



**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2012-05

**Proposed Changes to the WESM Rules Provision on Notice of
Non-approval of Application for Registration as WESM Member**

WHEREAS, Clause 2.5.6 of the WESM Rules provides for the procedure to be followed by the Market Operator in case of the denial of an application for registration as a WESM Member;

WHEREAS, in a Decision dated 19 September 2011, the Energy Regulatory Commission (ERC) directed the Philippine Electricity Market Corporation (PEMC) to amend Clauses 2.5.6.1 and 2.5.6.2 of the WESM Rules, mandating the PEMC, in all circumstances, to furnish a copy to ERC of the denial of an application for membership in the WESM;

WHEREAS, pursuant to the directive of the ERC, the PEMC submitted on 07 May 2012 to the Rules Changes Committee (RCC) its proposed changes to said Clauses of the WESM Rules, which are summarized as follows:

- a. In case of denial of an application, whether due to the applicant's failure to meet the requirements for the WESM membership category applied for or for any other reason, the Market Operator must send written notice to the applicant; and
- b. Such notice shall always be provided to the ERC, irrespective of the reason;

WHEREAS, during the 61st RCC Meeting on 09 May 2012, the proposed changes were presented to the RCC, for discussion;

WHEREAS, as agreed upon by the RCC during the said 61st Meeting, thereafter on 09 May 2012, the rules change proposal was published in the WESM website to solicit comments from the market participants and other interested parties;

WHEREAS, during the period of publication, comments were received from La Union Electric Cooperative, Inc. (LUELCO);

WHEREAS, during the said 62nd RCC Meeting, the RCC discussed the proposed changes, considering the comments received;

WHEREAS, during the said 62nd Meeting, after due deliberation and after satisfying the requisite criteria as provided for under the pertinent provisions of the WESM Rules and WESM Manual of Procedures for Changes to the WESM Rules, the RCC approved the proposed changes to Clauses 2.5.6.1 and 2.5.6.2 of the WESM Rules (attached as Annex "A");

NOW THEREFORE, we, the undersigned and in behalf of the sector we represent, hereby resolve as follows:

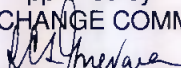






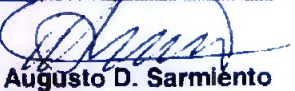


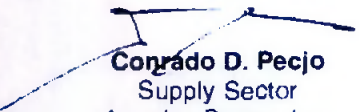



RESOLVED, that the proposed Changes to the WESM Rules Provision on Notice of

Chok

Non-approval of Application for Registration as WESM Member is adopted and approved in full;

RESOLVED FINALLY, that the proposed Changes to the WESM Rules Provision on Notice of Non-approval of Application for Registration as WESM Member be endorsed to the PEM Board for approval.

Done this 06 June 2012, Pasig City.

<p>Approved by: RULES CHANGE COMMITTEE  Rowena Cristina L. Guevara Chairperson University of the Philippines (UP)</p>	
<p>Members:</p>	
 Epictetus E. Patalinghug Independent University of the Philippines (UP)	 Francisco L.R. Castro, Jr. Independent The Herma Group
 Maila Lourdes G. de Castro Independent Unitel Productions, Inc.	 Cherry Aquino-Javier Generation Sector AES Philippines (AES)
 Cynthia R. Encarnacion Generation Sector National Power Corporation (NAPOCOR)	 Liberty Z. Dumlaog Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)
Ralph T. Crisologo Generation Sector SN Aboitiz Power (SNAP)	 Augusto D. Sarmiento Distribution Sector (PDU) Dagupan Electric Corporation (DECORP)
 Ciprinillo C. Meneses Distribution Sector (PDU) Manila Electric Company (MERALCO)	 Jose P. Santos Distribution Sector (EC) Ilocos Norte Electric Cooperative, Inc. (INEC)
Sulpicio C. Lagarde Jr. Distribution Sector (EC) Central Negros Electric Cooperative, Inc. (CENECO)	 Conrado D. Pecjo Supply Sector Angeles Power, Inc.
 Raul Joseph G. Seludo Transmission Sector National Grid Corporation of the Philippines (NGCP)	 Robinson P. Descanzo Market Operator Philippine Electricity Market Corporation (PEMC)
	<p>Certified True and Correct:</p>  Elaine D. Gonzales RCC Secretary PEMC

**Proposed Amendments to WESM Rules Provision on Notice of Non-Approval of
Application for Registration as WESM Member
RCC/WESM-WR-12/01**

Original Provision	PEMC-Proposed Amendments 07 May 2012		RCC Remarks 06 June 2012
	Proposed Amendments	Rationale	
2.5.6.1 If the <i>Market Operator</i> does not approve an application for registration in a category to which an application relates, the <i>Market Operator</i> shall send within fifteen (15) <i>business days</i> written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.	2.5.6.1 If the <i>Market Operator</i> does not approve an application for registration in a category to which an application relates , the <i>Market Operator</i> shall send within fifteen (15) <i>business days</i> written notice to the applicant advising the applicant that the application is not approved and the <i>Market Operator</i> shall give reasons for its decision.	This proposed rules change is pursuant to an ERC directive to notify the ERC of the denial of the application regardless of the reason. The deletion causes the clause to be more general, to account for cases denials due to policy gaps or technical limitations.	- Approved, as proposed.
2.5.6.2 The <i>ERC</i> shall be provided a copy of such written notice within five (5) <i>business days</i> after issuance to the applicant.	2.5.6.2 The <i>ERC</i> shall, <u>in all instances</u> , be provided a copy of such written notice within five (5) <i>business days</i> after issuance to the applicant.	The insertion emphasizes that the ERC must be informed of the denial regardless of the reason.	- Approved, as proposed.