine Electricity Market Corporation	Cabacang	Rolando
83	Philippine Electricity Market Corporation	Falar	Dece
84	Philippine Electricity Market Corporation	Genabe	Rayan
85	Philippine Electricity Market Corporation	Cruz	Cecil
86	Philippine Electricity Market Corporation	Magdalena	Renalee
87	Philippine Electricity Market Corporation	Asprer	Anthony Jose
88	Philippine Electricity Market Corporation	Dela Cuesta	Kevin
89	Philippine Electricity Market Corporation	Calderon	Ginel Paula
90	Philippine Electricity Market Corporation	Sibayan	Ruben
91	Philippine Electricity Market Corporation	Macabenta	Liezelle
92	Philippine Electricity Market Corporation	Dela Cruz	Carl Angelo
93	Philippine Electricity Market Corporation	Yang	Ma. Victoria
94	Philippine Electricity Market Corporation - Director	Nidea	Elvin Hayes
95	Philippine Electricity Market Corporation	Domingo	Alaine
96	Philippine Electricity Market Corporation	Vidal	Michael Angelo
97	Philippine Electricity Market Corporation	Corpuz	Josephine
98	Philippine Electricity Market Corporation	Varquez	Karen
99	Philippine Electricity Market Corporation	Superio	Edgar
100	Philippine Electricity Market Corporation - Director	Go	Elenita
101	Philippine Electricity Market Corporation - Director	Aboboto	Noel
102	Philippine Electricity Market Corporation	Gonzales	Elaine
103	Philippine Electricity Market Corporation	Marmeto	Gabriel
104	Philippine Electricity Market Corporation - Director	Laniba	Allan
105	Philippine Electricity Market Corporation	Salazar	Romellen
106	Philippine Electricity Market Corporation	Lopez	Hazel
107	Philippine Electricity Market Corporation	Ramirez	Georgette
108	Philippine Electricity Market Corporation	Punzalan	Alyssa
109	Philippine Electricity Market Corporation	Olayta	Leonar
110	Philippine Electricity Market Corporation	Catriz	John Mark
111	Philippine Electricity Market Corporation	Enad	Katherina
112	Philippine Electricity Market Corporation	Amojilar	Rhlee
113	Philippine Electricity Market Corporation	Estigoy	Kathleen

PEMC CY2022 ANNUAL GENERAL MEMBERSHIP MEETING
ATTENDANCE

	Company	Last name	First name
114	Philippine Electricity Market Corporation	Dichoso	Gabbor
115	Philippine Electricity Market Corporation - Director	Concepcion	Ronald Dylan
116	Philippine Electricity Market Corporation	Reyes	Remalyn
117	Philippine Electricity Market Corporation	Infantado	John Bryan
118	Philippine Electricity Market Corporation - Director	Roxas	Juan Eugenio
119	Philippine Electricity Market Corporation	Hernandez-Cortez	Shierly
120	Philippine Electricity Market Corporation - Director	Pulido	Leonido
121	Philippine Electricity Market Corporation	Merrera	Athena Grace
122	Philippine Electricity Market Corporation	Lim	Primo
123	Philippine Electricity Market Corporation	Langit	Dianne Kate
124	Philippine Electricity Market Corporation	Isidro	Jayson Duvan
125	Philippine Electricity Market Corporation	Cruz	Divine Gayle
126	Philippine Electricity Market Corporation	Capuno	Karla
127	Philippine Electricity Market Corporation	Alegre	Ria Crizette
128	Philippine Electricity Market Corporation	Alejan	Angelica
129	Philippine Electricity Market Corporation	Aguila	Jeffrey
130	Philippine Electricity Market Corporation	Jimenez	Dino
131	Philippine Electricity Market Corporation	Alfajara	Daisy Jane
132	Philippine Electricity Market Corporation	Reyes	Claire
133	Philippine Electricity Market Corporation	Joson-Mendiola	Andrea
134	Philippine Electricity Market Corporation	Navarro	Charmaine Joyce
135	Philippine Electricity Market Corporation	Co	Joshua Joy
136	Philippine Electricity Market Corporation	Cabactulan	Cerise
137	Philippine Electricity Market Corporation	Ceniza	Janeth
138	Philippine Electricity Market Corporation - Director	Aboitiz	Danel
139	Philippine Electricity Market Corporation	Mijares	Francis
140	Philippine Electricity Market Corporation	Canete	Pamela
141	Philippine Electricity Market Corporation	Lim	Margret
142	Philippine Electricity Market Corporation	Bonganay	John Mayo
143	Philippine Electricity Market Corporation - Director	Agdigos	Felino
144	Philippine Electricity Market Corporation	Fernando	Bodeck
145	Philippine Electricity Market Corporation	Duenas	Alejandro
146	Philippine Electricity Market Corporation	Tan	Simon
147	Philippine Electricity Market Corporation	Bordan	Phoebe Kate
148	Philippine Electricity Market Corporation	Dy	Michael
149	Philippine Electricity Market Corporation	Gime	Francisco
150	Philippine Electricity Market Corporation	Gines	Jake Jerald

PRESIDENT'S REPORT

Good afternoon!

Since my election in July 2021 as PEMC President, the road in governing the WESM has been full of challenges. Thankfully, with the guidance provided by our PEM Board of Directors, the full cooperation and participation of our participants, and the dedication and commitment of my colleagues from PEMC, we were able to address these things effectively.

I am pleased to report to you today what we have successfully achieved in 2021.

To note, PEMC's major accomplishments cover four (4) important areas.

First, PEMC successfully launched two (2) critical governance systems under the enhanced market design and operations: (1) the Compliance Post-Evaluation and Monitoring System, or CPEMS; and (2) the New Market Assessment System, or the NMAS.

The CPEMS aids our Enforcement and Compliance Office (ECO) in flagging probable breaches of Trading Participants of the Dispatch Conformance Standards (DCS) and Offered Capacity Compliance Standards (OCCS) in accordance with our Market Rules and Manuals. At the same time, the CPEMS provides an avenue for Trading Participants flagged to submit explanations and supporting documents; thus, providing due process, transparency, and efficiency in the process of resolving possible breaches.

NMAS, on the other hand, is currently being utilized by our Market Assessment Group in processing and analyzing data for the five (5)-minute dispatch which are used by PEMC in performing its market monitoring and assessment functions.

As long as the necessary data from the Market Operator are available, we are able to maximize the capabilities of these two (2) systems leading to more effective and efficient performance of our governance functions.

Second, PEMC constantly provides policy and regulatory support to the Department of Energy (DOE) and the Energy Regulatory Commission (ERC).

As a former Assistant Secretary of the Department of Energy, I cannot overemphasize the importance of reports submitted by various institutions to guide the agency in formulating policy. During my first year as President, PEMC submitted various reports to our oversight agencies to provide an accurate status of the market and our assessment of the activities in the market. These include regular market assessment reports on the wholesale and retail market operations, as well as special reports covering market competition and the preparations for the reserve market, among others. I would like to thank our Market Assessment Group for exerting all efforts to produce these reports despite the challenges we face in terms of data availability.

PEMC likewise resolved a significant number of investigation cases and submitted 644 investigation reports to the PEM Board, which marks a significant 268% increase year-on-year in terms of the number of reports submitted. While we identified the source of the bottlenecks for the delay, much credit is due to the commitment of ECO to expeditiously resolve these investigation cases. We are committed in our timetable to clear all the backlogs at the end of this year.

Third, PEMC faithfully complied with its duties under the Renewable Energy Act in terms of undertaking the RE Market Operations and Governance.

ANNEX B
Minutes of the CY2022 AGMM

I am pleased to report to you that as of date, we have already received the application of 273 out of the 280 REM Participants or around 98%. So far, we have successfully approved about 94% of REM registration participants after they have completed all the registration requirements. I would like to thank our market participants for your full compliance and support and our dedicated personnel from the RE Registrar under the Corporate Planning and Communications Department.

For the information of everyone, the Philippine Renewable Energy Market System or the PREMS Audit and Certification was completed last year with no major findings. But, of course, we will continue to work towards the enhancement of the system for the benefit of the REM participants.

All our registered REM Participants were granted access to the PREMS; thus, allowing them to submit their data and participate in the validation activities conducted by the RE Registrar. Soon, once the RE Market has commercially operated, this same RE market system will be used by our participants to transact their Renewable Energy Certificates (REC) to comply with their obligations under the Renewable Portfolio Standards (RPS) and by the RE Registrar in reporting to the DOE. For the RE Registrar to efficiently perform the validation process for the REC calculation and issuance, we constantly coordinate with the market participants, the data providers, and of course, the DOE.

And, since the RE Market is new to all of us, we deem it important to equip our participants and stakeholders by providing the necessary trainings and engagement activities to familiarize all of us with the REM concepts, and processes, and likewise provide updates about market implementation.

On the governance side, the REM Governance Committee, or the RGC, has been on the constant lookout on the activities undertaken by the RE Registrar and REM Participants to determine our readiness for the REM commercial operations. I am happy to report that the REM Readiness checklist that the PEM Board previously submitted to the DOE has been substantially completed.

With DOE's signing on June 10, 2022 of DC 2022-06-0019 "Declaring the Interim Commercial Operations of the Renewable Energy Market," we are pleased to inform you that the REM Interim Commercial Operations (REM-ICOP) will be launched next week, July 28, 2022.

Aside from that, the RGC has also provided several recommendations affecting the REM that were issued through various Committee Resolutions. Among these are its recommendations on the RE Market Operations which were adopted by the PEM Board and were subsequently endorsed to the DOE.

The RGC also acted on several rule change proposals, including that on the Extension of Timeline of Data Provision to the RE Registrar from the National Transmission Corporation or TransCo, and the proposals submitted by the Retail Electricity Suppliers Association or RESA. The first proposal from RESA was on Obligations and REC Issuance. The other one is on the additional seat in the RGC for Retail Electricity Suppliers, supplemented by the RGC's own proposal for an additional seat dedicated for the small REM Generators.

All of these were endorsed to and adopted by the PEM Board and were subsequently submitted to the DOE for final approval and promulgation. These deliberated amendments were already approved by the DOE and will be effective soon.

I am now down to the last part of my report, which covers the provision of quality service to customers through an effective and continuing improvement in our systems and processes.

ANNEX B
Minutes of the CY2022 AGMM

Lastly, PEMC sustained its IMS Certification after completing the First Surveillance Audit by TUV-Rheinland. ISO Certification establishes credibility and trust amongst stakeholders as it guarantees that the entity meets global standards in conducting its business. The certification audit was conducted by TUV-Rheinland and was completed on June 3, 2021 with zero (0) residual non-conformity or major finding.

Simply put, based on the PEM-Board approved Corporate Performance Measures or CPM and rating system, these accomplishments that I mentioned translated to a CPM score of 4.46 or a Very Satisfactory rating in 2021.

On a final note, I would like to thank all of you for being with us all the way as we undertake all our committed activities as the WESM's governance arm. Thank you for your endless support and cooperation as we continuously strive to improve our market. We will stick to our mandate and work towards an efficient and effective governance of the WESM and the REM. On behalf of my PEMC colleagues, we continue to commit ourselves to perform our duties to the best of our abilities.

Again, thank you and a pleasant afternoon to all.

CHAIRMAN'S OUTLOOK
PEMC's Three-Year Vision and Way Forward

A pleasant afternoon, PEMC members, ladies, and gentlemen.

For the past years after the revitalization of the Philippine Electricity Market Corporation (PEMC) in 2018 to be the governance arm of the Wholesale Electricity Spot Market (WESM), it has been on a path of further strengthening its mandate. And, as the entity mandated to perform such governance function over the WESM and the Renewable Energy Market (REM), PEMC lays down its plan consistent with the government's policy direction to support the implementation.

This afternoon, I would like to share with you the PEM Board's priorities for the next three (3) years, as contained in the Board Governance Plan.

Late last year, the PEM Board undertook several activities leading to its formulation. After several consultations with the PEM Board members, we were able to come up with a draft plan, which, after finetuning, was approved by the body sometime this year.

The Board Governance Plan shall also serve as our main reference in the implementation, monitoring, and accomplishment of our targets.

I wish to highlight that we considered the needs of the market participants and at the same time, ensured that we are not deviating government when we formulated it. Now, what exactly are the PEM Board's priorities as contained in the plan?

First, to aid in the implementation of new and enhanced mechanisms, the PEM Board will oversee the conduct of studies related to the integration of variable renewable energy (VRE) resources and energy storage systems (ESS) into the grid. This would cover an impact assessment of these resources to the grid and on WESM transactions.

Another critical activity under this area is the review of the results of Enhanced WESM Design and Operations (EWDO) implementation. Such review would provide a basis for us to propose necessary changes to the existing policy and regulation of the Department of Energy (DOE) and Energy Regulatory Commission (ERC), respectively, as well as changes to the existing market rules and manuals. One (1) year after June 2021, it is high time for us to assess the implementation of the EWDO, provide guidance in resolving the issues that we encountered, and possibly mitigate challenges attendant to its implementation.

We move on with the next priority area which is introducing new markets, including the renewable energy market and the reserve market.

With the nearing REM commercial operations date to be announced by the DOE, we commit to continue monitoring the activities of the market participants and the RE Registrar and submit regular update reports to the DOE. Similarly, we intend to steer activities related to the reserve market establishment, and we aim to facilitate the completion of the reserve market readiness activities in time for the 2024 Target Reserve Market Operations Date.

Among the critical ones are the approval of the Price Determination Methodology (PDM) and necessary Market Rules Changes which shall be promulgated by the DOE. The Reserve Market Readiness Steering Committee (MRSC) is on top of the monitoring activities in preparation for the reserve market implementation.

ANNEX C
Minutes of the CY2022 AGMM

Another priority area of the PEM Board is the Review of Price Mitigating Measures, including the price floor and price cap, as well as the secondary price cap. We deem it important to review the reasonableness and applicability of the price mitigating measures and secondary price cap in the current time given that the last review done was way back in 2015. We are putting this undertaking in our priorities as it is our goal to find a balance between the interest of the consumers and investors.

Under our fourth priority, we are committed to resolve all Corporate Matters, including issues on the Market Fees approval, formulation of the Corporate Governance Manual, and the review of the PEMC-IEMOP Operating Agreement.

Lastly, our priorities include improvement in the governance processes, and we will do so by reviewing the Market Operator Performance Standards, as well as the enforcement and compliance mechanism, and by establishing protocols with service providers and this time, our WESM Metering Service Providers.

In terms of timelines of implementation, this is how we are going to prioritize our undertakings from 2022 to 2024. Along the way, we hope for your support and cooperation in all our activities because at the end of the day, what we do is for the benefit of the market, our stakeholders, and the Filipino consumers. And, as we welcome the incoming administration, we would like to give our commitment that we will comply with the direction of the government for the market.

The PEM Board is mindful of the monumental tasks at hand, and the policies and measures resulting from these priorities will be formulated through the spearheading of our qualified and competent members of the WESM Governance Committees that the Board has carefully selected and eventually appointed.

I would like to end this message by quoting Helen Keller, "Alone we can do so little. Together we can do so much."

Please stay with us for the next parts of this program for this AGMM and let us all have a productive afternoon. Thank you very much for your attention.