



Proposed Amendments to the WESM Rules for the Establishment and Implementation of a WESM Compliance Officers' Accreditation Program

Submitted by the
Philippine Electricity Market Corporation

April 9, 2019



I. SUMMARY OF THE PROPOSED RULES CHANGE

Amendments to the WESM Rules for the implementation of a WESM Compliance Officers' Accreditation Program are being proposed to assist the WESM Members attain a higher level of compliance with their obligations in the Wholesale Electricity Spot Market.

II. BACKGROUND

The designation of a WESM Compliance Officer by all WESM Members is provided for under Clause 7.2.9.2 by virtue of DOE Department Circular 2010 - 07-008. Said rule which took effect in 2010 mandates WESM Compliance Officers to monitor and undertake necessary activities to ensure the full compliance of their respective organizations to the EPIRA, EPIRA Implementing Rule and Regulations, WESM Rules and WESM Market Manuals and to develop necessary procedures and guidelines.

Since the WESM launch in June 2006, the Philippine Electricity Market Corporation, through the Enforcement and Compliance Office, has been tasked to investigate non-compliances of Generator Trading Participants with the WESM Rules, specifically on the Must-Offer Rule, and Real-Time Dispatch Schedules and System Operator Instructions. Over the years, despite the designation of WESM Compliance Officers, it has been observed that the non-compliances of Generator Trading Participants have not decreased. In the past 13 years, 28 generator participants with a total of 31 power plants have been found to be in breach of these specific WESM Rules, with financial penalties amounting to as high as 75 Million Pesos. Investigation cases are still piling up, with more and more generator trading participants still being penalized.

The establishment and implementation of a WESM Compliance Officers' Accreditation Program is thus being proposed to ensure that WESM Compliance Officers possess the right competencies and knowledge, thus empowering them to effectively ensure compliance with their respective WESM Members' obligations in the WESM.



III. THE PROPOSED RULES CHANGE

The proposal seeks to ensure a culture of compliance among WESM Members and empower WESM Compliance Officers by having them go through a continuing learning program through the WESM Officers' Accreditation Program. It also seeks to establish effective leadership that will help promote WESM compliance within the organization.

The general idea of the accreditation program is to provide for competency standards of WESM Compliance Officers and ensure that they are well-informed of all market rule developments and obligations.

The proposed rules change seeks to mandate PEMC to develop an accreditation program with the end in view of keeping the WESM Compliance Officers informed of their respective company's obligations in the market. An Accreditation Body is also sought to be created to ensure that the program is implemented effectively and the competency standards are met.

The specific guidelines or a more detailed process of accreditation will be developed for this purpose upon approval of this proposed rules change.

IV. BACKGROUND AND DESCRIPTION OF THE PROPONENT

The proponent is the Philippine Electricity Market Corporation with its officers as follows:

Oscar E. Ala – President

Rauf A. Tan – Chief Governance Officer

Ma. Rene Ann Lourdes A. Garcia-Matibag – Chief of Staff / Corporate Services Head

Marian Venussa S. Dela Fuente – Corporate Secretary / Legal Head

Hazel M. Gubaton-Lopez – Enforcement and Compliance Officer

Elaine D. Gonzales – Officer-in-Charge, Market Assessment Group / Internal Auditor

Clares Loren J. Jalocon – Officer-in-Charge, Corporate Planning and Communications / Strategy and Innovation Manager

Patrick S. Fernandez – Information System and Technology Head



V. CONCLUSIONS AND RECOMMENDATIONS

WESM Compliance Officers play a significant role in ensuring compliance with the WESM Members' obligations to the WESM Rules. To equip them with the necessary competencies, skills and knowledge, there exists a need for them to go through an accreditation process and a continuing learning program. In the survey conducted by PEMC during the WCO Accreditation Framework Workshop, 62% agreed on the need for such a program. PEMC therefore recommends the following:

1. Adoption of the WESM Compliance Officers' Accreditation Program. PEMC shall, in consultation with the WESM Members, develop and establish the necessary program and guidelines for the accreditation of the WESM Compliance Officers.
2. Creation of a WCO Accreditation Body. The body shall be responsible for implementing an accreditation program for all WESM Compliance Officers, establishing the competency standards, and accrediting or reviewing the compliance of all WESM Compliance Officers with the accreditation program.

VI. REFERENCES

WESM Rules
DOE DC 2018-02
DOE DC 2018 -06
Results of Survey during the WCO Accreditation Framework Workshop



**Wholesale Electricity
Spot Market**

WESM-WR-CN-_____

REQUEST FOR WESM RULES AMENDMENTS

Proposals made only under this prescribed form shall be accepted and considered as submitted.

This request for amendments to the WESM Rules can be submitted to:

PEM Board
Attention: **PEM Committee Secretariat**
Philippine Electricity Market Corporation
18/F Robinsons Equitable Tower
ADB Avenue, Ortigas Center
Pasig City, 1605 Philippines
Email addresses: rcc@wesm.ph
Fax Number: (+632) 395-2704

I. Proponent's Information

Name	OSCAR E. ALA
Designation	PEMC President
Company	Philippine Electricity Market Corporation
Company Address	18/F Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City
Telephone No.	631 8734 local 257
Fax. No.	
Email Address	oeala@wesm.ph , legal@wesm.ph

II. WESM Rules Amendment Information

Topic	Proposal for the Establishment and Implementation of a WESM Compliance Officers' Accreditation Program
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Addition <input checked="" type="checkbox"/> Alteration <input type="checkbox"/> Deletion <input type="checkbox"/> Clarification <input type="checkbox"/> Clerical Correction	