

**WHOLESALE ELECTRICITY SPOT MARKET  
RULES CHANGE COMMITTEE**

**RESOLUTION No. 2010-03**

**Proposed Amendments to the WESM Rules on the Designation of a Compliance Officer  
for WESM Member, Market Operator and System Operator**

**WHEREAS**, on 18 November 2008, the Philippine Electricity Market Corporation (PEMC) submitted its proposed amendments to the WESM Rules (the Rules) to the Rules Change Committee (RCC), for consideration and approval;

**WHEREAS**, the proposed amendments designates a WESM Compliance Officer for WESM Members, Market Operator (MO) and System Operator (SO), under the new Section 7.2.9 of the Rules;

**WHEREAS**, the proposed Compliance Officer aims to foster a culture of compliance in the WESM and increase market confidence;

**WHEREAS**, the proposed Compliance Officer will serve as the focal person on WESM compliance matters and meetings, including requests for information to and from PEMC and attendance to meetings on enforcement and compliance;

**WHEREAS**, during the 28<sup>th</sup> RCC Meeting on 11 November 2009, the newly-reconstituted RCC agreed to prioritize for discussion all pending rules change proposals, which include the proposed designation of WESM Compliance Officer;

**WHEREAS**, during the 29<sup>th</sup> RCC Meeting on 02 December 2009, to facilitate the discussion and deliberation of the proposed amendments, the RCC agreed to conduct a survey on the designation of Compliance Officer with the Presidents of the Trading Participants as the target respondents ;

**WHEREAS**, of the twelve (12) Trading Participants who responded to the survey, ten (10) agreed to the designation of WESM Compliance Officer for WESM Members, MO and SO;

**WHEREAS**, during the 32<sup>nd</sup> Meeting on 07 April 2010, the RCC agreed to adopt the proposed amendments;

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

**RESOLVED**, that the proposed amendments to the WESM Rules (attached as Annex "A") is adopted and approved in full;

**RESOLVED FINALLY**, that the proposed amendments to the WESM Rules and PEM Audit Manual be endorsed to the PEM Board for approval.

Done this 07 April 2010, Pasig City.

<p>Approved by :</p> <p><b>RULES CHANGE COMMITTEE</b></p> <p> <b>Epictetus E. Patalinghug</b> Acting Chairperson Independent University of the Philippines (UP)</p>	
<p>Members:</p>	
<p><b>Cherry Aquino-Javier</b> Generation Sector AES Philippines (AES)</p>	<p> <b>Ralph T. Crisologo</b> Generation Sector SN Aboitiz Power (SNAP)</p>
<p> <b>Liberty Z. Dumlao</b> Generation Sector Power Sector Assets and Liabilities Management Corporation (PSALM)</p>	<p> <b>Alfredo L. Licudine, Jr.</b> Generation Sector National Power Corporation (NAPOCOR)</p>
<p><b>Raul Joseph G. Seludo</b> Transmission Sector National Grid Corporation of the Philippines (NGCP)</p>	<p> <b>Vicente C. Sioson</b> Distribution Sector (PDU) Manila Electric Company (MERALCO)</p>
<p> <b>Jose P. Santos</b> Distribution Sector (EC) Ilocos Norte Electric Cooperative (INEC)</p>	<p> <b>Conrado D. Pecjo</b> Supply Sector Angeles Power, Inc.</p>
<p><b>Robinson P. Descanzo</b> Market Operator Philippine Electricity Market Corporation (PEMC)</p>	<p> <b>Gloria P. Gerilla-Teknomo</b> Independent CPI-Energy Phils., Inc.</p>
<p> <b>Augusto D. Sarmiento</b> Distribution Sector (PDU) Dagupan Electric Corporation (DECORP)</p>	<p>Certified True and Correct:</p> <p> <b>Elaine D. Gonzales</b> RCC Secretary PEMC</p>

**Proposed Amendments to the WESM Rules on the Designation of a Compliance Officer for WESM Members, Market Operator and System Operator**  
**RCC/WESM-08/10**

Original Provision	Proposed Amendments	Rationale
	<p><b>New Provision</b></p> <p><b><u>Section 7.2.9 Designation of a Compliance Officer for WESM Member, Market Operator and System Operator</u></b></p> <p><b><u>Section 7.2.9.1 Each WESM member, the Market Operator, and the System Operator shall designate a Compliance Officer in their respective organizations.</u></b></p> <p><b><u>Section 7.2.9.2 The WESM member, the Market Operator and the System Operator may create a new position for this purpose or merely designate a senior officer to function as the Compliance Officer.</u></b></p> <p><b><u>Section 7.2.9.3 The responsibilities of the Compliance Officer shall include the following:</u></b></p> <p style="padding-left: 40px;">(a) <b><u>Develop procedures, monitor and undertake activities to effectively promote compliance to the WESM Rules and Market Manuals in their respective organizations.</u></b></p> <p style="padding-left: 40px;">(b) <b><u>Participate in the development of WESM policies regarding enforcement and compliance.</u></b></p> <p style="padding-left: 40px;">(c) <b><u>Liaise and raise issues of their respective organizations to the appropriate PEMC Governance Committees on matters concerning WESM Governance.</u></b></p> <p style="padding-left: 40px;">(d) <b><u>Be the official representative of the WESM member, Market Operator or System Operator, to whom all enforcement and compliance matters such as requests for information shall be</u></b></p>	<p>To help foster a culture of compliance in the WESM and increase market confidence.</p> <p>In a survey conducted during the Luzon WESM Stakeholders' Meeting in Subic at the Lighthouse Marina Resort on February 7-8, 2008, the stakeholders acknowledged that a Compliance Officer is "good for the company" and "essential" to "lessen/eliminate non-conformities/compliance."</p> <p>The Compliance Officer will also be knowledge and contact person on WESM compliance matters and meetings, including requests for information to and from PEMC and attendance to meetings on enforcement and compliance.</p>

Original Provision	Proposed Amendments	Rationale
	<p><u>communicated.</u></p> <p>(e) <u>Interact with the Enforcement and Compliance Office (ECO) concerning their respective organizations' compliance to WESM Rules and Market Manuals.</u></p> <p>(f) <u>Monitor and recommend changes to the WESM Rules and Market Manuals to the appropriate PEMC Governance Committees to help ensure that the WESM Rules continue to evolve alongside good commercial and technical practices.</u></p>	